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INDEPENDENT AUDITOR'S REPORT
To The Members of AU BON PAIN CAFÉ INDIA LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **AU BON PAIN CAFE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the

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auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2 to the Ind AS financial statements, which states that in view of continuous losses, all retail cafes of the company has been discontinued during the current financial year w.e.f 1st October, 2017. Accordingly, the financial statements have been prepared on the basis that the going concern assumption is no longer applicable to the Company.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors, is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy

Deloitte Haskins & Sells Chartered Accountants and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS AND SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner
Membership No. 054758

Kolkata, May 15, 2018

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AU BON PAIN CAFÉ INDIA LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

Deloitte Haskins & Sells Chartered Accountants and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind As financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind As financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay
Partner
Membership No. 054785

Kolkata, May 15, 2018

Deloitte
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ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. As on March 31, 2018, the company does not have any inventory.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess, and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2018 on account of disputes.

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(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
Membership No. 054758

Kolkata, May 15, 2018

Au Bon Pain Café India Limited
Balance Sheet as at 31 March 2018

Amount in Rs. Lakhs

	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4	-	1,347.60
(b) Capital work-in-progress	4	-	6.98
(c) Other Intangible assets	5	-	146.66
		-	**1,501.24**
(d) Financial assets			
(i) Other financial assets	6	-	115.26
(e) Non - Current tax assets (Net)	7	1.38	1.55
(f) Other non-current assets	8	-	110.49
Total non- current assets		**1.38**	**1,728.54**
(2) Current assets			
(a) Inventories	9	-	166.38
(b) Financial assets			
(i) Trade receivables	10	11.55	46.01
(ii) Cash and cash equivalents	11	7.80	53.45
(iii) Other balances with bank	11	2.00	2.00
(iv) Other financial assets	6	109.50	79.76
(c) Other current assets	8	10.27	63.07
(d) Assets held for sale	12	334.93	-
		476.05	**410.67**
Total current assets		**476.05**	**410.67**
TOTAL ASSETS		**477.43**	**2139.21**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	11,600.00	11,600.00
(b) Other equity	14	(11,350.02)	(10,009.67)
Total equity		**249.98**	**1,590.33**
Liabilities			
(2) Non-current liabilities			
(a) Provisions	17	-	38.45
(b) Other non-current liabilities	18	-	-
Total non- current liabilities		-	**38.45**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15	199.12	420.36
(ii) Other financial liabilities	16	24.07	59.67
(b) Provisions	17	-	0.26
(c) Other current liabilities	18	4.26	30.14
Total current liabilities		**227.45**	**510.43**
Total liabilities		**227.45**	**548.88**
TOTAL EQUITY AND LIABILITIES		**477.43**	**2,139.21**

The notes referred form an integral part of the financial statements (1-34)

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata, 15 May, 2018

For and on behalf of the Board of Directors

Director

MANISH TANDON

Director

KHALIL AHMAD SIDDIQI

Kolkata, 15 May, 2018

Au Bon Pain Café India Limited

Statement of Profit & Loss for the year ended 31 March, 2018

Amount in Rs. Lakhs

		Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I	Revenue from operations	19	683.59	1,585.26
II	Other Income	20	11.96	30.38
III	**Total Revenue (I + II)**		**695.55**	**1,615.64**
IV	**EXPENSES**			
	(a) Raw materials consumed	21	347.52	685.83
	(b) Purchases of Stock In Trade	21	42.45	67.05
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	21	11.88	6.64
	(d) Employee benefits expense	22	420.16	926.80
	(e) Finance costs	23	13.56	25.93
	(f) Depreciation and amortisation expense		262.93	405.86
	Property Plant and Equipment - Depreciation	4	230.61	358.60
	Intangible Fixed Assets - Amortisation	5	32.32	47.26
	(g) Other expenses	24	844.71	1,603.57
	Total Expenses (IV)		**1,943.21**	**3,721.68**
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**(1,247.66)**	**(2,106.04)**
VI	Exceptional Items	25	877.69	
VII	**Profit/(loss) before tax (V - VI)**		**(2,125.35)**	**(2,106.04)**
VIII	Tax Expense		-	-
	Total tax expense		-	-
IX	**Profit/(loss) after tax (VII - VIII)**		**(2,125.35)**	**(2,106.04)**
X	**Other comprehensive income**		-	(1.26)
	(i) Items that will not be recycled to profit or loss			
	- Remeasurement gains / (losses) on defined benefit plans during the year		-	(1.26)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI	**Total comprehensive income for the period (IX + X)**		**(2,125.35)**	**(2,107.30)**
XII	**Earnings per equity share :**			
	(1) Basic	26	**(1.83)**	**(2.23)**
	(2) Diluted	26	**(1.83)**	**(2.23)**

The notes referred form an integral part of the financial statements (1-34)

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata , 15 May 2018

For and on behalf of the Board of Directors

Director

MANISH TANDON

Director

KHALIL AHMAD SIDDIQI

Kolkata , 15 May 2018

Statement of changes in equity

Amount in Rs. Lakhs

(a) Equity Share Capital

	Amount
Balance as at April 01, 2017	11,600.00
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**11,600.00**

(b) Other Equity

	Share Application money received pending allotment	Retained Earnings		Total
		Statement of Profit and loss	Remeasurement Gains/ (Losses) recognised in other comprehensive income	
Balance as at April 01, 2017	222.65	(10,235.26)	2.94	(10,009.67)
Profit attributable to the owners of the company	-	(2,125.35)	-	(2,125.35)
Amount Received	785.00	-	-	785.00
Shares issued	-	-	-	-
Balance as at March 31, 2018	**1,007.65**	**(12,360.61)**	**2.94**	**(11,350.02)**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Kolkata , 15 May, 2018

For and on behalf of the Board of Directors

Director
MANISH TANDON

Director
KHALIL AHMAD SIDDIQI

Kolkata , 15 May, 2018

Au Bon Pain Café India Limited

Cash Flow Statement for the year ended 31st March, 2018

Amount in Rs. Lakhs

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A. Cash Flow from Operating activities:		
Loss for the year	(2,125.35)	(2,106.04)
Adjustments for:		
Depreciation and amortisation	262.93	405.86
Capital Work in Progress written off	47.10	-
Assets Written down to fair value cost	59.11	-
Loss on assets sold/ discarded	-	131.94
Assets written off	728.26	-
Operating profit before working capital changes	**(1,027.95)**	**(1,568.24)**
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	34.46	(14.88)
Other financial assets	85.52	25.12
Other assets	128.75	(14.01)
Inventories	166.38	(72.15)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(221.24)	134.18
Other financial liabilities	(35.60)	(4.07)
Other liabilities	(25.88)	(3.52)
Provisions	(26.21)	2.84
Cash generated from operations	**(921.77)**	**(1,514.73)**
Direct taxes paid	0.17	(0.79)
Net cash utilised in operating activities	**(921.60)**	**(1,515.52)**
B. Cash Flow from Investing activities:		
Capital Expenditure on fixed assets including capital advances	(5.59)	(624.90)
Proceeds from sale of Fixed Assets	96.54	32.96
Interest received	-	(0.16)
Net cash utilised in investing activities	**90.95**	**(592.10)**
C. Cash Flow from Financing activities:		
Proceeds from issue of equity shares	-	2,160.00
Share Application money pending allotment	785.00	(50.00)
Net cash from financing activities	**785.00**	**2,110.00**
Net increase or decrease in cash or cash equivalents	(45.65)	2.38
Cash and cash equivalents as at 1st April [1]	53.45	51.07
Cash and cash equivalents as at 31st March [1]	**7.80**	**53.45**

Notes:

1. Include cash and Cheques on hand, balance in current accounts with banks (refer note 11)
2. Figures in brackets represent outflows.
3. Previous year figures have been regrouped/restated wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata, 15 May, 2018

For and on behalf of the Board of Directors

Director

MANISH TANDON

Director

KHALIL AHMAD SIDDIQI

Kolkata, 15 May, 2018

Au Bon Pain Café India Limited

Notes forming part of the financial statements

1 Corporate Information

Au Bon Pain Café India Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Duncan House, 31 Netaji Subhas Road, Kolkata.The Company was engaged in setting up a chain of retail cafes and had operations in Bangalore, Kolkata and in Northern Capital Region (NCR). For developing the business, master franchise agreement was entered into between ABPCIL and Au Bon Pain Corporation USA on 14th July 2008, for the grant of exclusive franchise to the Company. The company has discontinued Au Bon Pain retail cafes with effect from 1st October, 2017.

2 Basis of Preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

In view of continuous losses, Au Bon Pain retail cafes of the company has been discontinued during the current financial year w.e.f 1st October, 2017, the going concern assumption is no longer applicable to the Company. Accordingly, the financial statements have not been prepared on a going concern basis; all the assets are valued at its net realizable value and all the liabilities are valued at the expected settlement price.

3 Significant Accounting Policies

3.1 Property, plant and equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure in respect of improvements, etc. carried out at the rented / leased premises are capitalised and depreciated over the initial period of lease or useful life of assets, whichever is lower.

Expenditure incurred in setting up of stores are capitalized as a part of Leasehold improvements.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management,which is as follows:

Class of Assets	Useful lives estimated by the management (years)
Leasehold Improvement	2 to 9 years
Plant and Machinery (1)	3 to 15 years
Furniture fixture (1)	4 to 9 years
Motor Vehicles (1)	5 years
Office Equipments (1)	3 to 5 years
Electrical/ Café Equipments (1)	3 to 10 years

(1) The useful life of these categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The carrying amount of assets is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Au Bon Pain Cafe India Ltd. Gurgaon

Notes forming part of the financial statements

3.2 Intangible assets

Acquired Computer softwares and knowhow & licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an impairment indicator.The amortisation expense is recognised in the statement of profit and loss.

Gain or loss arising on disposal of the intangible asset is included in the statement of profit and loss.

A summary of the amortisation policies applied to the Company's intangible assets is, as follows:

Class of Assets	Useful lives estimated by the management (years)
Computer Softwares	4 Years
Brand License	2 to 10 years

3.3 Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Company recognises impairment loss allowance on deposits based on historically observed default rates. Impairment loss allowance recognised /reversed during the year are charged/written back to statement of profit and loss.

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Materials are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Traded Goods and Packing materials are valued at lower of cost and net realizable value. Cost includes purchase price and other incidental expenses. Cost is determined under moving weighted average method.

Obsolete/Damaged stock is valued at lower of cost less provision and net realisable value. Such provision is ascertained based on pre-determined criterion adopted by the Company consistently over the years.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

3.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.6 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, , the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.7 Retirement and other employee benefits

Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

i Gratuity liability is a defined benefit obligation and contribution, by way of premium is paid to Life Insurance Corporation of India (L.I.C.), under the Group Gratuity Scheme. The company does not have any employees as at March, 31 2018, accordingly actuarial valuation has not been done.

ii Long term compensated absences are provided for on the basis of actuarial valuation carried out at the year end as per projected unit credit method.

iii The current and non current bifurcation has been done as per the Actuarial report.

iv Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year.

3.8 Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

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3.9 **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Gift vouchers /cards sales are recognised when the vouchers are redeemed and goods are sold to the customers.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly revenue includes excise duty. However, Sales tax/ value added tax (VAT)/ GST are collected on behalf of the government and accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts. The Company operates a loyalty points programme, which allows customers to accumulate points when they purchase products in the Company's retail stores. The points can be redeemed for free products.

Consideration received by the Company on sale of goods is allocated between the products sold and the points issued based on their fair values. Fair value of the points is determined using value of goods which can be bought by reedeming such points and the same is deferred and recognised as revenue on redemption.

Interest Income

Interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

3.10 **Taxes**

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

3.11 **Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments as per terms of the agreement are recognised as an expense in the statement of profit and loss on a straight line basis. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increase are recognised in the period in which such increase is effected. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.12 **Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share ,the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.13 **Contingent liabilities and assets**

A contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised not disclosed.

3.14 **Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortized cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing of the proceeds received.

b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.15 **Non-current assets held for sale**

Non-current assets classified as held for sale are measured at the lower of the carrying value and fair value less costs to sale.

Assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in it's present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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Notes forming part of the financial statements

4 - Property, Plant and Equipment

Amount in Rs. Lakhs

Carrying amount of	As at 31st March, 2018	As at 31st March, 2017
Leasehold Improvements	-	299.43
Plant and Machinery	-	150.75
Furniture and fixtures	-	199.32
Office Equipment	-	59.24
Electrical Equipments/ Café Equipments	-	637.48
Vehicles	-	1.38
Property, Plant and Equipment	-	**1,347.60**
Capital work in progress	-	**6.98**

Description of Assets	Leasehold Improvements	Plant and Machinery	Furniture and fixtures	Office Equipment	Electrical Equipments/ Café Equipments	Vehicles	Total Tangible Assets	Capital work in progress	Total tangible assets
I. Gross Block									
Balance as at 1 April, 2017	446.41	246.99	320.27	65.14	927.03	2.39	**2,008.23**	6.98	**2,015.21**
Additions	-	-	-	-	-	-	-	40.12	**40.12**
Disposal/Written off	(446.41)	(160.75)	(134.62)	(7.88)	(483.24)		**(1,232.90)**		**(1,232.90)**
Classified as held for sale		(86.24)	(185.65)	(57.26)	(443.79)	(2.39)	**(775.33)**	-	**(775.33)**
Balance as at 31 March, 2018	-	-	-	-	-	-	-	**47.10**	**47.10**
II. Accumulated depreciation									
Balance as at 1 April, 2017	(146.98)	(96.24)	(120.95)	(5.90)	(289.54)	(1.01)	**(660.62)**	-	**(660.62)**
Depreciation expense for the year	(101.71)	(28.82)	(34.38)	(0.92)	(64.55)	(0.23)	**(230.61)**	-	**(230.61)**
Written off of Capital work in progress							-	**47.10**	**47.10**
Disposal/Written off	(248.69)	(73.80)	(43.14)	(4.04)	(140.27)	-	**(509.94)**	-	**(509.94)**
Classified as held for sale		(51.26)	(112.19)	(2.78)	(213.82)	(1.24)	**(381.29)**		**(381.29)**
Balance as at 31 March, 2018	-	-	-	-	-	-	-	-	
Net block (I-II)							-	-	
Balance as on 31st March 2018	-	-	-	-	-	-	-	-	-
Balance as on 31st March 2017	**299.43**	**150.75**	**199.32**	**59.24**	**637.48**	**1.38**	**1,347.60**	**6.98**	**1,354.58**

Au Bon Pain Café India Limited
Notes forming part of the financial statements

5 - Other Intangible assets

Amount in Rs. Lakhs

Description of Assets	Computer Software	Trade Mark	Total Intangible Assets	Total intangible assets
I. Gross Block				
Balance as at 1 April, 2017	101.91	130.40	**232.31**	**232.31**
Additions	-	-	-	-
Written off	(101.91)	(130.40)	**(232.31)**	**(232.31)**
Balance as at 31 March, 2018	-	-	-	-
II. Accumulated impairment				
Balance as at 1 April, 2017	(41.24)	(44.41)	**(85.65)**	**(85.65)**
Amortisation expense for the year	(12.94)	(19.38)	**(32.32)**	**(32.32)**
Written off	(54.18)	(63.79)	**(117.97)**	**(117.97)**
Balance as at 31 March, 2018	-	-	-	-
Net block (I-II)				
Balance as on 31st March 2018	-	-	-	-
Balance as on 31st March 2017	**60.67**	**85.99**	**146.66**	**146.66**

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Notes forming part of the financial statements

6 - Other financial assets

Amount in Rs. Lakhs

	As at 31 March 2018			As at 31 March 2017		
	Non current	Current	Total	Non current	Current	Total
Other financial assets						
(a) Security deposits - unsecured, considered good	-	85.96	**85.96**	121.84	74.22	**196.06**
(b) Security deposits - unsecured, considered doubtful	-	49.80	**49.80**	-	-	-
(c) Interest accrued on deposits						
Deposits	-	0.50	**0.50**	-	0.50	**0.50**
(d) Other loans and advances	-	23.04	**23.04**	-	-	**5.04**
Loans to employees	-	-	-	-	2.67	**2.67**
Advances to employees	-	-	-	-	2.37	**2.37**
Others	-	23.04	**23.04**	-	-	-
Gross other financial assets	-	**159.30**	**159.30**	**121.84**	**79.76**	**201.60**
Less: Provision for bad & doubtful other financial assets						
Security Deposit	-	49.80	**49.80**	6.58	-	**6.58**
Total provision for bad & doubtful other financial assets	-	**49.80**	**49.80**	**6.58**	-	**6.58**
Net other financial assets	-	**109.50**	**109.50**	**115.26**	**79.76**	**195.02**

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Au Bon Pain Café India Limited
Notes forming part of the financial statements

7 - Non current tax assets

Amount in Rs. Lakhs

	As at 31 March 2018			As at 31 March 2017		
	Non current	Current	Total	Non current	Current	Total
TDS Receivable	1.38		**1.38**	1.55	-	**1.55**
Total non current tax assets	**1.38**	-	**1.38**	**1.55**	-	**1.55**

Classification of non current tax assets						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	1.38	-	**1.38**	1.55	-	**1.55**
Doubtful	-	-	-	-	-	-
Total non current tax assets	**1.38**	-	**1.38**	**1.55**	-	**1.55**

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Notes forming part of the financial statements

8 - Other assets

Amount in Rs. Lakhs

	As at 31 March 2018			As at 31 March 2017		
	Non current	Current	Total	Non current	Current	Total
(a) Capital advances	-	-	-	34.54	-	**34.54**
(b) Other advances and prepayments	-	-	-	-	-	-
Advances to vendors	-	-	-	-	12.05	**12.05**
Claims receivable from customs, excise and other statutory authorities	-	8.41	**8.41**	-	8.78	**8.78**
Prepaid expenses	-	-	-	75.95	11.19	**87.14**
Others	-	1.86	**1.86**	-	31.05	**31.05**
Gross other assets	-	**10.27**	**10.27**	**110.49**	**63.07**	**173.56**
Less: Provision for bad & doubtful other assets	-	-	-	-	-	-
Total provision for bad & doubtful other assets	-	-	-	-	-	-
Total Other assets	-	**10.27**	**10.27**	**110.49**	**63.07**	**173.56**
Classification of other assets:						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	10.27	**10.27**	110.49	63.07	**173.56**
Doubtful	-	-	-	-	-	-
Gross other assets	-	**10.27**	**10.27**	**110.49**	**63.07**	**173.56**

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Au Bon Pain Café India Limited
Notes forming part of the financial statements

9 - Inventories

Amount in Rs. Lakhs

		As at 31 March 2018	As at 31 March 2017
(a)	Raw materials	-	102.26
	Cost	-	102.26
	Less: Provision	-	-
(b)	Finished goods	-	5.88
	Cost	-	5.88
	Less: Provision	-	-
(c)	Stores and spares	-	52.24
	Cost	-	52.24
	Less: Provision	-	-
(d)	Stock In Trade	-	6.00
Total Inventories		**-**	**166.38**

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Notes forming part of the financial statements

10 - Trade receivables

Amount in Rs. Lakhs

	As at 31 March 2018			As at 31 March 2017		
	Non current	Current	Total	Non current	Current	Total
Trade receivables						
(a) Unsecured, considered good	-	11.55	**11.55**	-	46.01	**46.01**
(b) Unsecured, considered doubtful	-	27.36	**27.36**	-	7.92	**7.92**
Less: Allowance for Doubtful trade receivables (expected credit loss allowance)	-	27.36	**27.36**	-	7.92	**7.92**
Net trade receivables	-	**11.55**	**11.55**	-	**46.01**	**46.01**

Age of receivables	As at 31 March 2018			As at 31 March 2017		
	Gross balance	Provision	Net balance	Gross balance	Provision	Net balance
Within the credit period	-	-	-	23.44	3.06	20.38
One month overdue	-	-	-	13.19	-	13.19
Two months overdue	-	-	-	10.61	-	10.61
Three months overdue	-	-	-	0.43	-	0.43
Between three to six months overdue	-	-	-	1.01	-	1.01
Greater than six months overdue	38.91	27.36	11.55	5.25	4.86	0.39
	38.91	**27.36**	**11.55**	**53.93**	**7.92**	**46.01**

Movement in provision for doubtful debts	As at 31 March 2018	As at 31 March 2017
Balance at beginning of the year	7.92	2.50
Provided during the year	19.44	5.42
Balance at end of the year	27.36	7.92

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Au Bon Pain Café India Limited
Notes forming part of the financial statements

11 - Cash and cash equivalents

Amount in Rs. Lakhs

	As at 31 March 2018	As at 31 March 2017
(a) Cash in hand	0.41	20.87
(b) Balances with banks		
In Current Account	7.39	32.58
Total cash and cash equivalents	**7.80**	**53.45**
Earmarked Balances with banks		
Earmarked Balance with scheduled banks		
In Deposit Account	2.00	2.00
Total other bank balances	**2.00**	**2.00**
Total cash and bank balances	**9.80**	**55.45**

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12 - Assets Held for Sale

During the financial year, the company has discontinued its operation. Accordingly, as at March 31, 2018 the company has reclassified property, plant and equipment with carrying value of 334.93 lakhs as held for sale, as it expects to recover carrying value principally through sale and is in the process of identifying a prospective buyer. The company expects to complete the sale within a period of one year from the reporting date. The company has recognised an impairment loss of Rs 59.11 lakhs on reclassification of such items as held for sale based on expected realisable value, which is included in the exceptional items in the statement of profit and loss (refer Note 25).

Amount in Rs. Lakhs

	As at 31 March 2018	As at 31 March 2017
Assets classifed as held for sale		
- Property, Plant and Equipments	394.04	-
Less: Written down to fair value	59.11	-
Total Assets held for sale	**334.93**	**-**

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13 - Share Capital

	Amount In Rs. Lakhs	
	As at 31st March 2018	As at 31st March 2017
Authorised:		
12,00,00,000 Equity Shares of Rs. 10 each *(As at 31.03.2017: 12,00,00,000)*	12,000.00	12,000.00
	12,000.00	**12,000.00**
Issued		
11,96,00,000 Equity Shares of Rs. 10 each *(As at 31.03.2017: 11,60,00,000)*	11,960.00	11,960.00
	11,960.00	**11,960.00**
Subscribed and fully paid up Equity shares of Rs 10 each		
11,60,00,000 Equity Shares of Rs. 10 each *(As at 31.03.2018: 11,60,00,000)*	11,600.00	11,600.00
	11,600.00	**11,600.00**

Notes :

(i) Reconciliation of Number of shares

	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	Amount Rs. lacs	No. of Shares	Amount Rs. lacs
Issued, Subscribed and Fully paid				
At the beginning of the year	**11,60,00,000**	**11,600.00**	9,44,00,000	9,440.00
Issued during the year	**-**	**-**	2,16,00,000	2,160.00
At the end of the year	**11,60,00,000**	**11,600.00**	11,60,00,000	11,600.00

(ii) Details of shareholders holding more than 5% of outstanding shares

	Shareholder	As at 31.03.2018		As at 31.03.2017	
		No. of Shares	%	No. of Shares	%
(1)	Spencer's Retail Limited	**10,80,00,000**	**93.10**	10,80,00,000	93.10
(2)	Mr. Varin Narula	**80,00,000**	**6.90**	80,00,000	6.90
		11,60,00,000	**100.00**	11,60,00,000	100.00

(iii) The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

14 - Other Equity

	As at 31.03.2018	Amount In Rs. Lakhs As at 31.03.2017
a) Share Application Money Pending Allotment		
Balance as at April 01, 2017	222.65	272.65
Received during the year	785.00	2,110.00
Issued during the year	-	2,160.00
Balance as at March 31, 2018	1,007.65	222.65
b) Deficit in the statement of profit and loss		
Balance as at April 01, 2017	(10,235.26)	(8,129.22)
Loss for the year	(2,125.34)	(2,106.04)
Balance as at March 31, 2018	(12,360.60)	(10,235.26)
c) Remeasurement Gains/(Losses) recognised in other comprehensive income		
Balance as at April 01, 2017	2.94	4.20
Addition for the year	-	(1.26)
Balance as at March 31, 2018	2.94	2.94
Total other equity	**(11,350.01)**	**(10,009.67)**

Share Application Money Pending Allotment

Equity shares will be allotted to the Holding Company after completion of necessary compliances including enhancement of the authorised Share Capital.

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Notes forming part of the financial statements

15 - Trade payables

Amount in Rs. Lakhs

	As at 31 March 2018			As at 31 March 2017		
	Non current	Current	Total	Non current	Current	Total
(a) Creditors for supplies and services						
Dues to micro and small enterprises	-	-	-	-	-	-
Others	-	188.18	188.18	-	392.72	392.72
(b) Creditors for accrued wages and salaries	-	10.94	10.94	-	27.64	27.64
Total trade payables	-	**199.12**	**199.12**	-	**420.36**	**420.36**

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16 - Other financial liabilities

Amount in Rs. Lakhs

	As at 31 March 2018			As at 31 March 2017		
	Non current	Current	Total	Non current	Current	Total
Creditors for other liabilities						
Creditors for capital supplies and services	-	12.96	12.96	-	59.30	59.30
Others	-	11.11	11.11	-	0.37	0.37
Total other financial liabilities	-	**24.07**	**24.07**	-	**59.67**	**59.67**

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17 - Provisions

Amount in Rs. Lakhs

	As at 31 March 2018			As at 31 March 2017		
	Long Term	Short Term	Total	Long Term	Short Term	Total
(a) Provision for employee benefits						
Retirement benefits obligations						
Retiring Gratuity	-	-	-	12.24	0.12	**12.36**
Other Long-term employee benefits						
Leave encashment fund	-	-	-	13.71	0.14	**13.85**
(b) Other Provisions						
Asset Restoration Obligations	-	-	-	12.50	-	**12.50**
Total Provisions	**-**	**-**	**-**	**38.45**	**0.26**	**38.71**

As on 31st March, 2018, there are no employee in the payroll of the company. Accordingly there are no liability for gratuity and compensated absenses.

Au Bon Pain Café India Limited
Notes forming part of the financial statements

18 - Other liabilities

Amount in Rs. Lakhs

		As at 31 March 2018			As at 31 March 2017		
		Non current	Current	Total	Non current	Current	Total
(a)	Statutory Dues						
	Tax deducted and collected at source	-	3.03	3.03	-	9.47	9.47
	Others	-	1.23	1.23	-	18.08	18.08
(b)	Other credit balances	-	-	-	-	2.59	2.59
Total Other liabilities		**-**	**4.26**	**4.26**	**-**	**30.14**	**30.14**

Au Bon Pain Café India Limited
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19 - Revenue from operations

Amount in Rs. Lakhs

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Sale of products		
Revenue from Operation	670.84	1,579.29
(b) Other operating income		
Royalty Income	12.75	5.97
Total Revenue from Operations	**683.59**	**1,585.26**

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20 - Other Income

Amount in Rs. Lakhs

		For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a)	FV Changes on non-derivative financial assets	-	15.63
(b)	Income from sale of scrap	0.81	1.84
(c)	Liability no longer required written back	0.70	12.10
(d)	Interest income on deposits with bank	-	0.22
(e)	Miscellaneous income	10.45	0.59
Total Other Income		**11.96**	**30.38**

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21 - Raw Materials Consumed

Amount in Rs. Lakhs

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Raw Materials:	**347.52**	**685.83**
(a) Food	340.57	662.09
(b) Others	6.95	23.74
Total Raw Materials Consumed	**347.52**	**685.83**

Notes:

1. Raw Materials Consumed

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening Stock	102.26	38.75
Add: Purchases	245.26	749.34
	347.52	788.09
Less: Inventory at the end of the year	-	102.26
	347.52	685.83

2. Purchase of Stock in Trade

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Beverages	15.87	32.59
(b) Impulses and others	26.58	34.46
	42.45	**67.05**

3. Changes in Stock of Finished Goods and Stock in Trade

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening Stock		
(i) Finished Goods	5.88	10.79
(ii) Stock in Trade	6.00	7.73
	11.88	**18.52**
Less: Closing Stock		
(i) Finished Goods	-	5.88
(ii) Stock in Trade	-	6.00
	-	**11.88**
Net (Increase)/Decrease	**11.88**	**6.64**

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22 - Employee Benefit Expense

Amount in Rs. Lakhs

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Salaries and wages, including bonus	371.26	852.24
(b) Contribution to provident and other funds	21.42	51.64
Provident Fund	16.65	35.49
Employees State Insurance	4.65	9.39
Gratuity	-	6.61
Labour welfare fund	0.12	0.15
(c) Staff welfare expenses	27.48	22.92
Total Employee Benefit Expense	**420.16**	**926.80**

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23 - Finance costs

Amount in Rs. Lakhs

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Bank Charges	13.56	25.93
Total finance costs	**13.56**	**25.93**

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24 - Other Expenses

Amount In Rs. Lakhs

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Stores and spares consumed	63.02	96.83
(b) Repairs to buildings	0.06	2.75
(c) Repairs to machinery	34.36	72.63
(d) Repairs to Others	16.41	38.07
(e) Purchase of power	82.39	190.48
(f) Freight and handling charges	8.56	6.19
(g) Rent	325.71	537.30
(h) Excise duties	4.86	25.62
(i) Royalty	27.41	64.05
(j) Rates and taxes	24.30	26.95
(k) Insurance charges	8.56	4.89
(l) Provision for doubtful debts	19.44	5.42
(m) Other expenses	**229.63**	**532.39**
Legal and other professional costs	56.64	39.10
Auditors remuneration and out-of-pocket expenses	**11.64**	**14.30**
As Auditors	9.00	9.00
For Taxation matters	2.00	2.00
For Other services	-	3.00
Auditors out-of-pocket expenses	0.64	0.30
Advertisement, Promotion & Selling Expenses	39.14	118.35
Travelling Expenses	26.29	79.12
Other General Expenses	**95.92**	**281.52**
Security & fire fighting expenses	15.67	8.94
Telephone and Communication expenses	15.13	22.29
Printing and Stationary	2.63	10.09
Housekeeping	38.30	36.68
Loss on assets sold/ discarded	-	131.94
Other general expenses	24.19	71.58
Total Other Expenses	**844.71**	**1,603.57**

25 - Exceptional Items

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Assets writen off	728.26	-
(b) Capital Work in Progress Written off	47.10	-
(c) Provisions for doubtful security deposits	43.22	-
(d) Write down to fair value	59.11	-
Total Exceptional Items	**877.69**	-

Note:

(i) Property plant and equipment, Intangible assets and Capital Work in progress written off aggregating to Rs. 775.36 lakhs. (2016-17 Rs. NIL)

(ii) Provision towards doubtful security deposit Rs. 43.22 lakhs. (2016-17 Rs. NIL)

(iii) Write down of carrying value of Asset held for sale by Rs. 59.11 lakhs. (2016-17 Rs. NIL)

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Notes forming part of the financial statements

26 - Earnings per share

The following table reflects the Profit/(Loss) and shares data used in the computation of basic and diluted earnings per share.

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit/(Loss) for the year attributable to owners of the Company (Rs in lakhs)	(2,125.35)	(2,106.04)
Weighted average number of equity shares for of basic and diluted earnings per share	11,60,00,000	9,44,59,178
Nominal Value per share (Rs)	10	10
Basic and Diluted Earnings per share (Rs) #	(1.83)	(2.23)

Since the effect of potential equity shares are anti dilutive, basic and diluted loss per share is equal.

27 - Deferred tax

Deferred tax assets on (i) unabsorbed depreciation and carried forward business losses and (ii) temporary differences between book balance and the written down value as per Income Tax Act of Property, Plant & Equipment has not been created due to uncertainity of future taxable profit against which the same will be adjusted.

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Notes to the Financial Statements

28 - Employee Benefits

Defined Contribution Plans

The Company provides Provident Fund benefit to its employees. The contributions towards Provident fund were paid to the trust administered by the Government. The company has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company has recognised, in the Statement of Profit and Loss for the current year an amount of Rs. 16.65 lacs (Previous year : Rs.35.49 lacs) expenses under defined contribution plans.

		2017-18 Amount (Rs. In lacs)	2016-17 Amount (Rs. In lacs)
i).	Contribution to Provident Fund	16.65	35.49
		16.65	35.49

Defined Benefits Plans

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity liabilities are funded through Life Insurance Corporation of India. The liability towards leave encashment is not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of IND AS 19 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Other Comprehensive Income in the year in which they occur.

Details of the Gratuity Benefit are as follows

	Description	2017-18 Gratuity (Funded) Amount (Rs. In lacs)*	2016-17 Gratuity (Funded) Amount (Rs. In lacs)
1.	**Reconciliation of opening and closing balances of obligation**		
	a. Obligation as at opening of the year	-	13.31
	b. Current service cost	-	6.02
	c. Interest cost	-	0.77
	d. Acquisition adjustment	-	-
	e. Remeasurement (gain)/losses	-	-
	e.1. Actuarial gains and losses arising from changes in demographic	-	-
	e.2. Actuarial gains and losses arising from changes in financial	-	1.25
	e.3. Actuarial gains and losses arising from experience adjustments	-	(1.09)
	f. Benefits paid	-	(6.17)
	g. Obligation as at end of the year	-	14.09
2.	**Change in fair value of plan assets**		
	a. Fair value of plan assets as at opening of the year	-	2.27
	b. Acquisition adjustment	-	-
	c. Expected return on plan assets	-	0.18
	d. Return on plan assets (greater)/less than discount rate	-	(1.10)
	e. Contributions made by the company	-	6.55
	f. Benefits paid	-	(6.17)
	g. Fair value of plan assets as at end of the year	-	1.73
3.	**Reconciliation of fair value of plan assets and obligations**		
	a. Present value of obligation as at end of the year	-	14.09
	b. Fair value of plan assets as at end of the year	-	(1.73)
	c. Amount recognised in the balance sheet (Assets)/ Liability	-	12.36
4.	**Expense Recognized in statement of Profit/Loss**		
	a. Current service cost	-	6.02
	b. Interest cost	-	0.77
	c. Expected return on plan assets	-	(0.18)
	d. Cost recognized in Statement of Profit & Loss	-	6.61
	Remeasurement on the net defined benefit liability/asset:		
	a. Actuarial (gain)/loss due to DBO Experience	-	(1.09)
	b. Actuarial (gain)/loss due to DBO assumption changes	-	1.25
	c. Actuarial (gain)/loss arising during period	-	0.16
	d. Return on plan assets (greater)/less than discount rate	-	(1.10)
	e. Actuarial (gains)/losses recognised in OCI	-	(1.26)
	Total expenses recognised during the year	-	5.35
5.	**Investment details**		
	Others (Funds with Life Insurance Corporation of India)	-	1.73
6.	**Assumptions**		
	a. Discount rate (per annum)	0.00%	7.50%
	b. Estimated rate of return on plan assets (per annum)	0.00%	7.50%
	c. Rate of escalation in salary	0.00%	6.00%

7. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary

	FY 2017-18*		FY 2016-17	
Effect of 0.5% change in	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Increase				
(i) aggregate current service and interest cos	-	-	(1.26)	1.42
(ii) closing balance of obligation	-	-	12.84	15.51
Decrease				
(i) aggregate current service and interest cos	-	-	1.41	(1.27)
(ii) closing balance of obligation	-	-	15.51	12.82

The sensitivity analysis presented bove may not be representative of the actual change in the defined benefit obligation

*As on 31st March, 2018, the company has no employee in its payroll. Accordingly, no acturial valuation as per IND AS 19 has been done and thus no disclosures have been made for the current year.

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29 - Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.14 to the standalone financial statements.

Financial assets and liabilities

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end

	As at 31/03/2018	As at 31/03/2017
Financial Assets		
Measured at amortised cost		
Trade receivables	11.55	46.01
Cash and cash equivalents	7.80	53.45
Other balances with bank	2.00	2.00
Other financial assets	109.50	195.02
Financial Liabilities		
Measured at amortised cost		
Trade payables	199.12	420.36
Other financial liabilities	24.07	59.67

Financial risk management

In the course of its business, the Company is exposed primarily to liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company is as such not exposed to fluctuations in foreign currency exchange rates and interest rates.

The Company has a risk management policy which not only covers the liqudity and credit risk but also other risks associated with the financial assets and liabilities such as interest rate risks. The risk management policy is approved by the board of directors.

Credit risk management:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of trade receivables, loans and advances and security deposits. None of the financial instruments of the Company result in material concentrations of credit risks.

The Company has adopted policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transact with entities that are rated the equivalent of investment grade and above. The Company uses other publicaly availabe financial information and its own trading records to rate rate its major customers.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium- term and long-term funding and liquidity management requirements. The Company generally manages liquidity risk by maintaining adequate reserves and short term banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31st, 2018 and 2017:

	As at March 31, 2018				
	Carrying amount	**Contractual cash flows**	**less than 1 year**	**between 1 - 5 years**	**More than 5 years**
Trade payables	199.12	199.12	199.12	-	-
Other financial liabilities	24.07	24.07	24.07	-	-
Total	**223.19**	**223.19**	**223.19**	**-**	**-**

	As at March 31, 2017				
	Carrying amount	**Contractual cash flows**	**less than 1 year**	**between 1 - 5 years**	**More than 5 years**
Trade payables	420.36	420.36	420.36	-	-
Other financial liabilities	59.67	59.67	59.67	-	-
Total	**480.03**	**480.03**	**480.03**	**-**	**-**