

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

Tel: +91 33 6612 1000
Fax: +91 33 6612 1001

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of AU BON PAIN CAFÉ INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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.

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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.


Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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.
 - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
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)

Place: Kolkata
Date: 26 April, 2017



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, 2017 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 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, 2017, 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)

Place: Kolkata
Date: 26 April, 2017



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 Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. 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.
- (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 current year or any earlier year.
- (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, Sales Tax, Service Tax, Excise Duty, Value Added 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,



cess, and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable except as mentioned below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date	Date of subsequent payment
Finance Act, 1994	Service Tax	71,919	September 2016	6-10-2016	24-04-2017

- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.
- (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 directors of its holding company or persons connected with them 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. 054785

Place: Kolkata
Date: 26 April, 2017



Au Bon Pain Café India Limited
Balance Sheet as at 31 March 2017


Amount in Rs. Lakhs

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1st April 2015
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	1,347.60	1,223.60	1,743.20
(b) Capital work-in-progress	4	6.98	13.33	44.53
(c) Other Intangible assets	5	146.66	193.82	146.17
		1,501.24	1,430.75	1,933.90
(d) Financial assets				
(i) Trade receivables	6	-	-	-
(ii) Other financial assets	7	115.26	185.41	291.05
(e) Non - Current tax assets (Net)	8	1.55	0.76	0.45
(f) Other non-current assets	9	110.49	63.82	65.42
Total non-current assets		1,728.54	1,680.74	2,290.82
(2) Current assets				
(a) Inventories	10	166.38	94.23	131.01
(b) Financial assets				
(i) Trade receivables	6	46.01	31.13	20.32
(ii) Cash and cash equivalents	11	55.45	53.07	22.48
(iii) Other financial assets	7	79.76	34.57	39.78
(c) Other current assets	9	63.07	65.63	44.36
		410.67	278.63	257.95
Total current assets		410.67	278.63	257.95
TOTAL ASSETS		2,139.21	1,959.37	2,548.77
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	12	11,600.00	9,440.00	8,000.00
(b) Other equity	13	(10,009.67)	(7,852.37)	(5,884.95)
Total equity		1,590.33	1,587.63	2,115.05
Liabilities				
(2) Non-current liabilities				
(a) Financial liabilities				
(i) Trade payables	14	-	-	-
(ii) Other financial liabilities	15	-	-	-
(b) Provisions	16	38.45	34.36	36.92
(c) Other non-current liabilities	17	-	-	-
Total non-current liabilities		38.45	34.36	36.92
(3) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	14	420.36	286.18	333.47
(ii) Other financial liabilities	15	59.67	17.29	15.00
(b) Provisions	16	0.26	0.25	0.39
(c) Other current liabilities	17	30.14	33.66	47.94
Total current liabilities		510.43	337.38	396.80
Total liabilities		548.88	371.74	433.72
TOTAL EQUITY AND LIABILITIES		2,139.21	1,959.37	2,548.77

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants


 Abhijit Bandyopadhyay

Partner



Kolkata, 26th April, 2017

For and on behalf of the Board of Directors


 Manish Tandon

Director


 Subhrangshu Chakrabarti

Director


 S. Ganesh

Company Secretary



Kolkata, 26th April, 2017

Au Bon Pain Café India Limited

Statement of Profit & Loss for the year ended 31 March, 2017

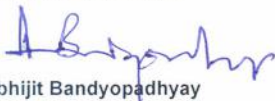
Amount in Rs. Lakhs

	Notes	For the year ended 31 March, 2017	For the year ended 31 March, 2016
I Revenue from operations	18	1,585.26	1,604.31
II Other Income	19	30.38	22.14
III Total Revenue (I + II + III)		1,615.64	1,626.45
IV EXPENSES			
(a) Raw materials consumed		685.83	588.19
(1) Raw materials consumed	20	685.83	588.19
(b) Purchases of Stock In Trade	20	67.05	86.82
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	20	6.64	14.38
(d) Employee benefit expense	21	926.80	795.80
(e) Finance costs	22	25.93	22.37
(f) Depreciation and amortisation expense		405.86	401.27
(1) Property Plant and Equipment - Depreciation	4	358.60	361.84
(2) Intangible Fixed Assets - Amortisation	5	47.26	39.43
(g) Other expenses	23	1,603.57	1,859.24
Total Expenses (IV)		3,721.68	3,768.07
V Loss before tax (III - IV)		(2,106.04)	(2,141.62)
VI Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total tax expense		-	-
VII Profit/(loss) after tax (V - VI)		(2,106.04)	(2,141.62)
VIII Other comprehensive income		(1.26)	4.20
A (i) Items that will not be recycled to profit or loss			
- Remeasurement gains / (losses) on defined benefit plans during the year		(1.26)	4.20
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax on items that will be reclassified to profit or loss		-	-
IX Total comprehensive income for the period (VII + VIII)		(2,107.30)	(2,137.42)
X Earnings per equity share :			
(1) Basic	24	(2.23)	(2.68)
(2) Diluted	24	(2.23)	(2.68)

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants


Abhijit Bandyopadhyay

Partner



Kolkata, 26th April, 2017

For and on behalf of the Board of Directors


Manish Tandon

Director


Subhrangshu Chakrabarti

Director


S. Ganesh

Company Secretary



Kolkata, 26th April, 2017

Au Bon Pain Café India Limited

Cash Flow Statement for the year ended 31st March, 2017

Amount in Rs. Lakhs

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A. Cash Flow from Operating activities:		
Loss for the year	(2,106.04)	(2,141.62)
<i>Adjustments for:</i>		
Depreciation and amortisation	405.86	401.27
Interest on Fixed Deposit	-	-
Loss on assets sold/ discarded	131.94	195.20
Operating profit before working capital changes	(1,568.24)	(1,545.15)
<i>Changes in Working Capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(14.88)	(10.81)
Other financial assets	25.12	110.59
Other current/ non current assets	(14.01)	(19.14)
Inventories	(72.15)	36.78
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	134.18	(47.29)
Other financial liabilities	(4.07)	(0.58)
Other current/ non current liabilities	(3.52)	(14.28)
Provisions	2.84	(1.00)
Cash generated from operations	(1,514.73)	(1,490.88)
Direct taxes paid	(0.79)	(0.31)
Net cash utilised in operating activities	(1,515.52)	(1,491.19)
B. Cash Flow from Investing activities:		
Capital Expenditure on fixed assets including capital advances	(624.90)	(90.54)
Proceeds from sale of Fixed Assets	32.96	2.06
Interest received	(0.16)	0.26
Net cash utilised in investing activities	(592.10)	(88.22)
C. Cash Flow from Financing activities:		
Proceeds from issue of equity shares	2,160.00	1,440.00
Share Application money pending allotment	(50.00)	170.00
Net cash from financing activities	2,110.00	1,610.00
Net increase or decrease in cash or cash equivalents	2.38	30.59
Cash and cash equivalents as at 1st April ¹	53.07	22.48
Cash and cash equivalents as at 31st March ¹	55.45	53.07

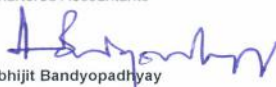
Notes:

1. Include cash and Cheques on hand, balance in current and deposit 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, 26th April, 2017

For and on behalf of the Board of Directors


Manish Tandon

Director


Subhrangshu Chakrabarti

Director


S. Ganesh
Company Secretary

Kolkata, 26th April, 2017



Au Bon Pain Café India Limited

Statement of changes in equity for the year ended March 31, 2017

Equity share capital	Equity share capital	Amount in Rs. Lakhs
Issued and Paid up Capital at April 1, 2015	8,000.00	
Balance at April 1, 2015	8,000.00	
Issue of equity shares during the year	1,440.00	
Balance at March 31, 2016	9,440.00	
Issue of equity shares during the year	2,160.00	
Balance at March 31, 2017	11,600.00	

Other equity	Share Application Money Pending Allotment	Retained Earnings			Total
		Profit and loss	Ind AS Transition Reserve	Remeasurement Gains/ (Losses) recognised in other comprehensive income	
Balance as at April 01, 2015	102.65	(5,973.34)	(14.26)	-	(5,884.95)
Profit attributable to the owners of the company	-	(2,141.62)	-	4.20	(2,137.42)
Amount Received	1,610.00	-	-	-	1,610.00
Shares issued	1,440.00	-	-	-	1,440.00
Balance as at March 31, 2016	272.65	(8,114.96)	(14.26)	4.20	(7,852.37)
Profit attributable to the owners of the company	-	(2,106.04)	-	(1.26)	(2,107.30)
Amount Received	2,110.00	-	-	-	2,110.00
Shares issued	2,160.00	-	-	-	2,160.00
Balance as at March 31, 2017	222.65	(10,221.00)	(14.26)	2.94	(10,009.67)



Au Bon Pain Café India Limited

Notes forming part of the financial statements

1.1 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 is engaged in setting up a chain of retail cafes and currently having operation in Bangalore, Kolkata and 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.

The Financial statements were authorised for issue in accordance with resolution of directors on 26th April, 2017

1.2 Application of new and revised Ind AS

At the date of preparation of these financial statements, there were no new Ind ASs issued however there were the following amendments issued to the existing Ind ASs, which were issued but not yet mandatorily effective:

- Amendments to Ind AS 102, Share-based Payment (effective for accounting periods beginning on or after 1 April 2017)
- Amendments to Ind AS 7, Statement of Cash Flows (effective for accounting periods beginning on or after 1 April 2017)

Based on the preliminary evaluation of the amendments there is no impact on the financial statement of the Company.

2 Basis of Preparation

Statement of compliance

The Company has for the first time prepared its financial statements in accordance with Indian Accounting Standards (referred to as "Ind AS") as issued by the MCA under the Companies (Indian Accounting Standards) Rules, 2015. Upto the financial year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP which includes Standards notified under the Section 133 of the Companies Act, 2013.

The transition from previous GAAP (i.e., IGAAP) to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 01, 2015 as the transition date.

Basis for preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values at the end of each reporting period by Ind-AS's.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (` 00,000), except when otherwise indicated.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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.



Au Bon Pain Café India Limited

Notes forming part of the financial statements

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.

The present value of the expected cost of removal of assets to be incurred at the time of store closure is included in the cost of leasehold improvements. Refer to Note 16 : Provisions for Asset Restoration Obligations.

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 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.

3.4 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.

3.5 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.

3.6 Employee benefits

Short Term Benefits:

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

Post-Employment Benefits and Other Long Term 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. Gratuity liability is provided for based on actuarial valuation on projected unit credit method made at the end of each financial year.

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:

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

3.7 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.



3.8 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) 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 redeeming 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.



3.13 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.



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

Note 5 - Other Intangible assets

Amount in Rs. Lakhs

Carrying amount of	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Computer Software	60.67	86.85	15.28
Trade Mark	85.99	106.97	130.89
Total tangible assets	146.66	193.82	146.17

Description of Assets	Computer Software	Trade Mark	Total tangible assets
I. Gross Block			
Balance as at 1 April, 2016	101.81	130.40	232.21
Additions	0.10	-	0.10
Deductions	-	-	-
Balance as at 31 March, 2017	101.91	130.40	232.31
II. Accumulated depreciation and impairment for the year 2016-2017			
Balance as at 1 April, 2016	(14.96)	(23.43)	(38.39)
Depreciation / amortisation expense for the year	(26.28)	(20.98)	(47.26)
Impairment losses recognised in profit or loss	-	-	-
Disposal	-	-	-
Balance as at 31 March, 2017	(41.24)	(44.41)	(85.65)
Net block (I-II)			
Balance as on 31st March 2017	60.67	85.99	146.66
Balance as on 31st March 2016	86.85	106.97	193.82

I. Gross Block			
Balance as at 1 April, 2015	15.28	130.89	146.17
Additions	89.36	-	89.36
Deductions	(2.83)	(0.49)	(3.32)
Balance as at 31 March, 2016	101.81	130.40	232.21
II. Accumulated depreciation and impairment			
Balance as at 1 April, 2015	-	-	-
Depreciation / amortisation expense for the year	(15.97)	(23.46)	(39.43)
Impairment losses recognised in profit or loss	-	-	-
Disposal	(1.01)	(0.03)	(1.04)
Balance as at 31 March, 2016	(14.96)	(23.43)	(38.39)
Net block (I-II)			
Balance as on 31st March 2016	86.85	106.97	193.82
Balance as on 31st March 2015	15.28	130.89	146.17

Carrying Value as on 1st April, 2015 considered as deemed cost	Leasehold Improvements	Plant and Machinery	Total tangible assets including capital work in progress
Cost at beginning the year 1st April, 2015	15.28	130.89	146.17



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

6 - Trade receivables

Amount in Rs. Lakhs

	As at 31 March 2017			As at 31 March 2016			As at 1st April 2015		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Trade receivables									
(a) Unsecured, considered good	-	53.93	53.93	-	33.63	33.63	-	22.82	22.82
(a) Unsecured, considered doubtful	-	-	-	-	-	-	-	-	-
Less: Allowance for Doubtful trade receivables (expected credit loss allowance)	-	7.92	7.92	-	2.50	2.50	-	2.50	2.50
Net trade receivables	-	46.01	46.01	-	31.13	31.13	-	20.32	20.32

	As at 31 March 2017			As at 31 March 2016			As at 1st April 2015		
	Gross balance	Provision	Net balance	Gross balance	Provision	Net balance	Gross balance	Provision	Net balance
Within the credit period	23.44	3.06	20.38	16.50	-	16.50	13.90	-	13.90
One month overdue	13.19	-	13.19	3.63	-	3.63	1.84	-	1.84
Two months overdue	10.61	-	10.61	3.45	-	3.45	1.74	-	1.74
Three months overdue	0.43	-	0.43	3.46	-	3.46	0.35	-	0.35
Between three to six months overdue	1.01	-	1.01	1.73	-	1.73	1.73	-	1.73
Greater than six months overdue	5.25	4.86	0.39	4.86	2.50	2.36	3.26	2.50	0.76
	53.93	7.92	46.01	33.63	2.50	31.13	22.82	2.50	20.32

Movement in provision for doubtful debts

Balance at beginning of the year
Provided during the year
Balance at end of the year

	As at 31 March 2017	As at 31 March 2016
	2.50	2.50
	5.42	-
	7.92	2.50

The concentration of credit risk is limited due to the fact that customer base is large and unrelated.



Au Bon Pain Café India Limited

Notes forming part of the financial statements

7 - Other financial assets

Amount in Rs. Lakhs

	As at 31 March 2017			As at 31 March 2016			As at 1st April 2015		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Unsecured, considered good									
(a) Security deposits	121.84	74.22	196.06	191.99	30.39	222.38	292.83	36.55	329.38
(b) Interest accrued on deposits, loans and advances									
- Deposits	-	0.50	0.50	-	0.34	0.34	-	0.60	0.60
(c) Other loans and advances			5.04			3.84			2.63
(1) Loans to employees	-	2.67	2.67	-	1.98	1.98	-	1.82	1.82
(2) Advances to employees	-	2.37	2.37	-	0.55	0.55	-	0.65	0.65
(3) Others	-	-	-	-	1.31	1.31	-	0.16	0.16
Gross other financial assets	121.84	79.76	201.60	191.99	34.57	226.56	292.83	39.78	332.61
Less: Provision for bad & doubtful other financial assets									
(i) Security Deposit	6.58		6.58	6.58		6.58	1.78		1.78
Total provision for bad & doubtful other financial assets	6.58	-	6.58	6.58	-	6.58	1.78	-	1.78
Net other financial assets	115.26	79.76	195.02	185.41	34.57	219.98	291.05	39.78	330.83



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

8 - Non current tax assets

	Amount in Rs. Lakhs								
	As at 31 March 2017			As at 31 March 2016			As at 1st April 2015		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
(a) TDS Receivable	1.55	-	1.55	0.76	-	0.76	0.45	-	0.45
Total non current tax assets	1.55	-	1.55	0.76	-	0.76	0.45	-	0.45

Classification of non current tax assets

Secured, considered good	-	-	-	-	-	-	-	-	-
Unsecured, considered good	1.55	-	1.55	0.76	-	0.76	0.45	-	0.45
Doubtful	-	-	-	-	-	-	-	-	-
Total non current tax assets	1.55	-	1.55	0.76	-	0.76	0.45	-	0.45



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

9 - Other assets

Amount in Rs. Lakhs

	As at 31 March 2017			As at 31 March 2016			As at 1st April 2015		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
(a) Capital advances	34.54	-	34.54	4.44	-	4.44	3.91	-	3.91
(b) Other loans and advances									
Other advances and prepayments									
(a) Advances to vendors	-	12.05	12.05	-	25.43	25.43	-	6.53	6.53
(b) Claims receivable from customs, excise and railway authorities	-	8.78	8.78	-	5.80	5.80	-	3.14	3.14
(c) Prepaid expenses	75.95	11.19	87.14	59.38	16.20	75.58	61.51	26.17	87.68
(d) Others	-	31.05	31.05	-	18.20	18.20	-	8.52	8.52
Gross non financial assets	110.49	63.07	173.56	63.82	65.63	129.45	65.42	44.36	109.78
Less: Provision for bad & doubtful non financial assets									
Total provision for bad & doubtful non financial assets	-	-	-	-	-	-	-	-	-
Total Other assets	110.49	63.07	173.56	63.82	65.63	129.45	65.42	44.36	109.78
Classification of non financial assets:									
Secured, considered good			-			-			-
Unsecured, considered good	110.49	63.07	173.56	63.82	65.63	129.45	65.42	44.36	109.78
Doubtful	-	-	-	-	-	-	-	-	-
Gross Loans and advances	110.49	63.07	173.56	63.82	65.63	129.45	65.42	44.36	109.78



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

10 - Inventories

Amount in Rs. Lakhs

	As at 31 March 2017	As at 31 March 2016	As at 1st Apr 2015
(a) Raw materials	102.26	38.75	59.16
(1) Cost	102.26	38.75	59.16
(2) Less: Provision	-	-	-
(b) Finished goods	5.88	10.79	23.25
(1) Cost	5.88	10.79	23.25
(2) Less: Provision	-	-	-
(c) Stores and spares	52.24	36.96	38.95
(1) Cost	52.24	36.96	38.95
(2) Less: Provision	-	-	-
(d) Stock In Trade	6.00	7.73	9.65
Total Inventories	166.38	94.23	131.01



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 2017	As at 31 March 2016	As at 1st Apr 2015
(a) Cash in hand	20.87	9.66	10.40
(b) Cheques, drafts on hand	-	20.94	2.29
(c) Balances with banks			
(i) In Current Account	32.58	20.47	6.29
(ii) In Deposit Account	2.00	2.00	3.50
Total cash and cash equivalents	55.45	53.07	22.48
Total cash and bank balances	55.45	53.07	22.48



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

12 - Share Capital

		Amount in Rs. Rs. Lakhs		
		As at 31 March 2017	As at 31 March 2016	As at 1st Apr 2015
Authorised:				
2017	120,000,000 Equity Shares of Rs. 10 each	12,000.00	10,000.00	10,000.00
2016	100,000,000 Equity Shares of Rs. 10 each			
2015	100,000,000 Equity Shares of Rs. 10 each			
		12,000.00	10,000.00	10,000.00
2017	11,60,00,000 Equity Shares of Rs. 10 each	11,600.00	9,440.00	8,000.00
2016	9,40,00,000 Equity Shares of Rs. 10 each			
2015	80,000,000 Equity Shares of Rs. 10 each			
		11,600.00	9,440.00	8,000.00
2017	11,60,00,000 Equity Shares of Rs. 10 each	11,600.00	9,440.00	8,000.00
2016	9,40,00,000 Equity Shares of Rs. 10 each			
2015	80,000,000 Equity Shares of Rs. 10 each			
		11,600.00	9,440.00	8,000.00

Notes :

(i) Reconciliation of Number of shares

Issued, Subscribed and Fully paid

At the beginning of the year	94,400,000	9,440.00	80,000,000	8,000.00
Issued during the year	21,600,000	2,160.00	14,400,000	1,440.00
At the end of the year	116,000,000	11,600.00	94,400,000	9,440.00

As at 31.03.2017		As at 31.03.2016	
No. of Shares	Amount Rs. lacs	No. of Shares	Amount Rs. lacs
94,400,000	9,440.00	80,000,000	8,000.00
21,600,000	2,160.00	14,400,000	1,440.00
116,000,000	11,600.00	94,400,000	9,440.00

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

Shareholder

		As at 31.03.2017		As at 31.03.2016	
		No. of Shares	%	No. of Shares	%
(1)	Spencer's Retail Limited	108,000,000	93.10	86,400,000	91.53
(2)	Mr. Varin Narula	8,000,000	6.90	8,000,000	8.47
		116,000,000	100.00	94,400,000	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.



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

13 - Statement of changes in equity

	As at 31 March 2017	Amount in Rs. Lakhs
Profit and Loss	(10,221.00)	
Ind AS transition reserve	(14.26)	
Remeasurement gains/(losses) recognised in other comprehensive income	2.94	
Share Application money pending allotment	222.65	
Total	(10,009.67)	

	Reserves and Surplus				Total
	Share Application Money Pending Allotment	Retained Earnings			
		Profit and loss	Ind AS Transition Reserve	Remeasurement Gains/ (Losses) recognised in other comprehensive income	
As at 31 March 2017					
Balance as at April 01, 2016	272.65	(8,114.96)	(14.26)	4.20	(7,852.37)
Profit attributable to the owners of the company	-	(2,106.04)	-	(1.26)	(2,107.30)
Amount Received	2,110.00	-	-	-	2,110.00
Shares issued	2,160.00	-	-	-	2,160.00
Balance as at March 31, 2017	222.65	(10,221.00)	(14.26)	2.94	(10,009.67)

	As at 31 March 2016
Profit and Loss	(8,114.96)
Ind AS transition reserve	(14.26)
Remeasurement gains/(losses) recognised in other comprehensive income	4.20
Share Application money pending allotment	272.65
Total	(7,852.37)

Amount in Rs. Lakhs

	Reserves and Surplus				Total
	Share Application Money Pending Allotment	Retained Earnings			
		Profit and loss	Ind AS Transition Reserve	Remeasurement Gains/ (Losses) recognised in other comprehensive income	
As at 31 March 2016					
Balance as at April 01, 2015	102.65	(5,973.34)	(14.26)	-	(5,884.95)
Profit attributable to the owners of the company	-	(2,141.62)	-	4.20	(2,137.42)
Amount Received	1,610.00	-	-	-	1,610.00
Shares issued	1,440.00	-	-	-	1,440.00
Balance as at March 31, 2016	272.65	(8,114.96)	(14.26)	4.20	(7,852.37)

Amount in Rs. Lakhs

	Reserves and Surplus				Total
	Share Application Money Pending Allotment	Retained Earnings			
		Profit and loss	Ind AS Transition Reserve	Remeasurement Gains/ (Losses) recognised in other comprehensive income	
As at 1st Apr 2015					
At beginning of the year	102.65	(5,973.34)	(14.26)	-	(5,884.95)



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

14 - Trade payables

Amount in Rs. Lakhs

	As at 31 March 2017			As at 31 March 2016			As at 1st Apr 2015		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
(1) Creditors for supplies and services									
- Dues to micro and small enterprises	-	-	-	-	-	-	-	-	-
- Others	-	392.72	392.72	-	263.16	263.16	-	316.63	316.63
(2) Creditors for accrued wages and salaries	-	27.64	27.64	-	23.02	23.02	-	16.84	16.84
Total trade payables	-	420.36	420.36	-	286.18	286.18	-	333.47	333.47



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

15 - Other financial liabilities

Amount in Rs. Lakhs

	As at 31 March 2017			As at 31 March 2016			As at 1st Apr 2015		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
(a) Creditors for other liabilities									
(1) Creditors for capital supplies and services									
- Dues to micro and small enterprises	-	-	-	-	-	-	-	-	-
- Others	-	59.30	59.30	-	12.85	12.85	-	9.98	9.98
(2) Employees' Recoveries	-	-	-	-	4.27	4.27	-	4.65	4.65
(3) Others	-	0.37	0.37	-	0.17	0.17	-	0.37	0.37
Total other financial liabilities	-	59.67	59.67	-	17.29	17.29	-	15.00	15.00



16 - Provisions

Amount in Rs. Lakhs

	As at 31 March 2017			As at 31 March 2016			As at 1st Apr 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total	Long Term	Short Term	Total
(a) Provision for employee benefits									
(1) Retirement benefits obligations									
- Retiring Gratuity	12.24	0.12	12.36	10.91	0.13	11.04	14.60	0.23	14.83
(2) Other Long-term employee benefits									
- Leave encashment fund	13.71	0.14	13.85	10.95	0.12	11.07	12.32	0.16	12.48
(b) Other Provisions									
(1) Asset Restoration Obligations	12.50	-	12.50	12.50	-	12.50	10.00	-	10.00
Total Provisions	38.45	0.26	38.71	34.36	0.25	34.61	36.92	0.39	37.31



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

17 - Other liabilities

Amount in Rs. Lakhs

	As at 31 March 2017			As at 31 March 2016			As at 1st Apr 2015		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
(i) Statutory Dues									
(a) Tax deducted and collected at source	-	9.47	9.47	-	12.90	12.90	-	18.09	18.09
(b) Others	-	18.08	18.08	-	15.48	15.48	-	26.51	26.51
(ii) Deferred Income	-	-	-	-	1.26	1.26	-	-	-
(iii) Other credit balances	-	2.59	2.59	-	4.02	4.01	-	3.34	3.34
Total Other liabilities	-	30.14	30.14	-	33.66	33.65	-	47.94	47.94



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

18 - Revenue from operations

Amount in Rs. Lakhs

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Sale of products		
Gross revenue from Operation	1,579.29	1,604.31
(b) Other operating income	5.97	-
Royalty Income	5.97	-
Gross Revenue from Operations	1,585.26	1,604.31
Total Revenue from Operations	1,585.26	1,604.31



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

19 - Other Income

Amount in Rs. Lakhs

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) FV Changes on non-derivative financial assets	15.63	15.41
(1) Other FV changes	15.63	15.41
(b) General scrap sale income	1.84	0.54
(c) Liability no longer required written back	12.10	4.85
(d) Interest income on deposits with bank	0.22	0.28
(e) Miscellaneous income	0.59	1.06
Total Other Income	30.38	22.14



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

20 - Raw Materials Consumed

Amount in Rs. Lakhs

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Raw Materials:	685.83	588.19
(1) Food	662.09	565.37
(2) Others	23.74	22.82
Total Raw Materials Consumed	685.83	588.19

Notes:

1. Raw Materials Consumed

	Apr-Mar 2017	Apr-Mar 2016
Opening Stock	38.75	59.16
Add: Purchases	749.34	567.78
	788.09	626.94
Less: Inventory at the end of the year	102.26	38.75
	685.83	588.19

2. Purchase of Stock In Trade

	Apr-Mar 2017 Audited	Apr-Mar 2016 Audited
(a) Beverages	32.59	36.82
(b) Impulses and others	34.46	50.00
	67.05	86.82

3. Changes in Stock of Finished Goods, Work in Progress and Stock in Trade

	Apr-Mar 2017 Audited	Apr-Mar 2016 Audited
Opening Stock		
(i) Finished Goods	10.79	23.25
(ii) Stock in Trade	7.73	9.65
(iii) Work in Progress	-	-
	18.52	32.90
Less: Closing Stock		
(i) Finished Goods	5.88	10.79
(ii) Stock in Trade	6.00	7.73
	11.88	18.52

Net (Increase)/Decrease

	6.64	14.38
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Au Bon Pain Café India Limited
Notes forming part of the financial statements

21 - Employee Benefit Expense

Amount in Rs. Lakhs

	Apr-Mar 2017	Apr-Mar 2016
	Audited	Audited
(a) Salaries and wages, including bonus	852.24	726.41
(b) Contribution to provident and other funds	51.64	46.28
(1) Provident Fund	35.49	30.32
(2) Superannuation Fund	-	2.66
(3) Employees State Insurance	9.39	8.58
(4) Gratuity	6.61	4.66
(5) Labour welfare fund	0.15	0.06
(c) Staff welfare expenses	22.92	23.11
Total Employee Benefit Expense	926.80	795.80



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

22 - Finance costs

Amount in Rs. Lakhs

	Apr-Mar 2017 Audited	Apr-Mar 2016 Audited
(a) Bank Charges	25.93	22.37
Gross Interest	25.93	22.37
Total finance costs	25.93	22.37



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

23 - Other Expenses

Amount in Rs. Lakhs

	Apr-Mar 2017	Apr-Mar 2016
	Audited	Audited
(a) Stores and spares consumed	96.83	112.56
(b) Repairs to buildings	2.75	0.47
(c) Repairs to machinery	72.63	47.89
(d) Repairs to Others	38.07	20.01
(e) Purchase of power	190.48	225.74
(f) Freight and handling charges	6.19	16.42
(g) Rent	537.30	726.44
(h) Excise duties	25.62	27.95
(i) Royalty	64.05	67.36
(j) Rates and taxes	26.95	15.16
(k) Insurance charges	4.89	3.15
(l) Provision for doubtful debts and advances	5.42	4.80
(i) Provision for doubtful debts	5.42	-
(ii) Provision for doubtful advances	-	4.80
(m) Other expenses	532.39	591.29
(1) Legal and other professional costs	39.10	36.83
(2) Auditors remuneration and out-of-pocket expenses	14.30	14.34
(i) As Auditors	9.00	9.00
(ii) For Taxation matters	2.00	2.00
(iii) For Other services	3.00	3.00
(iv) Auditors out-of-pocket expenses	0.30	0.34
(3) Advertisement, Promotion & Selling Expenses	118.35	124.13
(4) Travelling Expenses	79.12	58.25
(5) Other General Expenses	281.52	357.74
(i) Security & fire fighting expenses	8.94	21.88
(ii) Telephone and Communication expenses	22.29	29.05
(iii) Printing and Stationary	10.09	9.81
(iv) Housekeeping	36.68	55.19
(v) Loss on assets sold/ discarded	131.94	195.20
(vi) Other general expenses	71.58	46.61
Total Other Expenses	1,603.57	1,859.24



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

24 - Earnings per share

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rs. In lacs	Rs. In lacs
Basic Earnings per share		
From continuing operations	(2.23)	(2.68)
Total basic earnings per share	(2.23)	(2.68)
Diluted Earnings per share		
From continuing operations	(2.23)	(2.68)
Total diluted earnings per share #	(2.23)	(2.68)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Loss for the year attributable to owners of the Company	(2,106.04)
Earnings used in the calculation of basic earnings per share from continuing operations	(2,106.04)	(2,141.62)
Weighted average number of equity shares for the purposes of basic earnings per share	94,459,178	80,039,344
Earnings per share from continuing operations - Basic	(2.23)	(2.68)

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

25 - Deferred tax

Deferred tax assets not created due to uncertainty of future taxable profit against which the same will be adjusted

	As at 1st April 2015	Charge/ (credit) for the Year	As at 31st March 2016	Charge/ (credit) for the Year	As at 31st March 2017
Deferred Tax Liabilities					
Property Plant & Equipment and Other Intangible Assets	254.02	(254.02)	-	-	-
	254.02	(254.02)	-	-	-
Deferred Tax Assets					
Unabsorbed Depreciation (restricted to the extent of Deferred tax liability)	(254.02)	254.02	-	-	-
	(254.02)	254.02	-	-	-
Net Deferred Tax Liability/ (Asset)	-	-	-	-	-

On 31 March, 2015, 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.



26 - 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. 35.49 lacs (Previous year : Rs.32.98lacs) expenses under defined contribution plans.

	<u>2016-17</u>	<u>2015-16</u>
	<u>Amount</u>	<u>Amount</u>
	<u>(Rs. In lacs)</u>	<u>(Rs. In lacs)</u>
i). Contribution to Provident Fund	35.49	30.32
ii). Contribution to Superannuation Fund	-	2.66
	<u>35.49</u>	<u>32.98</u>

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 Indian Accounting Standards 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 Statement of Profit and Loss in full in the year in which they occur.

Details of the Gratuity Benefit are as follows

Description	<u>2016-17</u>	<u>2015-16</u>
	<u>Gratuity (Funded)</u>	<u>Gratuity (Funded)</u>
	<u>Amount</u>	<u>Amount</u>
	<u>(Rs. In lacs)</u>	<u>(Rs. In lacs)</u>
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at opening of the year	13.31	18.35
b. Current service cost	6.02	3.64
c. Interest cost	0.77	1.30
d. Acquisition adjustment		
e. Remeasurement (gain)/losses	-	(5.72)
e.1. Actuarial gains and losses arising from changes in demographic assumptions	-	-
e.2. Actuarial gains and losses arising from changes in financial assumptions	1.25	2.33
e.3. Actuarial gains and losses arising from experience adjustments	(1.09)	(8.04)
f. Benefits paid	(6.17)	(4.26)
g. Obligation as at end of the year	<u>14.09</u>	<u>13.31</u>
2. Change in fair value of plan assets		
a. Fair value of plan assets as at opening of the year	2.27	3.51
b. Acquisition adjustment		
c. Expected return on plan assets	0.18	0.28
d. Return on plan assets (greater)/less than discount rate	(1.10)	(1.51)
e. Contributions made by the company	6.55	4.25
f. Benefits paid	(6.17)	(4.26)
g. Fair value of plan assets as at end of the year	<u>1.73</u>	<u>2.27</u>
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation as at end of the year	14.09	13.31
b. Fair value of plan assets as at end of the year	(1.73)	(2.27)
c. Amount recognised in the balance sheet (Assets)/ Liability	<u>12.36</u>	<u>11.04</u>
4. Expense Recognized in statement of Profit/Loss		
a. Current service cost	6.02	3.64
b. Interest cost	0.77	1.30
c. Expected return on plan assets	(0.18)	(0.28)
f. Cost recognized in Statement of Profit & Loss	<u>6.61</u>	<u>4.66</u>



Remeasurement on the net defined benefit liability/asset:

g. Actuarial (gain)/loss due to DBO Experience	(1.09)	(8.04)
h. Actuarial (gain)/loss due to DBO assumption changes	1.25	2.33
i. Actuarial (gain)/loss arising during period	0.16	(5.71)
j. Return on plan assets (greater)/less than discount rate	(1.10)	(1.51)
k. Actuarial (gains)/losses recognised in OCI	(1.26)	4.20
l. Total expenses recognised during the year	5.35	8.86

5. Investment details

a. Others (Funds with Life Insurance Corporation of India)	1.73	2.27
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6. Assumptions

a. Discount rate (per annum)	7.50%	8.00%
b. Estimated rate of return on plan assets (per annum)	7.50%	8.00%
c. Rate of escalation in salary	6.00%	6.00%

7. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of 0.5% change in	FY 2016-17		FY 2015-16	
	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Increase				
(i) aggregate current service and interest cost	(1.26)	1.42	(1.20)	1.38
(ii) closing balance of obligation	12.84	15.51	12.11	14.69
Decrease				
(i) aggregate current service and interest cost	1.41	(1.27)	1.36	(1.22)
(ii) closing balance of obligation	15.51	12.82	14.67	12.09

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



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

27 - 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 31/03/2017	As at 31/03/2016	As at 1/04/2015
Financial Assets			
Measured at amortised cost			
Trade receivables	46.46	31.13	20.32
Cash and cash equivalents	55.03	53.07	22.48
Other financial assets	195.02	219.98	330.83
Financial Liabilities			
Measured at amortised cost			
Trade payables	420.36	286.18	333.47
Other financial liabilities	59.67	17.29	15.00

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 liquidity 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 publicly available financial information and its own trading records to 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 including estimated interest payments as at March 31st, 2017, 2016 and April 1, 2015

	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	420	420	-	-
Other financial liabilities	60	60	60	-	-
Total	480	480	480	-	-

	As at March 31, 2016				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Trade payables	286	286	286	-	-
Other financial liabilities	17	17	17	-	-
Total	303	303	303	-	-

	As at March 31, 2015				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Trade payables	333	333	333	-	-
Other financial liabilities	15	15	15	-	-
Total	348	348	348	-	-



28 - Related party transaction

a). List of Related Parties and Relationship

Name of the Related Party

- i) CESC Limited
- ii) Spencer's Retail Limited
- iii) Quest Properties Limited (Formerly known as CESC Properties Limited)
- iv) Mr Varin Narula
- v) Mr. Manish Tandon
- vi) Mr Sanjay Gupta (till November 30, 2015)

Companies with which there are transactions during the Current & Previous Year

Relationship

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

b). Related party transactions

Name of the related party	Nature of transactions	Year ended 31.03.2017	Year ended 31.03.2016	
		Amount (Rs. In lacs)	Amount (Rs. In lacs)	
CESC Limited (Ultimate Holding Company)	Expenses Incurred	38.24	36.95	
		31.03.2017	31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	-	3.00	3.23
	Amounts receivable	-	2.76	2.76
Spencer's Retail Limited(Holding Company)	Expenses Reimbursed	48.86	-	
	Expenses Incurred	13.79	-	
	Sale of Goods	0.02	0.61	
	Purchase of goods	1.82	-	
	Equity Contribution	2,160.00	1,440.00	
	Share Application money pending Allotment	222.65	272.65	
		31.03.2017	31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Share Application money pending Allotment	222.65	272.65	102.65
	Amounts payable	0.02	-	-
Quest Properties Limited (Formerly known as CESC Properties Limited) (Fellow Subsidiary Company)	Expenses Incurred	50.86	49.43	
		31.03.2017	31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	0.26	2.88	4.46
	Amounts receivable	-	12.33	12.33
Mr Manish Tandon (Key Management Personnel) - Whole Time Director (w.e.f November 15, 2015)	Remuneration Incurred	99.02	34.93	
	Expenses Reimbursed	16.37	-	
		31.03.2017	31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	0.01	-	-
Mr Sanjay Gupta (Key Management Personnel) - Whole Time Director (till November 30, 2015)	Remuneration Incurred	-	67.56	
		31.03.2017	31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	-	-	-

29 - Segment

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 Ind AS 108, Segment Reporting, is not applicable.



Au Bon Pain Café India Limited
Notes to the Financial Statements

30 - Reconciliation of other equity and total comprehensive income

i. Reconciliation of Other Equity as at 31st March 2016

	IGAAP	Transition Effect	Ind AS	Foot Notes
A Retained Earnings	(8,108.59)			
Recognition of asset restoration obligation		(6.25)		(A)
Fair value adjustment for Security deposits given		(8.01)		(B)
Depreciation on the Asset restoration		(1.51)		(C)
Unwind of Interest Income on Security deposit		15.41		(D)
Prepaid Rent Amortised during the year		(16.07)		(E)
	<u>(8,108.59)</u>	<u>(16.43)</u>	<u>(8,125.02)</u>	
B Share Application Money Pending allotment	272.65	-		
	<u>(7,835.94)</u>	<u>(16.43)</u>	<u>(7,852.37)</u>	

ii. Reconciliation of Other Equity as at 1st April 2015

	IGAAP	Transition Effect	Ind AS	Foot Notes
A Retained Earnings	(5,973.34)			
Recognition of asset restoration obligation		(6.25)		(A)
Fair value adjustment for Security deposits given		(8.01)		(B)
	<u>(5,973.34)</u>	<u>(14.26)</u>	<u>(5,987.60)</u>	
B Share Application Money Pending allotment	102.65	-		
	<u>(5,870.69)</u>	<u>(14.26)</u>	<u>(5,884.95)</u>	

(A) Recognition of Asset Restoration Obligation

Under previous GAAP, there was no requirement to create assets restoration obligation liability at the time of capitalisation of property, plant and equipments. However as per the requirements of Ind-AS 16 Property, Plant and Equipment, the Company has recognised assets restoration obligation for leased outlets as on the date of transition. The present value of the assets restoration liability has been capitalised along with the leasehold improvements and corresponding depreciation of Rs. 6.25 lakhs till the date of transition has been adjusted with the Ind AS transition reserve.

(B) Discounting of Security Deposit given

Under the previous GAAP, there was no specific requirement to recognise the present value the long term security deposits given by the Company against leased outlets. However as long term security deposits being financial assets, the same needs to be recognised at fair value on the date of recognition and subsequently at amortised cost as per the requirements of Ind AS 109 Financial Instruments. Accordingly the Company has computed the present value of security deposits as on the date of transition and the difference of carrying value deposits and prepaid rent of Rs. 8.01 lakhs as on the date of transition is transferred to Ind AS transition Reserve.

(C) Depreciation on the Asset restoration

Depreciation of assets restoration obligation for the year ended 31 March, 2016 recognised in terms of Ind AS 16 Property, Plant and Equipment for leased outlets

(D) Unwind of Interest Income on Security deposit

The amount pertains to the unwinding of Interest on the opening present value of security deposits during the year ended 31 March, 2016 as per Ind AS 109 Financial Instruments. Please also refer note (B) above

(E) Prepaid Rent Amortised during the year

This amount pertains to the amortisation of prepaid rent expenses during the year ended 31 March, 2016 as per Ind AS 109 Financial Instruments. Please also refer note (B) above



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

iii. Reconciliation of Total Comprehensive Income

	Notes	For the year ended 31-03-2016
		₹
Profit as per previous GAAP		(2,135.25)
Depreciation impact of asset restoration obligation	a	(1.51)
Fair value adjustment for Security deposits given	b	(0.66)
Remeasurement of Defined Benefit Obligation recognised in Other Comprehensive Income under Ind AS (net of tax)	c	(4.20)
Total Effect of Transition to Ind AS		(6.37)
Profit for the year/Period as per Ind AS		(2,141.62)
Other Comprehensive Income for the year (net of tax)		4.20
Total Comprehensive Income under Ind AS		(2,137.42)

Note: Under previous GAAP, the Total Comprehensive Income was not reported. Therefore, the above reconciliation starts with Profit under previous GAAP.

Notes

a) Depreciation on the Asset restoration

Depreciation of assets restoration obligation for the year ended 31 March, 2016 recognised in terms of Ind AS 16 Property, Plant and Equipment for leased outlets

b) Unwind of Interest Income on Security deposit and amortisation of prepaid rent

The amount pertains to the unwinding of Interest on the security deposit during the year as per Ind AS 109 Financial Instruments and amortisation of prepaid rent expense during the year as per Ind AS 109 Financial Instruments.

c) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under IND AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under IND AS instead of profit or loss.

The actuarial gain for the year ended 31st March 2016 were ₹ 4.20 Lacs and the tax effect thereon ₹ Nil Lacs. This change does not effect total equity, but there is a increase in loss before tax of ₹ 4.20 Lacs, and in total profit of ₹ 4.20 Lacs for the year ended 31st March 2016.

31 - First time adoption – mandatory exceptions, optional exemptions

Overall Principle

The company has prepared the opening balance sheet as per Ind AS as on April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment and intangible assets

The company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognized as on 1st April 2015 (transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

Classification of financial instruments

Classification of financial instruments has been done based on the facts and circumstances existing as on as on 1st April 2015, the date of transition.

Impairment of financial assets

The Company has applied the impairment requirement of IND AS 109 retrospectively; however, as permitted by IND AS101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to IND AS, whether there have been significant increases in credit risk since initial recognition, as permitted by IND AS 10.



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

32 - Operating lease arrangements

Leasing arrangements

Operating leases relate to leases of cafes/outlets with lease terms of between 3 and 10 years.
The Company does not have an option to purchase the leased cafes/outlets at the expiry of the lease period
None of the existing lease is non-cancellable

Payment recognised as expense

	As at 31/03/17	As at 31/03/16
Minimum lease payments	537.30	726.44
Contingent rentals	-	-
Sub-lease payments received	-	-
	537.30	726.44

33 - Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for

	As at 31/03/17	As at 31/03/16	As at 31/03/15
	8.74	5.42	60.29

34 - Consumption of Imported and Indigenous Materials

	Year ended 31.03.2017		Year ended 31.03.2016	
	%	Amount (Rs. In lacs)	%	Amount (Rs. In lacs)
Raw Materials consumed				
Indigenous	100%	685.83	100%	588.19
Imported		-		-
	100%	685.83	100%	588.19

35 - Expenditure in Foreign Currency (on accrual basis)

	Year ended 31.03.2017 Amount (Rs. In lacs)	Year ended 31.03.2016 Amount (Rs. In lacs)
Franchisee Fee (Net of Withholding taxes)	-	-
Others - Travelling Expenses	-	5.34
Royalty Fees on Sales (Net of withholding taxes)	52.79	53.68

36 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.

37 - Disclosure on Specified Bank Notes (SBN's)

During the year the company had specified bank notes or other denominations as defined in the MCA notifications G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs *	Other denominations notes	Total
Closing cash in hand as on 08.11.2016	497,000	297,532	794,532
(+) Permitted receipts	-	6,037,639	6,037,639
(-) Permitted payments	-	1,339,927	1,339,927
(-) Amount deposited in Banks	497,000	4,567,231	5,064,231
Closing cash in hand as on 30.12.2016	-	428,013	428,013

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of finance, Department of Economic Affairs number S.O. 3047(E) dated 8th November, 2016.

38 As at March 31, 2017 the Company's paid up capital and accumulated losses are Rs. 11,600.00 lakhs and Rs. 10,009.67 lakhs respectively and the Company had incurred net loss of Rs. 2,107.30 lacs during the year ended March 31, 2017.

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.

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

