

AU BON PAIN CAFÉ INDIA LIMITED

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2014**

AU BON PAIN CAFÉ INDIA LIMITED

DIRECTORS' REPORT

To The Members,

Your Directors take pleasure in submitting the Sixth Annual Report and Audited Accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS

<u>Particulars</u>	Rs/Million	
	<u>2013-14</u>	<u>2012-13</u>
Sales and Other Income	132	110
Operating Profit / (Loss)	(96)	(54)
Depreciation	32	25
Profit / (Loss) before Tax	(128)	(79)

OPERATIONS REVIEW & OUTLOOK

During the year, company expanded its operations to the city of Kolkata with the opening of one high street café and one café in the mall. Response received from the customers is very encouraging. The Company continues to strengthen its café operations in the city of Bangalore. During the year company opened 7 new cafes and total no of cafés in operation at the end of the year were 29. ABP Café operates across different formats covering high street, malls, hospitals, education, business & IT parks. The Company is targeting to open its first café in Gurgaon (NCR) in the coming month and looking at expanding its operations both in the cities of Kolkata and NCR.

Company is confident of delivering much improved performance in the coming years.

SHARE CAPITAL

The paid up equity share capital of the Company is increased to Rs.40 Crores during the year which is held by Spencer's' Retail Limited and Mr. Varin Narula in the ratio of 80:20 respectively.

DIRECTORS

During the year, Mr. Sanjay Gupta was appointed as Whole-time Director on the Board of the Company with effect from 1 August 2013.

Mr. Sunil Bhandari was appointed as Additional Director on the Board of the Company with effect from 11 November 2013. Company has received notice from a member signifying his intention to propose the appointment of Mr. Sunil Bhandari as Director of the Company at the ensuing Annual General Meeting.

Pursuant to section 256 of the Companies Act, 1956, Mr. Subhrangshu Chakrabarti retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

AUDIT COMMITTEE

The Audit Committee consists of three members namely Mr. Sumantra Banerjee, Mr. Sunil Bhandari and Mr. Subhrangshu Chakrabarti.

AUDITORS REPORT

The Board has examined the Auditors Report to the accounts and the clarifications, wherever necessary, have been included in the Notes to Accounts.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Company has received necessary confirmation from the Auditors under Section 224(1B) of the Companies Act, 1956 ("the Act").

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, particulars of employees form part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereunder confirm that :

- i. in the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. they have selected such Accounting Policies and applied them consistently; and made judgment and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of financial year;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. that the annual Accounts have been prepared on a 'going concern' basis.

PARTICULARS OF TECHNOLOGY ABSORPTION, ENERGY CONSERVATION ETC.

The provisions of Sec. 217(1)(e) of the Act relating to technology absorption and energy conservation do not apply to the Company. The Company widely uses information technology in its operations.

During the year under review, expenditure in foreign currency amounted to Rs. 5.057 million and foreign exchange earnings was nil.

ACKNOWLEDGEMENTS

The Directors express their appreciation to bankers, trade suppliers, employees, and shareholders for their continued support and cooperation.

For and on behalf of the Board

Kolkata
Date : 14 May 2014

Sd/-
Sanjay Gupta
Director

Sd/-
Subhrangshu Chakrabarti
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AU BON PAIN CAFÉ INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AU BON PAIN CAFÉ INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs)) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

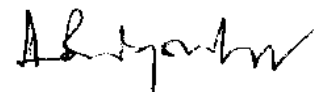
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (a) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
 - (b) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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



Abhijit Bandyopadhyay
Partner
Membership No. 054785



KOLKATA, 14th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/activities/result/transactions clauses 4(vi), (xii), (xiii), (xiv), (xv), (xvi) and (xix) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (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 programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) According to the information and explanation given to us, there are no contracts or arrangements that need to be entered into the Register maintained Under Section 301 of the Companies Act, 1956.



**Deloitte
Haskins & Sells**

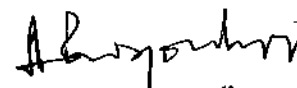
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) Accordingly to the information and explanations given to us, as at March 31 2014, there were no dues on account of income tax, sales tax, service tax and cess which has not been deposited on account of any dispute.
- (x) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company has not taken any loans from financial institutions or banks and hence there are no dues.
- (xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis aggregating to Rs. 112.38 lakhs have, *prima facie*, been used during the year for long- term investment.
- (xiii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xiv) During the period covered by our audit report, the Company has not raised any money by public issues.



**Deloitte
Haskins & Sells**

- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported.

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



Abhijit Bandyopadhyay
Partner
Membership No. 054785



KOLKATA, 14th May, 2014

Au Bon Pain Café India Limited
Balance Sheet as at 31 March 2014

Rs. in Lacs

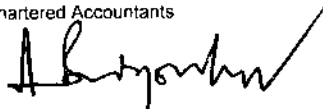
	Notes	As at 31.03.2014	As at 31.03.2013
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	4,000.00	3,500.00
(b) Reserves and surplus	04	(3,724.84)	(2,446.51)
		275.16	1,053.49
(2) Share Application money pending Allotment	05	1,579.50	277.50
(3) Non-current liabilities			
Long-term provisions	06	19.55	13.44
		19.55	13.44
(4) Current liabilities			
(a) Trade payables	07	253.42	167.21
(b) Other current liabilities	08	62.24	56.27
(c) Short-term provisions	06	0.34	0.19
		316.00	223.67
TOTAL EQUITY AND LIABILITIES		2,190.21	1,568.10
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	09	1,379.91	997.78
(ii) Intangible assets	10	167.73	193.12
(iii) Capital work-in-progress		85.96	55.96
		1,633.60	1,246.86
(b) Long-term loans and advances	11	354.66	177.81
		1,988.26	1,424.67
(2) Current assets			
(a) Current Investment	12	-	0.70
(b) Inventories	13	124.00	65.05
(c) Trade receivables	14	28.97	50.90
(d) Cash and bank balances	15	33.56	18.62
(e) Short-term loans and advances	11	15.42	8.86
		201.95	143.13
TOTAL ASSETS		2,190.21	1,568.10

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants



Abhijit Bandyopadhyay

Partner

For and on behalf of the Board of Directors

Sanjay Gupta

Director

Subhrangshu Chakrabarti

Director

Aloke Kumar Mukherjee

Company Secretary

Kolkata, 14th May, 2014

Kolkata, 14th May, 2014



Au Bon Pain Café India Limited

Statement of Profit and Loss for the year ended 31 March 2014

Rs. in Lacs

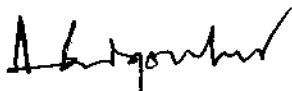
	Note	Year Ended 31.03.2014	Year Ended 31.03.2013
I Revenue from operations	16	1,311.11	1,095.01
II Other income	17	10.98	6.54
III Total Revenue (I + II)		1,322.09	1,101.55
IV EXPENSES			
(a) Cost of materials consumed	18	495.78	350.10
(b) Purchases of Stock In Trade	19	87.03	47.90
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	20	(22.16)	(12.78)
(d) Employee benefit expense	21	627.27	460.31
(e) Finance costs	22	21.70	23.12
(f) Depreciation and amortisation expense		320.19	245.58
(g) Other expenses	23	1,070.61	780.09
Total Expenses		2,600.42	1,894.32
V Loss before tax (III-IV)		(1,278.33)	(792.77)
VI Tax Expense		-	-
VII Loss for the year (V - VI)		(1,278.33)	(792.77)
VIII Loss per equity share (Rupees):			
Basic and Diluted	27	(3.32)	(2.45)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants



Abhijit Bandyopadhyay

Partner

Kolkata, 14th May, 2014



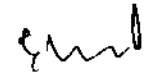
For and on behalf of the Board of Directors

Sanjay Gupta



Director

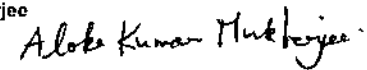
Subhrangshu Chakrabarti



Director

Aloke Kumar Mukherjee

Company Secretary



Kolkata, 14th May, 2014



Au Bon Pain Café India Limited

Cash Flow Statement for the year ended 31st March, 2014

	Rs. In Lacs	
	Year Ended 31.03.2014	Year Ended 31.03.2013
A. Cash Flow from Operating activities:		
Profit before taxes	(1,278.33)	(192.77)
<i>Adjustments for</i>		
Depreciation	320.18	245.58
Income from investments	-	(0.70)
Interest on Fixed Deposit	-	(0.13)
Loss on assets sold/ discarded	11.43	42.33
Liability no longer required written back	(10.37)	(4.97)
Provision for obsolete stock	0.66	-
Provision for doubtful debt	2.50	-
Bad debt Written Off	1.36	-
Operating profit before working capital changes	(952.37)	(510.68)
<i>Changes in Working Capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	17.38	(15.95)
Short term Loans and advances	(6.67)	3.87
Long term Loans and advances	(167.88)	(2.48)
Inventories	(59.60)	(20.75)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	96.58	8.33
Other Current Liabilities	7.43	13.03
Short Term Provisions	0.15	0.10
Long Term Provisions	6.11	2.79
Cash generated from operations	(1,048.77)	(521.72)
Direct taxes paid	(0.40)	(0.23)
Net cash from operating activities	(1,049.17)	(521.95)
B. Cash Flow from Investing activities:		
Capital Expenditure on fixed assets including capital advances	(739.37)	(259.75)
Proceeds from sale of Fixed Assets	0.78	0.55
Purchase of External Investment	-	(95.00)
Sale of External Investment	0.70	95.00
Fixed deposits not considered as Cash and cash equivalents	-	(0.82)
Net cash utilised in investing activities	(737.89)	(260.02)
C. Cash Flow from Financing activities:		
Proceeds from issue of equity shares	500.00	500.00
Share Application money pending allotment	1,302.00	277.50
Net cash utilised in financing activities	1,802.00	777.50
Net increase or decrease in cash or cash equivalents	14.94	(4.47)
Cash and cash equivalents as at 1st April ¹	17.95	21.52
Cash and cash equivalents as at 31st March ¹	31.99	17.05

Notes:

¹ Include cash and Cheques on hand, balance in current and deposit accounts with banks

² Figures in brackets represent outflows.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

For and on behalf of the Board of Directors

Sanjay Gupta

Director

Subhrangshu Chakrabarti

Director

Aloke Kumar Mukherjee

Company Secretary

Kolkata, 14th May, 2014

Kolkata, 14th May, 2014



01 Corporate information

The Company Au Bon Pain Café India Limited (ABPCIL), is engaged in setting up a chain of retail cafes currently having operation in Bangalore, Kolkata and expanding in Northern Capital Region (NCR). For developing the business, master franchise agreement has been entered into between ABPCIL and Au Bon Pain Corporation USA on 14th July 2008, for the grant of exclusive franchise to the Company.

02 Significant Accounting Policies

a). Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services rendered by the Company and the time between the cost incurred for rendering the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

b). Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c). Revenue Recognition

- i). Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii). Revenue is recognized on transfer of significant risk and rewards of ownership of the goods to the buyers.
- iii). Interest income is recognised on a time proportion basis based on the amount outstanding and the rate applicable.

d). Tangible Assets

All tangible assets are valued at cost less depreciation. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

e). Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

f). Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and non refundable taxes, and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.



02 Significant Accounting Policies

g). Depreciation

Depreciation is charged on straight line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act 1956. However in the following cases, a higher rate of depreciation is applied based on useful life of the relevant assets estimated by the management. Improvement to leased properties is amortized over the period of lease.

- | | |
|----------------------------------|-----------------|
| i). Leasehold Improvement | : 2 to 9 years |
| ii). Plant and Machinery | : 5 to 13 years |
| iii). Furniture fixture | : 3 to 16 years |
| iv). Motor Vehicles | : 5 years |
| v). Office Equipments | : 9 years |
| vi). Electrical/ Café Equipments | : 2 to 13 years |

Cost of Intangible Assets are amortized as follows:

- | | |
|------------------------|-----------------|
| i). Brand License | : 2 to 10 years |
| ii). Computer Software | : 4 Years |

h). Impairment

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in case of revalued assets.

Leases

- i). Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payment is recognized as an expense in the Statement of Profit and Loss on the straight-line basis over the lease term.

Investment

- j). Long term investments are carried at cost less provision for diminution other than temporary (if any) in value of such investments.
 Current investments are carried at lower of cost and fair value.

k). Inventories

Raw materials are valued at cost or net realisable value whichever is lower. Cost comprises purchase price, freight and handling charges, non refundable taxes and duties and other directly attributable costs.

Finished products produced and purchased by the Company are valued at lower of cost and net realisable value.

Work-in-progress is carried at lower of cost and net realisable value.

Stores and packing materials are valued at cost comprising of purchase price, freight and handling charges, non refundable taxes and duties and other directly attributable costs less provisions for obsolescence.

Cost of inventories are generally ascertained on the "weighted average" basis.

l). Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

m). Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

n). Foreign Currency Transactions

Foreign Currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currencies and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in statement of profit and loss.



Au Bon Pain Café India Limited
Notes to the Financial Statements

02 Significant Accounting Policies

o). Employee Benefits

(i) **Short term benefits**
Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

(ii) **Post employment benefits**

Defined Contribution plans:

Defined Contribution plans are those plans where the Company pays fixed contribution in return for the service rendered by the employees during the year. Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to Statement of Profit and Loss of the year when due.

Defined Benefit Plans:

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity is a defined benefit obligation and contribution, by way of premium is paid to Life Insurance Corporation of India (LIC) under the group gratuity scheme. The liability towards leave benefits is unfunded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards 15 - 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 the Statement Profit and Loss in full in the year in which they occur.

p). Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q). Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

r). Taxes on Income

Current Tax:

Provision for Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax:

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.



Au Bon Pain Café India Limited
Notes to the Financial Statements

03 Share Capital

	As at 31.03.2014	As at 31.03.2013
	Rs. In Lacs	Rs. In Lacs
Authorised: 80,000,000 Equity Shares of Rs. 10 each (31.03.2013: 40,000,000 Equity Shares of Rs. 10 each)	8,000.00	4,000.00
	<u>8,000.00</u>	<u>4,000.00</u>
Issued, Subscribed and Fully Paid up: 40,000,000 Equity Shares of Rs. 10 each (31.03.2013: 35,000,000 Equity Shares of Rs. 10 each)	4,000.00	3,500.00
	<u>4,000.00</u>	<u>3,500.00</u>

Notes :

(i) Reconciliation of Number of shares

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Amount Rs. lacs	No. of Shares	Amount Rs. lacs
Issued, Subscribed and Fully paid				
At the beginning of the year	35,000,000	3,500.00	30,000,000	3,000.00
Issued during the year	5,000,000	500.00	5,000,000	500.00
At the end of the year	<u>40,000,000</u>	<u>4,000.00</u>	<u>35,000,000</u>	<u>3,500.00</u>

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

Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	%	Nos. shares	%
(1) Spencer's Retail Limited	32,000,000	80	28,000,000	80
(2) Mr. Varin Narula	8,000,000	20	7,000,000	20
	<u>40,000,000</u>	<u>100</u>	<u>35,000,000</u>	<u>100</u>

(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.



Au Bon Pain Café India Limited
Notes to the Financial Statements

04 Reserves and Surplus

	As at 31.03.2014	As at 31.03.2013
	Rs. In Lacs	Rs. In Lacs
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	(2,446.51)	(1,653.74)
Add: Profit / (Loss) for the year	(1,278.33)	(792.77)
Balance as at 31st march	<u>(3,724.84)</u>	<u>(2,446.51)</u>

05 Share Application money pending Allotment

	As at 31.03.2014	As at 31.03.2013
	Rs. In Lacs	Rs. In Lacs
Share Application money pending Allotment	1,579.50	277.50
	<u>1,579.50</u>	<u>277.50</u>

Note:

Share Application money as above represents money received from the Company's Holding Company - Spencer's Retail Limited towards equity shares proposed to be issued in coming year(s).

06 Provisions

	As at 31.03.2014		As at 31.03.2013	
	Rs in lacs		Rs in lacs	
	Long Term	Short Term	Long Term	Short Term
(a) Provision for employee benefits				
(1) Post-employment Defined Benefits				
Retiring Gratuity	10.36	0.19	5.92	0.09
(2) Other Employee Benefits :				
Leave Encashment	9.19	0.15	7.52	0.10
Total Provisions	<u>19.55</u>	<u>0.34</u>	<u>13.44</u>	<u>0.19</u>

07 Trade Payables

	As at 31.03.2014	As at 31.03.2013
	Rs. In Lacs	Rs. In Lacs
Creditors for supplies and services	253.42	167.21
Total Trade Payables	<u>253.42</u>	<u>167.21</u>

08 Other Current Liabilities

(a) Capital Creditors	22.64	24.11
(b) Creditors for other liabilities		
(i) Employee recoveries and employer contributions	9.07	6.28
(ii) Statutory Dues	12.98	18.40
(iii) Other credit balances	17.55	7.48
Total Other current liabilities	<u>62.24</u>	<u>56.27</u>



Au Bon Pain Café India Limited
Notes to the Financial Statements

Rs. In Lacs

09 Tangible assets

	Leasehold Improvements	Plant and Machinery	Furniture and fixtures	Office Equipments	Electrical/Café Equipments	Vehicles	Total Tangible Assets
As at 31.03.2014							
Cost at beginning of year	228.92	372.64	274.87	80.93	445.53	1.59	1404.48
Additions	157.80	113.17	128.60	5.16	270.17	0.00	674.90
Deductions	4.00	0.23	5.47	0.00	7.57	0.00	17.27
Cost at end of year	382.72	485.58	398.00	86.09	708.13	1.59	2062.11
Depreciation at beginning of year	85.55	105.63	91.58	21.88	101.15	0.91	406.70
Charge for the year	51.51	58.40	70.11	2.07	99.92	0.33	282.34
Disposals	1.17	0.05	2.56	0.00	3.06	0.00	6.84
Depreciation at end of year	135.89	163.98	159.13	23.95	198.01	1.24	682.20
Net book value at beginning of year	143.37	267.01	183.29	59.05	344.38	0.68	997.78
Net book value at end of year	246.83	321.60	238.87	62.14	510.12	0.35	1379.91
As at 31.03.2013							
Cost at beginning of year	226.39	293.39	239.39	75.21	378.64	1.59	1,214.61
Additions	26.66	83.37	50.69	5.72	83.94	-	250.38
Deductions	24.13	4.12	15.21	-	17.05	-	60.51
Cost at end of year	228.92	372.64	274.87	80.93	445.53	1.59	1,404.48
Depreciation at beginning of year	51.61	67.98	45.37	14.72	44.27	0.58	224.53
Charge for the year	42.66	38.84	50.27	7.16	60.54	0.33	199.80
Disposals	8.72	1.19	4.06	-	3.66	-	17.63
Depreciation at end of year	85.55	105.63	91.58	21.88	101.15	0.91	406.70
Net book value at beginning of year	174.78	225.41	194.02	60.49	334.37	1.01	990.08
Net book value at end of year	143.37	267.01	183.29	59.05	344.38	0.68	997.78



Au Bon Pain Café India Limited
Notes to the Financial Statements

10 Intangible assets (Acquired)

	Brand Licence	Software Costs	Rs. In Lacs Total Intangible Assets
Gross Block as at April 1, 2013	287.22	30.69	317.91
Additions	5.96	8.48	14.44
Deduction	4.57	-	4.57
Gross Block as at March 31, 2014	288.61	39.17	327.78
Accumulated Amortisation as at April 1, 2013	103.20	21.59	124.79
Charge for the year	31.83	6.02	37.85
Deduction	2.59	0.00	2.59
Accumulated amortisation as at March 31, 2014	132.44	27.61	160.05
Net book value as at April 1, 2013	184.02	9.10	193.12
Net book value as at March 31, 2014	156.17	11.56	167.73

As at 31.03.2013	Brand Licence	Software Costs	Total Intangible Assets
Cost at beginning of year	279.96	30.69	310.65
Additions	7.26	-	7.26
Deduction	-	-	-
Cost at end of year	287.22	30.69	317.91
Amortisation at beginning of year	64.95	14.06	79.01
Charge for the year	38.25	7.53	45.78
Deduction	-	-	-
Amortisation at end of year	103.20	21.59	124.79
Net book value at beginning of year	215.01	16.63	231.64
Net book value at end of year	184.02	9.10	193.12



11 Loans and advances

	As at 31.03.2014		As at 31.03.2013	
	Rs. in Lacs		Rs. in Lacs	
	Long Term	Short Term	Long Term	Short Term
Loans and advances (Unsecured considered good)				
(a) Capital advances	42.64	-	24.06	-
(b) Security deposits	311.35	-	153.34	-
(c) Other loans and advances				
(1) Other advances and prepayments		15.42	0.14	8.86
(2) Advance payment of taxes	0.67	-	0.27	-
Total Loans and advances	354.66	15.42	177.81	8.86

12 CURRENT INVESTMENT
(Lower of cost and fair value)

	As at 31.03.2014		As at 31.03.2013	
	Units	Rs. in Lacs	Units	Rs. in Lacs
Investment in Liquid Mutual Funds (Unquoted)				
HDFC Cash Management Fund Treasury Advantage Plan	-	-	2,845.03	0.70
Total Current Investments				0.70
Additional details:				
Aggregate value of Unquoted Investments				0.70

13 Inventories

	As at 31.03.2014		As at 31.03.2013	
	Rs. in Lacs		Rs. in Lacs	
(a) Raw materials	50.81		28.27	
(b) Work in Progress	0.85		5.18	
(c) Finished goods	32.55		9.31	
(d) Stock in Trade	10.62		7.37	
(e) Stores and packing material	29.83		14.92	
	124.66		65.05	
Less Provision for obsolete stock	0.66		-	
Total Inventories	124.00		65.05	



Au Bon Pain Café India Limited
Notes to the Financial Statements

14 Trade receivables

	As at 31.03.2014	As at 31 03 2013
	<u>Rs. In Lacs</u>	<u>Rs. In Lacs</u>
Trade receivables		
(a) Outstanding for a period exceeding six months		
- Unsecured, Considerd good	4.88	-
- Unsecured, Doubtfull	2.50	-
	<u>7.38</u>	<u>-</u>
Less: Provision for doubtful debts	2.50	-
	<u>4.88</u>	<u>-</u>
(b) Others		
- Unsecured, Considerd good	24.09	50.20
Total Trade Receivables	<u>28.97</u>	<u>50.20</u>

15 Cash and bank balances

	As at 31.03.2014	As at 31 03 2013
	<u>Rs. In Lacs</u>	<u>Rs. In Lacs</u>
Cash & Cash equivalents		
(a) Cash on hand	9.54	9.17
(b) Cheques, drafts on hand	-	0.32
(c) Balances with banks		
- In Current Accounts	22.45	7.56
	<u>31.99</u>	<u>17.05</u>
Other Balances		
(a) Balances with banks		
In Deposit Accounts (maturity more than three months and less than twelve months)	1.57	1.57
Total cash and bank balances	<u>33.56</u>	<u>18.62</u>



Au Bon Pain Café India Limited
Notes to the Financial Statements

16 Revenue from operations

	Year Ended 31.03.2014 Rs. In Lacs	Year Ended 31.03.2013 Rs. In Lacs
Gross Revenue from Operations	1,336.18	1,112.13
Less: Excise duty	25.07	17.12
Total Revenue from Operations	1,311.11	1,095.01

17 Other Income

	Year Ended 31.03.2014 Rs. In Lacs	Year Ended 31.03.2013 Rs. In Lacs
(a) Income from Investment	-	0.70
(b) Interest on Fixed Deposit	0.15	0.13
(c) Liability no longer required written back	10.37	4.97
(d) Other non operating Income	0.46	0.74
Total Other Income	10.98	6.54



Au Bon Pain Café India Limited
Notes to the Financial Statements

18 Cost of materials consumed

	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs. In Lacs	Rs. In Lacs
Raw materials consumed		
Opening Stock	28.27	18.71
Add: Purchases	518.32	359.66
	546.59	378.37
Less: Inventory at the end of the year	50.81	28.27
	<u>495.78</u>	<u>350.10</u>

Raw material consumption comprises

	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs. In Lacs	Rs. In Lacs
(a) Groceries	49.64	77.27
(b) Dairy	143.65	85.98
(c) Others	302.49	186.85
Total Raw Material Consumed	<u>495.78</u>	<u>350.10</u>

19 Purchases of Stock in Trade

	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs. In Lacs	Rs. In Lacs
(a) Beverages	36.18	27.16
(b) Impulses and others	51.85	20.74
	<u>87.03</u>	<u>47.90</u>

20 Changes in Stock of Finished Goods, Work in Progress and Stock in Trade

	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs. In Lacs	Rs. In Lacs
Opening Stock		
Finished Goods	9.31	3.09
Stock in Trade	7.37	2.98
Work in Progress	5.18	3.01
	<u>21.86</u>	<u>9.08</u>
Less Closing Stock		
Finished Goods	32.55	9.31
Stock in Trade	10.62	7.37
Work in Progress	0.85	5.18
	<u>44.02</u>	<u>21.86</u>
Net (Increase)/Decrease	<u>(22.16)</u>	<u>(12.78)</u>



Au Bon Pain Café India Limited
Notes to the Financial Statements

21 Employee Benefit Expense

- (a) Salaries and wages, including bonus
 - (b) Contribution to provident and other funds
 - (c) Staff welfare expenses
- Total Employee Benefit Expense**

Year Ended 31.03.2014 Rs. In Lacs	Year Ended 31.03.2013 Rs. In Lacs
555.44	424.55
42.28	19.16
29.55	16.60
627.27	460.31

22 Finance costs

- (a) Bank Charges
- Total finance costs**

Year Ended 31.03.2014 Rs. In Lacs	Year Ended 31.03.2013 Rs. In Lacs
21.70	23.12
21.70	23.12



Au Bon Pain Café India Limited
Notes to the Financial Statements

23 Other Expenses

	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs. In Lacs	Rs. In Lacs
(a) Consumption of stores and packing materials	85.53	58.85
(b) Repairs to buildings	3.08	2.44
(c) Repairs to machinery	8.79	5.18
(d) Repairs to others	34.03	18.76
(e) Purchase of power	181.65	142.05
(f) Freight and handling charges	48.10	34.16
(g) Rent	327.46	220.84
(h) Rates and taxes	28.74	7.98
(i) Other expenses	353.23	289.83
(1) Auditors remuneration and out-of-pocket expenses	10.00	7.64
(i) As Auditors #	7.50	6.00
(ii) For Taxation matters #	1.50	1.50
(iii) Other services	1.00	-
(iv) Auditors out-of-pocket expenses	-	0.14
(2) Legal and other professional costs	19.52	13.11
(3) Advertisement, Promotion and Selling Expenses	82.14	92.42
(4) Travelling Expenses	71.71	18.42
(5) Security Expenses	16.13	7.13
(6) Communication Expenses	18.68	9.00
(7) Printing and Stationery	12.56	9.38
(8) House Keeping	27.32	15.19
(9) Royalty	55.85	44.68
(10) Loss on assets sold/ discarded	11.63	42.33
(11) Provision for doubtful Debt	2.50	-
(12) Bad Debt Written Off	1.35	-
(13) Provision for obsolete stock	0.66	-
(14) Other General Expenses	23.18	30.53
Total Other Expenses	1,070.61	780.09

Note #: The above amounts are exclusive of Service Tax



Au Bon Pain Café India Limited
Notes to the Financial Statements

24 Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs.66.21 lacs (As at 31.03.2013 Rs. 50.67 lacs) [Net of advances of Rs. 32.30 lacs (As at 31.03.2013 Rs.21.86 lacs)].

25 Consumption of Imported and Indigenous Materials

- a) Raw Materials consumed
 - Indigenous
 - Imported

	Year ended 31.03.2014		Year ended 31.03.2013	
	%	Amount (Rs. In lacs)	%	Amount (Rs. In lacs)
	100%	495.78	100%	350.10
	100%	495.78	100%	350.10

26 Expenditure in Foreign Currency (on accrual basis)

- a) Franchisee Fee (Net of Withholding taxes)
- b) Others Travelling Expenses
- c) Royalty Fees on Sales (Net of withholding taxes)

	Year ended 31.03.2014 Amount (Rs. In lacs)	Year ended 31.03.2013 Amount (Rs. In lacs)
--	---	---

4.61 5.84
 3.40
 42.56 35.98

27 Loss per share

Loss for the year (Rs. In lacs)
 Weighted average number of equity shares for basic loss per share
 Add. Adjustment for share application money pending allotment
 Weighted average number of equity shares for diluted loss per share
 Basic and diluted loss per equity share (Rs.) #

	Year ended 31.03.2014	Year ended 31.03.2013
	(1,278.33)	(792.77)
	38,452,055	32,383,562
	5,557,260	566,438
	44,009,315	32,950,000
	(3.32)	(2.45)

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

28 Deferred Tax Assets

In view of the absence of virtual certainty of absorption of unabsorbed losses, deferred tax assets have not been recognized in accordance with the principles set out in Accounting Standard 22 'Accounting for Taxes on Income'.

	Deferred tax liability/ (Asset) as at 01.04.2013.	Current Year Charge/ (Credit)	Deferred tax liability/ (Asset) as at 31.03.2014
Deferred Tax Liabilities	163.08	(6.00)	157.08
Difference between book and tax depreciation			
Deferred Tax Assets	(163.08)	6.00	(157.08)
Unabsorbed depreciation (restricted to the extent of deferred tax liability on depreciation)			
Deferred Tax Assets (Net)			

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.



29 Related party transaction

a) List of Related Parties and Relationship

Name of the Related Party

- i) C1.SC Limited
- ii) Spence's Retail Limited
- iii) CESC Properties Limited
- iv) Mr Varin Narula
- v) Mr Sanjay Gupta

Relationship

- Ultimate Holding Company
- Holding Company
- Fellow Subsidiary
- Co-Venturer
- Key Management Personnel

b) Related party transactions

Name of the related party	Nature of transactions	Year ended 31.03.2014	Year ended 31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
CFSC Limited (Ultimate Holding Company)	Expenses Incurred	8.21	0.80
		31.03.2014	31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	2.48	0.80
	Amounts receivable	2.76	-
Name of the related party	Nature of transactions	Year ended 31.03.2014	Year ended 31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
Spence's Retail Limited(Holding Company)	Expenses Recovered	-	-
	Expenses Incurred	-	9.46
	Sale of Goods	0.63	-
	Equity Contribution	400.00	400.00
	Share Application money pending Allotment	1,579.50	277.50
		31.03.2014	31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Share Application money pending Allotment	1,579.50	277.50
	Amounts receivable	-	-
Name of the related party	Nature of transactions	Year ended 31.03.2014	Year ended 31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
CFSC Properties Limited (Fellow Subsidiary Company)	Expenses Incurred	13.04	-
		31.03.2014	31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	5.60	-
	Amounts receivable	12.33	-
Name of the related party	Nature of transactions	Year ended 31.03.2014	Year ended 31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
Mr Sanjay Gupta (Key Management Personnel) - Whole Time Director		31.03.2014	
		Amount (Rs. In lacs)	
	Remuneration Incurred from 1/08/13	55.35	-
Name of the related party	Nature of transactions	Year ended 31.03.2014	Year ended 31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
Mr Varin Narula(Co- Venturer)	Equity Contribution	100.00	100.00
		31.03.2014	31.03.2013
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	-	-
	Amounts receivable	-	-



Au Bon Pain Café India Limited
Notes to the Financial Statements

30 Employee Benefits

Defined Contribution Plans

The Company has recognised in the Profit and Loss Account for the current year an amount of Rs. 26.03 lacs (Previous year: Rs. 17.46 lacs) expenses under defined contribution plans

	2013-14 Amount (Rs. in lacs)	2012-13 Amount (Rs. in lacs)
i) Contribution to Provident Fund	22.30	14.89
ii) Contribution to Superannuation Fund	3.73	2.57
	26.03	17.46

Defined Benefits Plans

Details of the Gratuity and Leave Encashment Benefit are as follows

Description	2013-14		2012-13	
	Gratuity (Funded)	Leave (UnFunded)	Gratuity (Funded)	Leave (Unfunded)
	Amount (Rs. in lacs)	Amount (Rs. in lacs)	Amount (Rs. in lacs)	Amount (Rs. in lacs)
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at 01.04.2013	7.16	7.62	5.71	6.43
b. Current service cost	2.20	3.70	1.92	1.33
c. Interest cost	0.52	0.30	0.40	0.46
d. Acquisition adjustment				
e. Actuarial (gain)/loss	5.34	6.22	0.67	0.85
f. Benefits paid	(2.68)	(8.50)	(1.54)	(1.45)
g. Obligation as at 31.03.2014	12.54	9.34	7.16	7.62
2. Change in fair value of plan assets				
a. Fair value of plan assets as at 01.04.2013	1.15	-	1.40	-
b. Acquisition adjustment				
c. Expected return on plan assets	0.10	-	0.11	-
d. Actuarial gain/(loss)	0.74	-	1.18	-
e. Contributions made by the company	2.68	-	-	-
f. Benefits paid	(2.68)	-	(1.54)	-
g. Fair value of plan assets as at 31.03.2014	1.99	-	1.15	-
3. Reconciliation of fair value of plan assets and obligations				
a. Present value of obligation as at 31.03.2014	12.54	9.34	7.16	7.62
b. Fair value of plan assets as at 31.03.2014	(1.99)	-	(1.15)	-
c. Amount recognised in the balance sheet (Assets)/ Liability	10.55	9.34	6.01	7.62
4. Expenses recognised during the year				
a. Current service cost	2.20	3.70	1.92	1.33
b. Interest cost	0.52	0.30	0.40	0.46
c. Expected return on plan assets	(0.10)	-	(0.11)	-
d. Actuarial (gains)/loss	4.60	6.22	(0.51)	0.85
e. Expenses recognised during the year	7.22	10.22	1.70	2.64
5. Investment details				
a. Others (Funds with Life Insurance Corporation of India)	1.99	-	1.15	-
6. Assumptions				
a. Discount rate (per annum)	8.00%	9.00%	8.00%	8.00%
b. Estimated rate of return on plan assets (per annum)	8.00%	-	8.00%	-
c. Rate of escalation in salary	5.00%	5.00%	5.00%	5.00%



Au Bon Pain Café India Limited
Notes to the Financial Statements

7. Experience adjustments

	2013-14	2012-13	2011-12	2010-11
Gratuity				
a. Present value of obligation as at the end of the year	12.54	7.16	5.71	3.44
b. Fair value of plan assets as at the end of the year	(1.99)	(1.15)	(1.40)	(1.28)
c. (Surplus)/Deficit in the plan	10.55	6.01	4.31	2.16
d. Experience adjustments on plan liabilities (loss/(gains))	7.32	0.15	0.57	0.48
e. Experience adjustments on plan assets ((loss)/gain)	0.74	0.02	(0.24)	(0.22)
Leave				
a. Present value of obligation as at the end of the year	9.34	7.62	6.43	4.70
b. Fair value of plan assets as at the end of the year	-	-	-	-
c. (Surplus)/Deficit in the plan	9.34	7.62	6.43	4.70
d. Experience adjustments on plan liabilities (loss/(gains))	7.84	1.68	0.24	0.30
e. Experience adjustments on plan assets ((loss)/gain)	-	-	-	-

31 The Company is engaged in Food and Beverage business. As the Company is operating in a single business and geographical segment, the reporting requirement for primary and secondary segment disclosure prescribed by the paragraphs 39 to 51 of Accounting Standard 17, Segment Reporting, is not applicable.

32 Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.

33 As at March 31, 2014 the Company's paid up capital and accumulated losses are Rs. 4,000 lacs and Rs. 3,724.84 lacs respectively and the Company had a net loss of Rs. 1278.33 lacs for the year ended March 31, 2014.

The Company, however having created a robust infrastructure for food and beverage business, is confident of generating positive cash flows and operational surplus in the near future with certain interim support from the holding company. Therefore the Company is confident about the continuity of its operations and long term viability.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that might result if the Company is unable to continue as a going concern.

34 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Sanjay Gupta
 Sanjay Gupta
 Director

Subhrangshu Chakrabarti
 Subhrangshu Chakrabarti
 Director

Aloke Kumar Mukherjee
 Aloke Kumar Mukherjee
 Company Secretary

Kolkata, 14th May, 2014

