

CAFE D'LAKE
PRIVATE LIMITED

Financial Statements
2016-17

INDEPENDENT AUDITOR'S REPORT

To the Members

CAFE D' LAKE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. Cafe D' Lake Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended March 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial control relevant to the Company's preparation of the 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 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 financial statements.

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

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

CAFE D' LAKE PRIVATE LIMITED

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 B'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 could have impact on 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2017.

For P. Murali & Co.,
Chartered Accountants
Firm's Regn No. 007257S

Place : Hyderabad
Date : 30-05-2017

Sd/-
(M V Joshi)
Partner
Membership No. 024784

CAFE D' LAKE PRIVATE LIMITED

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of M/s. Cafe D' Lake Private Limited on the financial statements for the year ended 31st March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause (iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted any loans to the parties covered under section 185 and 186 of the Act, hence the provisions of this clause of the order are not applicable.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues except in few cases, including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees State Insurance, Custom Duty, Excise Duty and other material statutory dues, Income-tax, Dividend Distribution Tax and Service Tax, in arrears as at 31st March 2016 for a period of more than 6 months for the date they became payable.
(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except the below:

Name of the Statute	Nature of Due	Amount (Rs.in Lakhs)	Assessment year to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	75.06	2008-09	Appellate Tribunal

CAFE D' LAKE PRIVATE LIMITED

- viii. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to Banks and Financial Institutions.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has not provided for any managerial remuneration. Hence these clause is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has not entered into transactions with related parties and hence the provisions of this clause of the order is not applicable
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of this clause of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of this clause of the order are not applicable to the Company.

Place: Hyderabad
Date : 27-05-2017

For P. Murall & Co.,
Chartered Accountants
Firm Regn. No. 007257S

Sd/-
M V Joshi
Partner
Membership No. 024784

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of Cafe D' Lake private limited('the company') as of 31st march 2017 in conjunction with our audit of 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 (ICAI). 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 Act.

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") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 Judgment, including the assessment of the risk of martial misstatement of the 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 and the company's internal financial control 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 these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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, 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 31st, 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 P. Murali & Co.,
Chartered Accountants
FRN: 007257S

Place: Hyderabad
Date: 27-05-2017

Sd/-
M V Joshi
Partner
M.No.024784

CAFE D' LAKE PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	AS ON 31-03-2017 (₹)	AS ON 31-03-2016 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2,74,45,300	2,74,45,300
(b) Reserves and Surplus	2	9,14,15,967	13,65,49,032
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	15,34,59,236	15,33,78,778
(b) Deffered Tax Liabilities (Net)	4	1,86,49,786	1,77,91,369
(3) Current Liabilities			
(a) Short- term Borrowings	5	25,20,062	21,72,742
(b) Trade Payables	6	4,72,67,162	4,73,07,016
(c) Other Current Liabilities	7	6,91,25,636	3,96,00,944
(d) Short-Term Provisions		-	-
Total		40,98,83,149	42,42,45,182
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	26,95,53,044	28,44,48,965
(ii) Capital work-in-progress		-	20,62,160
(b) Long Term Loans and advances	9	6,22,33,008	6,20,94,655
(2) Current assets			
(a) Inventories	10	59,10,805	64,45,757
(b) Trade receivables	11	1,14,90,394	1,27,44,095
(c) Cash and Bank Balances	12	59,38,441	31,44,498
(d) Short Term Loans and Advances and Deposits	13	3,27,03,268	3,24,84,971
(e) Other Current Assets	14	2,20,54,190	2,08,20,079
Total		40,98,83,149	42,42,45,182

Significant Accounting Policies
Notes to Financial Statements

1 to 33

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Sd/-
M V Joshi
Partner
Membership No. 024784
Hyderabad
27-05-2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
CAFE D' LAKE PRIVATE LIMITED**

Sd/-
P. PRABHAKAR REDDY
Director

Sd/-
P. CHAKRADHAR REDDY
Director

CAFE D' LAKE PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note No.	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
I. Revenue from Operations	15	41,33,82,057	39,94,37,073
III. Total Revenue (I +II)		41,33,82,057	39,94,37,073
IV. Expenses:			
Cost of materials consumed	16	17,34,88,664	16,26,30,508
Employee Benefit expenses	17	9,49,02,921	10,66,09,149
Other Operating Expenses	18	8,53,62,590	7,75,86,562
Administrative Expenses	19	6,19,25,500	3,44,11,723
Financial costs	20	1,75,51,008	1,64,73,310
Depreciation and amortization expense	8	2,44,26,021	2,40,65,888
Total Expenses		45,76,56,704	42,17,77,140
V. Profit before exceptional and extraordinary items and tax (III - IV)		(4,42,74,646)	(2,23,40,067)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(4,42,74,646)	(2,23,40,067)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII - VIII)		(4,42,74,646)	(2,23,40,067)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax Asset/Liability		8,58,418	17,59,574
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		(4,51,33,065)	(2,40,99,641)
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(4,51,33,065)	(2,40,99,641)
XVI. Earning per equity share:			
(1) Basic		(16.44)	(8.78)
(2) Diluted		(16.44)	(8.78)

Significant Accounting Policies
Notes to Financial Statements

1 to 33

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Sd/-
M V Joshi
Partner
Membership No. 024784
Hyderabad
27-05-2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
CAFE D' LAKE PRIVATE LIMITED**

Sd/-
P. PRABHAKAR REDDY
Director

Sd/-
P. CHAKRADHAR REDDY
Director

CAFE D' LAKE PRIVATE LIMITED

Notes To Financial Statements For The Year Ended March 31st 2017

S.NO	PARTICULARS	AS ON 31-03-2017 (₹)	AS ON 31-03-2016 (₹)
NOTE NO. 1 : SHARE CAPITAL			
A Equity Share Capital			
(a) Authorised			
	(No. of Shares 35,00,000 Current Year)	3,50,00,000	-
	(No. of Shares 35,00,000 Previous Year)	-	3,50,00,000
	Total Authorised Share Capital	3,50,00,000	3,50,00,000
(b) Issued			
	(No. of Shares 27,44,530 Current Year)	2,74,45,300	-
	(No. of Shares 27,44,530 Previous Year)	-	2,74,45,300
(c) Subscribed & Fully Paid Up			
	(No. of Shares 27,44,530 Current Year)	2,74,45,300	-
	(No. of Shares 27,44,530 Previous Year)	-	2,74,45,300
(d) Subscribed & not fully paid up			
(e) Par Value per share Rs. 10/-			
	Total Equity Share capital	2,74,45,300	2,74,45,300
NOTE NO. 2 : RESERVES AND SURPLUS			
RESERVES AND SURPLUS			
a) Securities Premium Reserve			
	As at the commencement of the year	4,29,24,450	4,29,24,450
		4,29,24,450	4,29,24,450
b) Surplus :			
i) Opening Balance - Profit and Loss Account			
		9,36,24,582	11,77,24,223
Add: Transfer from Profit & Loss Account			
		(4,51,33,065)	(2,40,99,641)
		4,84,91,517	9,36,24,582
C) Retained Earnings-assets			
		-	-
	Total Reserves and Surplus	9,14,15,967	13,65,49,032
NOTE NO. 3 : LONG TERM BORROWINGS			
Long Term borrowings			
a) i) Term Loans			
	From Banks and financial institutions	5,52,00,000	6,35,00,000
		5,52,00,000	6,35,00,000
ii) Un Secured Loans			
	From Banks	1,91,91,363	2,32,62,254
	From Related parties and Others	7,90,67,873	6,66,16,524
		9,82,59,236	8,98,78,778
	Total Long Term Borrowings	15,34,59,236	15,33,78,778

CAFE D' LAKE PRIVATE LIMITED

Notes To Financial Statements For The Year Ended March 31st 2017

S.NO	PARTICULARS	AS ON 31-03-2017 (₹)	AS ON 31-03-2016 (₹)
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)			
I	Opening Deferred tax Liability	1,77,91,368	1,60,31,795
	Add: Deferred Tax Liability (Due to difference in depreciation as per SLM and WDV)	(8,58,418)	(17,59,574)
	Gross Deferred tax Liability	1,86,49,786	1,77,91,369
	Deferred Tax Liability/ (Asset) - Net	1,86,49,786	1,77,91,369
 NOTE NO. 5 : SHORT TERM BORROWINGS.			
	Secured from Banks		
	H D F C Bank - Cash Credit A/cs	25,20,062	21,24,186
	Axis Bank Credit balance	-	48,557
	Total Short Term Borrowings	25,20,062	21,72,742
 NOTE NO. 6 : TRADE PAYABLES			
I	a) Trade Payables(creditors)	4,48,10,202	4,48,55,610
	(b) Advance from Customers	24,56,960	24,51,406
	Total Trade Payables	4,72,67,162	4,73,07,016
 NOTE NO. 7 : OTHER CURRENT LIABILITIES			
	Other Payables		
	(a) Rent payable	1,75,61,034	1,34,90,887
	(b) Audit fee Payable	44,85,705	38,38,866
	(c) Electricity Charges Payable	19,90,405	12,03,699
	(d) Statutory Liabilities	1,52,83,807	1,03,77,196
	(e) PF & ESI Payable	36,22,895	34,42,745
	(f) Salaries Payable	72,78,903	37,75,651
	(g) Other Payables	1,89,02,887	34,71,898
	Total Other Current Liabilities	6,91,25,636	3,96,00,944

CAFE D' LAKE PRIVATE LIMITED

NOTE NO 8 : TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2017

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTIZATION					Net Block as at 31.03.2017	Net Block as at 31.03.2016	
	As on 01.04.2016	Additions During the Year	Pre-Op Exp	As on 31.03.2017	Dep. As on 01.04.2016	Retained Earnings	Dep. For the year 2016-2017	Impairment Loss / Reversal			Total Depreciation
Building	10,81,46,836	-	-	10,81,46,836	2,82,28,189	-	14,52,051	-	2,96,80,240	7,84,66,596	7,99,18,647
Plant and Machinery	11,14,05,758	35,40,205	1,22,910	11,50,69,873	4,66,43,074	-	78,89,821	-	5,45,32,895	6,05,35,978	6,47,62,684
Furniture & Fixtures	11,30,76,685	18,59,075	2,36,489	11,51,72,249	4,98,37,847	-	99,42,907	-	5,97,80,754	5,53,91,495	6,32,38,838
Civil Works	6,37,99,328	22,62,864	1,54,316	6,62,16,508	97,49,531	-	9,50,716	-	1,07,00,247	5,55,16,261	5,40,49,797
Electrical Equipments	1,96,51,035	2,11,482	51,083	1,99,13,599	73,05,931	-	14,20,465	-	87,26,396	1,11,87,203	1,23,45,104
Office equipment	1,27,43,411	1,48,500	-	1,28,91,911	1,04,48,551	-	5,70,151	-	1,10,18,702	18,73,209	22,94,860
Computers	74,44,488	9,34,926	8,249	83,87,663	56,77,626	-	9,93,765	-	66,71,391	17,16,272	17,66,862
Vehicles	1,36,70,866	-	-	1,36,70,866	75,98,692	-	12,06,145	-	88,04,837	48,66,029	60,72,174
TOTAL	44,99,38,406	89,57,053	5,73,047	45,94,66,506	16,54,89,441	-	2,44,26,021	-	18,99,15,462	26,95,53,044	28,44,48,965

CAFE D' LAKE PRIVATE LIMITED

Notes To Financial Statements For The Year Ended March 31st 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
NOTE NO. 9 : LONG TERM LOANS AND ADVANCES			
a	Loans and Advances to others	6,22,33,008	6,20,94,655
	Sub Total	6,22,33,008	6,20,94,655
	Total Long Term Loans and Advances	6,22,33,008	6,20,94,655
NOTE NO. 10 : INVENTORIES			
I	Inventories :		
a	Beverages, Maintenance, Asset, Provisions and other store items	59,10,805	64,45,757
	Total Inventories	59,10,805	64,45,757
NOTE NO. 11 : TRADE RECEIVABLES			
Trade Receivables:			
	Secured, Considered Good	-	-
	Unsecured, Considered Good	1,14,90,394	1,27,44,095
	Doubtful	-	-
		1,14,90,394	1,27,44,095
	Less : Allowance for bad & doubtful debts	-	-
	Total Trade Receivables	1,14,90,394	1,27,44,095
NOTE NO. 12 : CASH AND BANK BALANCES			
I	Cash and cash Equivalents :		
a)	Balances with banks :		
1)	On Current Accounts	47,53,156	23,23,563
b)	Cash on hand	11,85,285	8,20,934
	Total Cash and Cash Equivalents	59,38,441	31,44,498
NOTE NO.13 : SHORT TERM LOANS AND ADVANCES AND SECURITY DEPOSITS			
a	Security Deposit	1,37,42,898	1,33,06,089
b	Advances Recoverable in Cash or in kind	1,89,60,370	1,91,78,882
	Total Other Current Assets	3,27,03,268	3,24,84,971
NOTE NO.14 : OTHER CURRENT ASSETS			
a	TDS Receivable	61,71,459	51,37,348
b	Advance Tax and Others	1,58,82,731	1,56,82,731
	Total Other Current Assets	2,20,54,190	2,08,20,079

CAFE D' LAKE PRIVATE LIMITED

Notes To Financial Statements For The Year Ended March 31st 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
NOTE NO. 15 : REVENUE FROM OPERATIONS			
(I) Revenue from operations in respect of non-finance company			
	(a) Food & Beverages	40,03,74,372	38,26,76,701
	(b) Other Operating Revenues		
	Children Play Area Income	53,70,043	61,22,711
	Rent Receipts	53,88,471	77,47,402
	CAM and Electricity Charges	15,68,287	23,89,760
	Interest Income	76,615	1,37,270
	Miscellaneous Income	6,04,270	3,63,229
	Total Revenue from Operations	41,33,82,057	39,94,37,073
NOTE NO. 16 : COST OF MATERIALS -CONSUMED			
I	Food & Beverages	17,34,88,664	16,26,30,508
	Total Cost Of Material Consumed	17,34,88,664	16,26,30,508
NOTE NO. 17 : EMPLOYEE BENEFIT EXPENSES			
I	(a) Salaries & Wages	8,56,56,444	9,76,87,433
	(b) Contribution to Provident & Other Funds	76,01,252	73,45,998
	(c) Managerial Remuneration	12,00,000	12,00,000
	(d) Staff Welfare Expenses	4,45,225	3,75,718
	Total Employee Benefit Expenses	9,49,02,921	10,66,09,149
NOTE NO. 18 : OTHER OPERATING EXPENSES			
I	(a) Power & Fuel	2,73,42,902	2,54,36,170
	(b) Rent	3,42,28,513	3,28,45,913
	(c) Insurance	4,63,338	3,69,234
	(d) Rates & Taxes (excluding Income Tax)	2,23,81,318	1,79,99,354
	(e) Miscellaneous Expenditure	2,91,019	2,83,241
	(f) Payment to Auditors:		
	(i) As Auditor	6,55,500	6,52,650
	Total Other Expenses	8,53,62,590	7,75,86,562

CAFE D' LAKE PRIVATE LIMITED

Notes To Financial Statements For The Year Ended March 31st 2017

S.NO	PARTICULARS	Year Ended 31-03-2017 (₹)	Year Ended 31-03-2016 (₹)
NOTE NO. 19 : ADMINISTRATIVE EXPENSES			
I	(a) Telephone, Postage and Others	10,47,037	9,23,304
	(b) Business Promotion Expenses	7,64,331	1,30,542
	(c) Travelling and Conveyance	13,89,317	7,90,099
	(d) Printing & Stationery Expenses	18,36,799	17,85,098
	(e) Consultancy and Professional Charges	19,51,250	18,71,500
	(f) Laundry expenses	17,02,102	13,74,605
	(g) Other Expenses and Maintenance Charges	5,32,05,827	2,73,60,119
	(h) Interest on taxes Paid	28,837	1,76,456
	Total Administrative Expenses	6,19,25,500	3,44,11,723
NOTE NO. 20 : FINANCE COST			
I	(a) Interest Expenses		
	- Interest on Term loans	89,65,759	73,34,908
	- Interest on Working capital loan	-	4,68,938
	- Interest on Unsecured Loan	5,29,491	9,46,709
	- Credit card Commission & Bank Charges	29,57,869	28,20,587
	(b) Other Borrowing costs	50,97,888	49,02,168
	Total Finance Cost	1,75,51,008	1,64,73,310

Significant Accounting Policies

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), referred to in Section 133 of the Companies Act, 2013. The significant accounting policies adopted in the presentation of the Accounts are as under:

- (a) **Accounting Convention and Revenue Recognitions:**
The Financial statements have been prepared in accordance with historical cost convention except for such fixed which are revalued. Both the income and expenditure items are recognized on accrual basis.
- (b) **Retirement Benefits:**
Staff benefits arising out of retirement / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave encashable and other post-separation benefits are accounted for on the basis of contribution to the schemes, or an independent actuarial valuation as the case may be.
- (c) **Fixed Assets:**
Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized as per AS-10.
- (d) **Depreciation:**
Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are depreciated over the lower of the lease period and the management's estimate of the useful life of the asset.
The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.
- (e) **Transactions in Foreign Exchange:**
Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain /loss arising out of the fluctuations in exchange rate is accounted for on realization.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance.
- (f) **Borrowing Cost**
Borrowing cost that is attributable to the acquisition /construction of fixed assets is capitalized as part of the cost of respective assets.
- (g) **Inventories:**
Stock of food and beverages and operating supplies are carried at cost or Market Value, whichever is lower as per AS-2.
- (h) **Taxes on income:**
- (i) ncome tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income (AS-22), issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.
 - (ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on

accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.

- (iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard 29 — 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), issued by the ICAI. When there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

(i) Earnings per Share:

The earning considered in ascertaining the earning per share comprises net profit after tax. The number of shares used in computing basis earning per share is the weighted average number of shares outstanding during the year as per AS -20.

Notes to Financial Statements

21. The annual accounts of Café D Lake Private Limited for the financial year ended 31st March, 2016 pertains to the operating divisions viz 1) Minerva Coffee shop, Himayat nagar, Hyderabad 2) Blue Fox Bar & Restaurant, Himayat nagar, Hyderabad 3) Minerva Coffee shop and Blue Fox Bar & Restaurant, Ameerpet, Hyderabad 4) Minerva Coffee shop and Blue Fox Bar & Restaurant, Vijayawada 5) Eat Street and Water Front at Necklace Road, Hyderabad 6) Minerva Coffee shop and Blue Fox Bar & Restaurant, Madhapur, Hyderabad

22. In relation to Provision for Current Tax, Deferred Tax:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Provision for Current Tax & Deferred Tax Liability	8.58	17.59

23. Contingent Liabilities

- (j) Claims against the Company, not acknowledged as debts include

1. Demand from Indian income tax authorities as at March 31, 2016 is Rs 75.06/- Lakhs

24. In relation of Managerial Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Salaries	Nil	Nil

CAFE D' LAKE PRIVATE LIMITED

25. Auditors Remuneration:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Auditor's Fee	6.55	6.53

26. Earnings per share:

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

(Rs. in Lakhs)

Particulars	31-Mar -2017	31-Mar -2016
Net Profit for the year	(4,51,33,065)	(2,40,99,641)
Weighted average No of shares outstanding during the year	27,44,530	27,44,530
Earnings per share (Rs.)	(16.44)	(8.78)
Nominal Value of the Share (Rs.)	10.00	10.00

27. In relation of Secured (Term) Loans :

Term loan from TFCI is secured against the first charge on the whole of moveable properties F & B cuisine restaurant cum bar "Blue Fox" and three small banquet halls at Huda Techno enclave Hitec City.

Madhapur (except book debts) and extension of Assignment all rights and interest under BOT agreement to the food court complex viz Eat street at Budha Purnima Lake Front Necklace Road Hyderabad, (As fully described in the deed of hypothecation)

Mortgage of lease hold right on built up/ constructed area situated at SY No. 64 Plot No. 20, Sector 1 Huda Techno enclave, Madhapur, Hyderabad (No instrument is executed for this mortgage).

28. In relation of Foreign currency inflows:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
International Credit Cards etc.,	-	20.25

29. Expenditure in Foreign Currency:

Particulars	Current Year Rs. In Lakhs	Previous Year Rs. in lakhs
Others	Nil	Nil

CAFE D' LAKE PRIVATE LIMITED

30. The Company's only business is Food & Beverage and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segmental Information' (AS-17), there is no geographical segment to be report.
31. Previous year's figures and current year's figures have been regrouped, recasted, wherever necessary to improve figures presentation.
32. According to the information available with the Company, there are no amounts as at 31" March, 2017, due to suppliers who constitute a "small scale industrial undertaking".
33. The figures have been rounded off to the nearest rupee.

1 to 33

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,
Chartered Accountants
Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No.024784

Hyderabad

27-05-2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
CAFE D' LAKE PRIVATE LIMITED**

Sd/-

P. PRABHAKAR REDDY

Director

Sd/-

P. CHAKRADHAR REDDY

Director

CAFE D' LAKE PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017

PARTICULARS	Current Year (₹)	Previous Year (₹)
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	(4,42,74,646)	(2,23,40,067)
Adjustments for : -		
Depreciation	2,44,26,021	2,40,65,888
Financial Cost	1,75,51,008	1,64,73,310
Loss on Sale of Fixed Assets		
Operating cash flow before working capital changes	(22,97,618)	1,81,99,130
(Increase) / Decrease in Inventory	5,34,952	(17,85,861)
(Increase) / Decrease in Trade Receivables	12,53,702	(27,74,312)
(Increase) / Decrease in Short Term Loans & Advances	(2,18,296)	(1,04,97,007)
(Increase) / Decrease in Other Current Assets	(12,34,111)	6,88,565
Increase / (Decrease) in Short Term Borrowing	3,47,320	(2,55,04,375)
Increase / (Decrease) in Trade Payables	(39,854)	1,09,56,173
Increase / (Decrease) in Other Current Liabilities	2,95,24,692	1,74,07,709
Increase / (Decrease) in Short Term Provisions	-	(22,62,551)
CASH GENERATED FROM OPERATIONS	2,78,70,787	44,27,471
Less : Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	2,78,70,787	44,27,471
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(95,30,100)	(11,85,71,095)
Sale of fixed Assets	-	-
capital Work in progress	20,62,160	10,13,54,731
Investment	-	-
Adjustments of fixed Assets	-	-
(Increase) / Decrease in Long Term Loans & Advances	(1,38,353)	(1,38,45,518)
NET CASH AVAILABLE FROM INVESTING ACTIVITIES	(76,06,293)	(3,10,61,882)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital/Application Money	-	-
(Repayment)/Availment of Loan	80,457	3,95,62,373
Share Premium and Capital Reserve	-	-
Interest Paid	(1,75,51,008)	(1,64,73,310)
Increase / (Decrease) in Other Long Term Liabilities	-	-
NET CASH USED IN FINANCING ACTIVITIES	(1,74,70,551)	2,30,89,064
NET INCREASE IN CASH AND CASH EQUIVALENTS	27,93,943	(35,45,347)
Add : Opening balance of Cash & Cash equivalents	31,44,498	66,89,847
Closing balance of Cash & Cash equivalents	59,38,441	31,44,500

AS PER OUR REPORT OF EVEN DATE

FOR P. MURALI & CO.,

Chartered Accountants

Firm's Regn. No. : 007257S

Sd/-

M V JOSHI

Partner

Membership No.024784

Hyderabad

27-05-2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
CAFE D' LAKE PRIVATE LIMITED**

Sd/-
P. PRABHAKAR REDDY
Director

Sd/-
P. CHAKRADHAR REDDY
Director