

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARBEQUE-NATION HOSPITALITY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BARBEQUE-NATION HOSPITALITY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone 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 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 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 standalone 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 standalone 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 financial statements are free from material misstatement.

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 profit and its cash flows 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - 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.

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- iv. The Company has provided requisite disclosures in the standalone 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. However, as stated in note 43 the standalone financial statements amounts aggregating to Rs. 0.61 Lakhs have been utilized for other than permitted transactions and the Company received amounts aggregating to Rs. 39.47 Lakhs from transactions which are not permitted as represented to us by the Management. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with 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 & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



S. Sundaresan
Partner
(Membership No. 025776)

BENGALURU, June 29, 2017

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in clause (f) of paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 **BARBEQUE-NATION HOSPITALITY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 (the "Guidance Note") 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 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 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.

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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 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 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



S. Sundaresan
Partner
(Membership No. 025776)

BENGALURU, June 29, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted 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, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the 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 statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

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- (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.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty or Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount disputed (Rs. in Lakhs)
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Hyderabad	2009-10 to 2015-16	38.15
Rajasthan Value Added Tax Act, 2003	Value Added Tax	Commercial Tax Officer, Jaipur	2010-11 to October 2014	2.38
Punjab Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Chandigarh	2011-2014	13.69
Maharashtra Value Added Tax, 2002	Value Added Tax	Commercial Tax Officer, Maharashtra	2011-2014	9.11
Gujarat Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Gujarat	January 2013 to December 2016	26.72
Rajasthan Value Added Tax Act, 2003	Value Added Tax	Commercial Tax Officer, Jaipur	2014-2016	0.96

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions or from government. The Company also has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material 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 not paid / provided managerial remuneration during the year and hence reporting under clause (xii) of the Order is not applicable.



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- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment or private placement of shares during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application
- (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 subsidiary 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's Registration No. 008072S)



S. Sundaresan
Partner
(Membership No. 025776)

BENGALURU, June 29, 2017

Barbeque-Nation Hospitality Limited
Standalone Balance Sheet as at 31 March, 2017

Particulars	Note No.	(Rs. in lakhs)	
		As at 31-Mar-17	As at 31-Mar-16
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,351.20	1,331.20
(b) Reserves and surplus	4	13,836.29	11,986.09
		15,187.49	13,317.29
2 Non-current liabilities			
(a) Long-term borrowings	5	5,236.90	3,587.38
(b) Other long-term liabilities	6	30.45	50.24
(c) Long-term provisions	7	399.57	239.33
		5,666.92	3,876.95
3 Current liabilities			
(a) Short-term borrowings	8	142.56	100.92
(b) Trade payables	9	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises		3,968.87	3,076.93
(c) Other current liabilities	10	3,292.01	3,264.36
(d) Short-term provisions	11	670.53	895.88
		8,073.97	7,338.09
Total		28,928.38	24,532.33
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	16,413.01	13,880.05
(ii) Intangible assets	12	1,852.93	2,309.03
(iii) Capital work-in-progress		1,495.40	1,421.81
		19,761.34	17,610.89
(b) Non-current investment	13	2,253.08	950.67
(c) Deferred tax assets (net)	14	391.34	275.51
(d) Long-term loans and advances	15	2,583.78	2,610.41
(e) Other non-current assets	16	250.80	111.46
		25,240.34	21,558.94
2 Current assets			
(a) Current Investment	17	278.61	300.00
(b) Inventories	18	1,500.64	1,211.09
(c) Trade receivables	19	406.83	479.45
(d) Cash and cash equivalents	20	443.50	104.48
(e) Short-term loans and advances	21	831.66	859.31
(f) Other current assets	22	226.80	19.06
		3,688.04	2,973.39
Total		28,928.38	24,532.33

See accompanying notes forming part of the standalone financial statements

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

S. Sundaresan

S. Sundaresan
Partner

For and on behalf of the Board of Directors

Kayun Dhanani
Kayun Dhanani
Managing Director
Din No:- 00987597

T.N Unni
T.N Unni
Director
Din No:- 00079237

Mohankumar R
Mohankumar R
Chief Financial Officer

Nagamani C Y
Nagamani C Y
Company Secretary

Place : Bengaluru

Date : *June 29, 2017*

Place : Bengaluru

Date : *June 29, 2017*



Barbeque-Nation Hospitality Limited
Standalone Statement of Profit and Loss for the year ended 31 March, 2017

(Rs. in lakhs)

Particulars	Note	For the year ended	
		31-Mar-17	31-Mar-16
1 Revenue from operations	23	48,949.00	39,981.75
2 Expenses			
(a) Cost of food and beverages consumed	24	17,422.50	14,740.36
(b) Employee benefits expenses	25	8,761.54	6,670.78
(c) Occupancy cost and other operating expenses	26	15,701.18	13,248.55
Total expenses		41,885.22	34,659.69
3 Earnings before exceptional items, finance costs, other income, tax, depreciation and amortisation (EBITDA) (1 - 2)		7,063.78	5,322.06
4 Finance costs	27	1,397.63	971.82
5 Depreciation and amortisation expense	12 (c)	3,220.31	2,308.01
6 Other income	28	75.25	49.14
7 Profit before exceptional items and tax (3 - 4 - 5 + 6)		2,521.09	2,091.37
8 Exceptional items	29	292.87	-
9 Profit before tax (7 - 8)		2,228.22	2,091.37
10 Tax expense / (benefit):			
(a) Current tax expense		885.09	962.87
(b) Deferred tax		(116.10)	(147.58)
Net tax expense / (benefit)		768.99	815.29
11 Profit for the year (9 - 10)		1,459.23	1,276.08
12 Earnings per share	41		
- Basic		5.41	4.79
- Diluted		5.41	4.79

See accompanying notes forming part of the standalone financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
S. Sundaresan
Partner

For and on behalf of the Board of Directors

Kayum Dhanani
Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
T.N Unni
Director
Din No:- 00079237

Mohankumar R
Mohankumar R
Chief Financial Officer

Nagamani C Y
Nagamani C Y
Company Secretary

Place : Bengaluru
Date : *June 29, 2017*

Place : Bengaluru
Date : *June 29, 2017*



Barbeque-Nation Hospitality Limited
Standalone Cashflow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31-Mar-17	(Rs. in lakhs) For the year ended 31-Mar-16
A. Cash flow from operating activities		
Profit / (loss) before tax	2,228.23	2,091.37
Adjustments for:		
- Depreciation and amortisation	3,433.12	2,308.01
- Net loss relating to relocation of restaurant units during the year	80.06	-
- Interest expense	745.52	448.72
- Interest income	(42.98)	(21.77)
- Dividend income	-	(0.35)
- Profit on sale of investments in mutual funds	(32.28)	(27.02)
- Expense on employee stock option scheme	96.22	-
- Expense on phantom option scheme	33.29	-
- Provision for doubtful receivables and advances	74.63	57.00
Operating profit before working capital changes	6,615.81	4,855.96
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
- Inventories	(286.16)	134.01
- Trade receivables	78.21	(183.58)
- Short-term loans and advances	(12.04)	57.72
- Other current assets	(164.88)	-
- Long-term loans and advances	(303.60)	(622.99)
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	878.28	1,595.02
- Other current liabilities	165.99	69.02
- Short-term provisions	(39.64)	106.87
- Other long-term liabilities	(19.79)	(15.02)
- Long-term provisions	117.52	27.18
Cash generated from operations	7,029.70	6,024.19
Net income tax (paid) / refunds	(867.93)	(1,016.12)
Net cash flow from / (used in) operating activities (A)	6,161.77	5,008.07
B. Cash flow from investing activities		
- Capital expenditure on fixed assets, including capital advances	(6,343.74)	(6,527.48)
- Proceeds from sale of fixed assets	43.53	-
- Investment in subsidiary	(2,253.16)	(329.45)
- Loan given to subsidiary	(228.35)	(296.10)
- Receipt towards repayment of loan from subsidiary	57.28	62.87
- Realisation of inter-corporate deposits	-	250.00
- Deposits placed for margin money	(139.34)	(55.67)
- Interest received	54.04	148.43
- Dividend income	-	0.35
- Profit from sale of mutual funds	32.28	27.02
Net cash flow from / (used in) investing activities (B)	(8,777.46)	(6,720.03)



Barbeque-Nation Hospitality Limited
Standalone Cashflow Statement for the year ended 31 March, 2017

Particulars	For the year ended 31-Mar-17	(Rs. in lakhs) For the year ended 31-Mar-16
C. Cash flow from financing activities		
- Proceeds from issue of equity shares	1,240.00	-
- Expenses towards proposed Initial Public Offering	(53.92)	-
- Proceeds from long-term borrowings	4,000.00	3,255.12
- Repayment of long-term borrowings	(1,347.48)	(1,289.99)
- Net increase / (decrease) in working capital borrowings	41.64	100.92
- Dividend paid	(199.68)	(199.68)
- Tax on dividend	(40.65)	(40.65)
- Finance cost	(748.62)	(430.43)
Net cash flow from financing activities (C)	2,891.29	1,395.29
Net increase in cash and cash equivalents (A+B+C)	275.60	(316.67)
Cash and cash equivalents at the beginning of the year	404.48	721.15
Add: Cash and cash equivalents pertaining on merger of subsidiary (Refer note 30)	42.03	-
Cash and cash equivalents at the end of the year	722.11	404.48
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 20)	443.50	104.48
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements.	278.61	300.00
Cash and cash equivalents at the end of the year	722.11	404.48

See accompanying notes forming part of the standalone financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan

S. Sundaresan
Partner

For and on behalf of the Board of Directors

Kayum Dhanani
Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
T.N Unni
Director
Din No:- 00079237

Mohankumar R
Mohankumar R
Chief Financial Officer

Nagamani C Y
Nagamani C Y
Company Secretary

Place : Bengaluru
Date : *June 29, 2017*

Place : Bengaluru
Date : *June 29, 2017*



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

1 Corporate information

Barbeque-Nation Hospitality Limited ('the Company') is primarily engaged in the business of operating casual dining restaurant chain in India. The registered office of the company is situated at Sy No. 62, Site No 13, 6th Cross NS Palya BTM Layout, Bengaluru - 560076, Karnataka, INDIA

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for a change in accounting policy for amortisation of brands as more fully described in Note 29.1

2.2 Use of estimates

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

2.3 Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following category 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.:

- Service equipments - useful life of 10 years.
- Furniture and fittings (used in restaurants) - useful life of 10 years.

Leasehold land is amortised over the duration of the lease.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- a) Liquor licenses with perpetual term purchased for restaurant chain business are amortised over the lease term of the respective restaurants.
- b) Software and other licenses are amortised over the estimated useful life of 3 years.
- c) Goodwill on acquisition of restaurant business is amortised over 10 years.

The acquired brands are amortised over 10 years pursuant to change in accounting policy of the Company, morefully described in Note 29.1

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.7 Revenue recognition

Revenue from sale of food and beverages is recognized when it is earned and no uncertainty exists as to its realization or collection. Sales are net of Sales tax, Service tax and other Taxes. Sales tax under the composition scheme is also excluded.

Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted/displayed.

Share of profits and income from royalty under the agreements with customers are accrued based on confirmation received from customers.

Government incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under Serve From India Scheme.

In respect of gift vouchers, the income is recognised when the vouchers are redeemed by the customers or on completion of the validity period.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

2.8 Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

2.9 Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Costs directly attributable to the acquisition are capitalized until the asset is ready for use, as intended by the management. Subsequent expenditure relating to fixed assets is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The Company has adopted the provisions of para 46 / 46A of AS 11 - The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

2.13 Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOP) which provide for grant of options to employees of the Company to acquire equity shares of the Company that are to be exercised within a specified period after such options are vested. Options are vested on completion of specified period from the date of grant. Such ESOPs are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

The Company has also formulated Phantom Option Scheme (POS) under which eligible members are granted phantom shares entitling them to receive cash payments for the amounts measured as a difference between market value of share and the exercise price after the completion of specified period from the date of grant. Fair value of the liability in respect of such options is measured at every balance sheet date and is recognised over the vesting period on a straight-line basis.

2.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax, as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

2.18 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.20 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.22 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

3 Share capital

(Rs. in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
(a) Authorised 60,000,000 Equity shares of Rs. 5/- each (as at 31-Mar-16: 20,000,000 Equity shares of Rs. 10/- each) *	3,000.00	2,000.00
(b) Issued, subscribed and fully paid up capital 27,024,014 Equity shares of Rs. 5 each (as at 31-Mar-16: 13,312,007 Equity shares of Rs. 10/- each) *	1,351.20	1,331.20
Total	1,351.20	1,331.20

* The face value of equity shares of the Company has been split from Rs.10 to Rs. 5 per share with effect from December 15, 2016. Further, pursuant to the scheme of amalgamation referred in note 30, the authorised share capital of the Company has changed to 60 million equity shares of Rs.5/- each. As the appointed date of this scheme is January 1, 2017, the effect for this change has been given in the above table in respect of authorised share capital as at March 31, 2017.

- (a) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Number of shares	Rs. in Lakhs
Equity shares of Rs. 10 each as at April 1, 2015	13,312,007	1,331.20
Changes in equity share capital during the year	-	-
Equity shares of Rs. 10 each as at March 31, 2016	13,312,007	1,331.20
Issue of equity shares of Rs. 10 each during the year (Refer note (c) below)	200,000	20.00
	13,512,007	1,351.20
Equity shares of Rs. 5 each as at March 31, 2017 pursuant to share split with effect from December 15, 2016	27,024,014	1,351.20

- (b) The Company has only one class of equity shares having a par value of Rs. 5/- each. Each holder of equity shares is entitled to one vote per share. Dividends proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the repayment of capital will be in the proportion to the number of equity shares held by the shareholders.
- (c) Pursuant to the approval by Board of Directors in their meeting dated April 5, 2016, 200,000 equity shares of Rs. 10 each have been issued to Mr. Kayum Razak Dhanani, the Managing Director of the Company at a premium of Rs. 610 per share.
- (d) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31-March-17		As at 31-March-16	
	Number of shares of Rs.5 each held	% holding in that class of shares	Number of shares of Rs. 10 each held	% holding in that class of shares
Equity shares with voting rights:				
a) Sayaji Housekeeping Services Limited	12,621,116	46.70%	6,310,558	47.41%
b) Tamara Private Limited	6,445,940	23.85%	3,222,970	24.21%
c) Pace Private Limited	3,375,426	12.49%	1,687,713	12.68%
d) Kayum Razak Dhanani	1,395,788	5.16%	497,894	3.74%
Total	23,838,270	88.21%	11,719,135	88.03%

- e) Number of equity shares reserved for issuance to eligible employees under Employee Stock Option Scheme as at 31-March-2017: 532,480 equity shares of Rs. 5/- each; as at 31-March-2016: 266,240 equity shares of Rs. 10/- each



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

4 Reserves and surplus

	(Rs. in lakhs)	
Particulars	As at 31-Mar-17	As at 31-Mar-16
(a) Securities premium account		
Opening balance	7,428.01	7,428.01
Add: Premium on shares issued during the year [Refer Note 3 (c)]	1,220.00	-
Closing balance	8,648.01	7,428.01
(b) Share options outstanding account		
Opening balance	-	-
Add: Amounts recorded on grant of employee stock options during the year (Refer Note 37.1)	288.67	-
	288.67	-
Less : Deferred stock compensation expense	(192.45)	-
Closing balance	96.22	-
(c) Surplus in Statement of Profit and Loss		
Opening balance	4,558.08	3,522.33
Add: Profit for the year	1,459.23	1,276.08
Less: Adjustment on account of merger of Favorite Restaurants Private Limited (Refer Note 30)	(925.25)	-
Less: Proposed dividend on equity shares (Previous Year: Rs.1.50/- per share) (Refer Note 42)	-	(199.68)
Tax on proposed dividend (Refer note 42)	-	(40.65)
Closing balance	5,092.06	4,558.08
Total	13,836.29	11,986.09

5 Long-term borrowings

	(Rs. in lakhs)	
Particulars	As at 31-Mar-17	As at 31-Mar-16
Secured:		
- Term loan from banks (Refer notes below)	5,236.90	3,587.38
Total	5,236.90	3,587.38

Notes: Details of security and terms of repayment for the long-term borrowings:

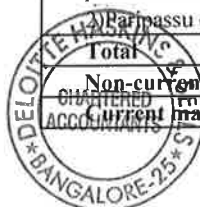
	(Rs. in lakhs)	
Terms of repayment and security	As at 31-Mar-17	As at 31-Mar-16
Term loans from banks		
(i) SBI Term loan 1 :		
Non -Current portion	-	470.00
Current maturities of long-term debt	470.00	480.00
<u>Repayment terms:</u>		
Repayable in 55 defined monthly instalments from September 2013 to March 2018 and carries an interest rate of 10.60% p.a		
<u>Security :</u>		
Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)		



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

Terms of repayment and security	As at 31-Mar-17	As at 31-Mar-16
<p>(ii) SBI Term loan 2 :</p> <p>Non -Current portion</p> <p>Current maturities of long-term debt</p> <p><u>Repayment terms:</u> Repayable in 63 defined monthly instalments from January 2013 to March 2018 and carries an interest rate of 10.60% p.a</p> <p><u>Security :</u> Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)</p>	-	420.00
	420.00	420.00
<p>(iii) Axis Term loan 1:</p> <p>Non -Current portion</p> <p>Current maturities of long-term debt</p> <p><u>Repayment terms:</u> Repayable in 60 monthly instalments from May 2016 to April 2021 and carries an interest rate of Base rate + 0.85% p.a</p> <p><u>Security :</u> 1)Paripassu charge on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) Paripassu charge on entire current assets and security deposits of the Company, both present and future. 3)Paripassu charge over the Brand of the Company</p>	1,596.74	1,853.83
	600.00	416.17
<p>(iv) Axis Term loan 2:</p> <p>Non -Current portion</p> <p>Current maturities of long-term debt</p> <p><u>Repayment terms:</u> USD loan - Repayable in 60 defined monthly instalments from May 2016 to April 2021 and carries an interest rate of 6 months LIBOR + 450 base points</p> <p><u>Security :</u> 1)Paripassu charge on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) Paripassu charge on entire current assets and security deposits of the Company, both present and future. 3)Paripassu charge over the Brand of the Company</p>	623.49	843.55
	201.47	188.97
<p>(v) RBL Term loan :</p> <p>Non -Current portion</p> <p>Current maturities of long-term debt</p> <p><u>Repayment terms:</u> Repayable in 54 equal monthly instalments from January 2017 to June 2021 and carries interest rate at 10.65% p.a.</p> <p><u>Security :</u> 1)Paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future 2)Paripassu charge over the Brand of the Company</p>	2,166.67	-
	666.67	-
<p>(vi) YES Bank Term loan :</p> <p>Non -Current portion</p> <p>Current maturities of long-term debt</p> <p><u>Repayment terms:</u> Repayable in 20 equal quarterly instalments from July 2017 to April 2022 and carries an interest at yearly MCLR + 155 base points p.a later, rate to be reset annually.</p> <p><u>Security :</u> 1)Paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future 2)Paripassu charge over the Brand of the Company</p>	850.00	-
	150.00	-
Total	7,745.04	5,092.52
Non-current portion	5,236.90	3,587.38
Current maturities of long-term debt	2,508.14	1,505.14



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

6 Other long-term liabilities

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Rent equalisation liability	30.45	50.24
Total	30.45	50.24

7 Long-term provisions

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Provision for employee benefits:		
- Gratuity (Refer Note 36)	210.74	125.01
- Compensated absence	155.54	114.32
Provision for phantom stock options (Refer note 37.2)	33.29	-
Total	399.57	239.33

8 Short-term borrowings

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Secured loans repayable on demand from banks:		
- Working capital loans (Refer note below for details of security)	142.56	100.92
Total	142.56	100.92

Note: Security for the above loan includes capital goods purchased / imported under LC and all other primary / collateral securities stipulated for term loan referred in Note 5(iii) & (iv)

9 Trade payables

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Other than Acceptances		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises	3,968.87	3,076.93
Total	3,968.87	3,076.93

Note: There are no micro enterprises and small enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The information regarding micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of information collected by the company.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

10 Other current liabilities

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
(a) Current maturities of long-term debt (For details of terms and security, refer note 5 above)		
- From banks	2,508.14	1,505.14
(b) Interest accrued but not due on borrowings	17.66	20.76
(c) Other payables:		
- Statutory remittances	488.17	359.63
- Payables on purchase of fixed assets	157.78	1,344.23
- Advances from customers	120.26	34.60
Total	3,292.01	3,264.36

11 Short-term provisions

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Provision for employee benefits:		
- Gratuity (Refer note 36)	38.95	53.06
- Compensated absence	198.07	186.66
Provision - others:		
- Provision for Income Tax (net of advance income tax)	433.51	415.83
- Provision for proposed equity dividend (Refer note 42)	-	199.68
- Provision for tax on proposed equity dividend (Refer note 42)	-	40.65
Total	670.53	895.88



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note
12

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at 01-Apr-16	Additions	Added on account of merger during the year (Refer note 30)	Deletions	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Added on account of merger during the year (Refer note 30)	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 31-Mar-16	
	(Rs. in lakhs)												
(a) Tangible assets (owned)													
Lease hold improvements	7,178.47 (5,669.06)	1,496.12 (1,509.41)	175.49	369.25	8,480.83 (7,178.47)	3,085.54 (2,491.09)	36.22	846.51 (594.45)	340.11	3,628.16 (3,085.54)	4,852.67 (4,092.93)	4,092.93 (3,177.97)	
Furniture and fixtures	5,435.42 (3,792.65)	1,429.10 (1,642.77)	208.81	27.64	7,045.69 (5,435.42)	1,265.56 (786.92)	47.13	650.52 (478.64)	16.85	1,946.36 (1,265.56)	5,099.33 (4,169.86)	4,169.86 (3,005.73)	
Plant & machinery	3,055.02 (2,025.40)	1,090.91 (1,029.62)	20.83	76.19	4,090.57 (3,055.02)	516.83 (329.46)	2.77	254.20 (187.37)	33.50	740.30 (516.83)	3,350.27 (2,538.19)	2,538.19 (1,695.94)	
Service equipments	4,332.23 (2,907.21)	951.78 (1,425.02)	129.23	51.79	5,361.45 (4,332.23)	1,519.30 (827.52)	47.73	1,009.92 (691.78)	43.90	2,533.05 (1,519.30)	2,828.40 (2,812.93)	2,812.93 (2,079.69)	
Computer equipments	544.30 (353.54)	145.44 (190.76)	15.22	8.40	696.56 (544.30)	293.08 (187.85)	9.71	144.93 (105.23)	7.17	440.55 (293.08)	256.01 (251.22)	251.22 (165.69)	
Vehicles	26.45 (22.62)	5.80 (3.83)	11.45	0.34	43.36 (26.45)	11.53 (8.42)	2.21	3.63 (3.11)	0.34	17.03 (11.53)	26.33 (14.92)	14.92 (14.20)	
Total	20,571.89 (14,770.48)	5,119.15 (5,801.41)	561.03	533.61	25,718.46 (20,571.89)	6,691.84 (4,631.26)	145.77	2,909.71 (2,060.58)	441.87	9,305.45 (6,691.84)	16,413.01 (13,880.05)	13,880.05 (10,139.22)	
(b) Intangible assets (others)													
Liquor licenses	159.41 (159.41)	-	-	-	159.41 (159.41)	85.28 (68.36)	-	33.96 (16.92)	-	119.24 (85.28)	40.17 (74.13)	74.13 (91.05)	
Software and licenses	150.20 (92.32)	45.95 (57.88)	5.43	0.29	201.29 (150.20)	82.37 (44.26)	3.20	26.27 (38.11)	-	111.84 (82.37)	89.45 (67.83)	67.83 (48.06)	
Brand name	270.46 (270.46)	-	24.21	-	294.67 (270.46)	-	4.79	213.40	-	218.19	76.48 (270.46)	270.46 (270.46)	
Goodwill	2,492.81 (1,345.96)	-	-	-	2,492.81 (2,492.81)	596.20 (403.80)	-	249.78 (192.40)	-	845.98 (596.20)	1,646.83 (1,896.61)	1,896.61 (942.16)	
Total	3,072.88 (1,868.15)	45.95 (1,204.73)	29.64	0.29	3,148.18 (3,072.88)	763.85 (516.42)	7.99	523.41 (247.43)	-	1,295.25 (763.85)	1,852.93 (2,309.03)	2,309.03 (1,351.73)	
Grand Total (i)+(ii)	23,644.77 (16,638.63)	5,165.10 (7,006.14)	590.67	533.90	28,866.64 (23,644.77)	7,455.69 (5,147.68)	153.76	3,433.12 (2,308.01)	441.87	10,600.70 (7,455.69)	18,265.94 (16,189.08)	16,189.08 (11,490.95)	

Figures in brackets relates to previous year.

* Additions to Goodwill during the previous year: During September 2015, the Company acquired a restaurant unit in Pune from Sayaji Hotels Limited for a consideration of Rs. 1,238 Lakhs. Excess of consideration paid over the net assets acquired of Rs. 91.15 Lakhs was accounted as a goodwill and is being amortised over a period of 10 years from the date of such acquisition.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

12 Fixed assets		(Rs. in lakhs)	
(c) Particulars of depreciation and amortisation expense	For the year ended		
	31-Mar-17	31-Mar-16	
Depreciation expense for the year on tangible assets	2,909.71	2,060.58	
Amortisation expense for the year on intangible assets	523.41	247.43	
Total of depreciation and amortisation expense	3,433.12	2,308.01	
Less: Amortisation expense considered under exceptional items - Refer Note 29.1	(212.81)	-	
Depreciation and amortisation expense (Net)	3,220.31	2,308.01	

- (d) Net gain of Rs. 24.95 Lakhs (for the previous year ended 31-Mar-16: Net loss of Rs. 47.40 Lakhs) arising out of foreign exchange fluctuations pertaining to long-term foreign currency borrowings has been capitalised to fixed assets, in accordance with the accounting policy of the Company.

13 Non Current Investments

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Investments (At cost):		
A. Trade (Unquoted)		
Investment in equity instruments of subsidiary:		
- Favorite Restaurants Private Limited (Refer Note 30) 9,507,459 (as at 31-Mar-16: 9,506,703) equity shares of Rs. 10 each	-	950.67
- Prime Gourmet Private Limited (Refer Note 13 (a)) 19,427,763 (as at 31-Mar-16: Nil) equity shares of Rs. 10 each	2,067.03	-
- Barbeque Nation Holdings Limited (Refer Note 13 (b)) 10,000 (as at 31-Mar-16: Nil) Equity shares of AED 100 each	186.05	-
Total	2,253.08	950.67
Aggregate amount of un-quoted investments	2,253.08	950.67

- (a) The Company subscribed for 13,000,000 equity shares of Rs. 10 each of Prime Gourmet Private Limited (PGPL) at face value on August 29, 2016. Pursuant to this investment of Rs. 1,300 Lakhs, the Company acquired 78.64% stake in PGPL. Subsequently, the Company acquired remaining stake in PGPL for Rs. 477.26 Lakhs during November 2016. Further, the Company made additional investments in PGPL amounting Rs. 289.77 Lakhs.
- (b) On March 25, 2015, the company incorporated a wholly owned subsidiary, Barbeque Nation Holdings Limited as an Offshore Company with a Limited Liability in Dubai. The Company invested AED 1 Million (Rs. 186.05 Lakhs) in shares of Barbeque Nation Holdings Limited, Dubai (BNHL, Dubai) during December 2016. BNHL, Dubai has in turn invested AED 147,000 for 49% stake in Barbeque-Nation Restaurant LLC, Dubai (BNR LLC). Although BNHL, Dubai holds less than half of the share capital in BNR LLC, the BNR LLC is considered subsidiary of BNHL, Dubai pursuant to its control of the composition of board of directors of BNR LLC.

14 Deferred Tax Asset

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Tax effect of items constituting deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	333.38	255.72
On difference between book balance and tax balance of fixed assets	57.96	19.79
Total	391.34	275.51



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

15 Long-term loans and advances

(Rs. in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Unsecured, considered good:		
- Capital advances	9.54	90.94
- Security deposits	2,471.36	2,270.71
- Deposit with Related Parties	2.30	0.50
- Amounts paid to statutory authorities under protest	100.58	15.03
- Loan to subsidiary	-	233.23
Total	2,583.78	2,610.41

Long-term loans and advances include amounts due from:

(Rs. in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Private companies in which any director is a director or member		
- Favorite Restaurants Private Limited Purpose: The above funds are to be used for business operations.	-	233.23
- Sara Soule Private Limited Purpose: The above fund is given as a security deposit towards lease of buildings	2.30	0.50
Total	2.30	233.73

16 Other non-current assets

(Rs. in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balances held as margin money or security	250.80	111.46
Total	250.80	111.46

17 Current Investment

(Rs. in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Investment in mutual funds (Quoted, at lower of cost and fair value)		
Kotak Equity Arbitrage Fund - Monthly dividend plan Units : Nil (Previous year - 12104.76)	-	300.00
SBI Magnum Insta Cash Fund - Direct Plan - Growth Units : 7754.09 (Previous year - Nil)	278.61	-
Total	278.61	300.00
Aggregate value of quoted investment in mutual funds	278.61	300.00
Aggregate net asset value of investment in mutual funds	278.94	300.49
Note: Current investments are in the nature of "Cash and cash equivalents" (as defined in AS 3 Cash Flow Statements) and hence considered as part of Cash and cash equivalents in the Cash Flow Statements.		

18 Inventories

(Rs. in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
(At lower of cost and net realisable value)		
- Food & beverages	1,145.78	980.25
- Stores & consumables	354.86	230.84
Total	1,500.64	1,211.09



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

19 Trade receivables

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
- Unsecured, considered good	8.03	14.59
- Doubtful	24.82	7.00
	32.85	21.59
- Less: Provision for doubtful trade receivables	(24.82)	(7.00)
	8.03	14.59
Others		
- Unsecured, considered good	398.80	464.86
- Doubtful	-	-
	398.80	464.86
- Less: Provision for doubtful trade receivables	-	-
	398.80	464.86
Total	406.83	479.45

Trade receivables include amounts due from:

(Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Private companies in which any director is a director or member (Favorite Restaurants Private Limited)	-	2.52
Total	-	2.52

20 Cash and cash equivalents

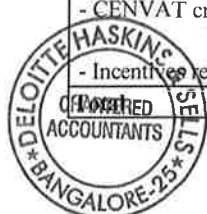
(Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
(a) Cash on hand	73.27	45.57
(b) Balances with banks:		
- In current accounts	360.23	58.91
- In deposit accounts	10.00	-
Total	443.50	104.48
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	443.50	104.48

21 Short-term loans and advances

(Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Unsecured, considered good, unless otherwise stated		
Loans and advances to employees	57.27	26.09
Prepaid expenses	464.33	330.38
Advances paid for supply of materials / rendering of services		
Unsecured, considered good	271.20	439.07
Doubtful	99.59	50.00
	370.79	489.07
Less: Provision for other doubtful loans and advances	(99.59)	(50.00)
	271.20	439.07
Balance with Government Authorities		
- CENVAT credit receivable	38.86	16.44
- Incentives receivables	-	47.33
Total	831.66	859.31



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

22 Other current assets

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Interest accrued on		
- Fixed Deposits	8.00	11.16
- Inter-corporate deposits and loans	-	7.90
Other receivables from subsidiaries		
- Prime Gourmet Private Limited	4.61	-
- Barbeque Nation Holdings Limited	160.27	-
Unamortised share issue expenses (Refer note below)	53.92	-
Total	226.80	19.06

Note: The Company has incurred expenses of Rs. 53.92 Lakhs during the current year towards proposed Initial Public Offering of its equity shares. The Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.

Other current assets include amounts due from:

(Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Private companies in which any director is a director or member		
Favorite Restaurants Private Limited	-	8.77
Prime Gourmet Private Limited	4.61	-
Barbeque Nation Holdings Limited	160.27	-
Total	164.88	8.77



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note
23 Revenue from operations

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Sale of food & beverages	48,287.64	39,441.11
Other operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	661.36	540.64
Total	48,949.00	39,981.75

Note (i): Other operating revenue comprises (Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Revenue from displays and sponsorships	291.37	268.88
Share of profits and income from royalty	320.37	213.46
Government incentives	27.38	36.67
Sale of scrap	22.24	21.63
Total	661.36	540.64

24 Cost of food and beverages consumed

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Opening stock	980.25	760.24
Add: Stock of Favorite Restaurant Private Limited merged during the year	2.11	-
Add: Purchases	17,585.92	14,960.37
	18,568.28	15,720.61
Less: Closing stock	(1,145.78)	(980.25)
Total	17,422.50	14,740.36

25 Employee benefits expenses

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Salaries and wages	7,443.38	5,605.93
Contributions to provident fund (Refer note 36)	436.29	368.38
Gratuity expenses (Refer note 36)	71.62	54.14
Expense on employee stock option scheme (Refer note 37.1)	96.22	-
Staff welfare expenses	714.03	642.33
Total	8,761.54	6,670.78



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

26 Occupancy cost and other expenses

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Consumption of stores & operating supplies	828.25	950.07
Power and fuel	3,885.29	3,298.91
Rent including lease rentals (Refer Note 40)	5,104.72	3,672.91
Repairs and maintenance:		
- Buildings	65.26	397.29
- Machinery	232.05	195.86
- Others	223.84	201.27
House keeping services	1,336.37	1,117.12
Water charges	254.13	214.22
Insurance	50.08	48.49
Rates and taxes	564.10	371.21
Communication	259.56	190.22
Travelling and conveyance	278.43	278.07
Printing and stationery	235.58	247.05
Laundry expenses	104.64	92.11
Security service charges	210.82	190.80
Recruitment expenses	25.48	45.91
Business promotion	962.79	962.69
Vehicle hiring charges	117.31	107.72
Legal and professional	389.85	275.26
Expense on phantom stock option scheme (Refer note 37.2)	33.29	-
Payments to auditors (Refer note below)	26.50	21.77
Parking Charges	70.26	73.44
Corporate social responsibility (Refer note 44)	7.00	8.00
Bad debts written-off (net of reversal of provision for doubtful doubtful receivables and advances Rs. 7.22 Lakhs, during year ended March 31, 2016: Rs. Nil)	-	-
Provision for doubtful receivables and advances	74.63	57.00
Foreign Exchange Loss (net)	-	13.29
Miscellaneous expenses	360.95	217.87
Total	15,701.18	13,248.55

Payments to the auditors comprises (net of service tax input credit):

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
For audit of Standalone Financial Statements and quarterly reviews	22.00	18.00
For audit of Consolidated Financial Statements	3.00	2.00
Reimbursement of expenses	1.50	1.77
Total	26.50	21.77



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

27 Finance costs

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Interest expense on:		
-Borrowings	745.52	435.62
- Interest on delayed payment of income tax	-	13.10
Receivable discounting charges	574.97	452.03
Other bank charges	77.14	71.07
Total	1,397.63	971.82

28 Other income

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Interest income		
- on fixed deposits with banks	12.47	7.88
- on inter-corporate deposits and loans	30.50	13.89
Dividend Income	-	0.35
Profit on sale of mutual funds	32.28	27.02
Total	75.25	49.14

29 Exceptional items

Particulars	(Rs. in lakhs)	
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Amortisation of brands on account of change in accounting policy (Refer note 29.1 below)	212.81	-
Net loss relating to relocation of restaurant units during the year (Refer note 29.2 below)	80.06	-
Total	292.87	-

29.1 For the years upto 31 March, 2016, intangible asset - "brand" arising from acquisition of brand name was not amortised but was subject to the impairment assessment. During the year ended 31 March, 2017, the Company changed its accounting policy to amortise such intangible assets over 10 years from the date of such acquisition. The impact of this change in accounting policy has resulted in amortisation expense of Rs. 212.81 Lakhs for the current year which has been considered under exceptional items.

29.2 Pursuant to relocation of the restaurant outlets in Janakapuri, New Delhi and Banjara Hills, Hyderabad during the year, net losses incurred on account of disposal of certain fixed assets amounting Rs. 48.50 Lakhs and write-down of leasehold assets amounting Rs. 31.56 Lakhs due to termination of lease contracts have been considered under exceptional items.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

no.

30

Merger of Favorite Restaurants Private Limited, a wholly-owned subsidiary of the Company, with the Company:

In accordance with the terms of the Scheme of Amalgamation (the Scheme) of Favorite Restaurants Private Limited (Transferor Company) with the Company (Transferee Company), which was approved by the Board of Directors in their meeting on February 28, 2017 the Transferor Company has been merged with the Company with effect from January 1, 2017 being the appointed date of the Scheme. The Scheme has been approved by the Jurisdictional Regional Director with an appointed date of January 1, 2017 and the effective date of June 24, 2017 (the 'Effective Date'), being the date on which all the requirements under the Companies Act, 2013 have been completed.

Accounting treatment in accordance with the terms of the Scheme:

The merger has been accounted under the pooling of interest method referred to in Accounting Standard 14 "Accounting for Amalgamation" and the assets and liabilities transferred have been recorded at their book values. All reserves of the Transferor Company are carried forward and recorded in the books of Transferee Company in the same form in which they appeared in the books of the Transferor Company as on the Appointed Date. Further, the difference between the carrying value of investments in Transferor Company and the aggregate face value of such shares have been adjusted against and reflected in the reserves of the Company.

Following table provides details of carrying value of assets, liabilities and reserves merged with the Company as on January 1, 2017:

Particulars	Rs. in Lakhs	Rs. in Lakhs
Fixed assets		
Tangible assets	415.26	
Intangible assets	21.65	
Long-term loans and advances	15.96	
Inventories	3.39	
Trade receivables	30.22	
Cash & cash equivalents	42.03	
Short-term loans and advances	10.31	
Total assets		538.82
Long-term borrowings	404.30	
Deferred tax liability	0.27	
Long-term provisions	9.43	
Trade payables	13.65	
Other current liabilities	48.21	
Short-term provisions	36.94	
Total liabilities		512.80
Net assets		26.02
Reserves and Surplus		
Deficit in Statement of Profit and Loss		(925.25)

As on the appointed date, difference between carrying value of investments in Transferor Company amounting Rs. 951 Lakhs has been offset with the face value of such shares amounting Rs. 951 Lakhs.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

31 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in Lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
(i) Contingent liabilities		
a) Claims against the Company not acknowledged as debt in respect of Sales tax and VAT matters	191.59	91.87
b) Bonus to employees for FY 2014-15 pursuant to retrospective amendment to the Payment of Bonus Act, 1965	-	116.36
c) Stand-by Letter of Credit given to Bank on borrowings by subsidiary (to the extent of loans outstanding)	615.68	-
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	631.32	414.60

32 Details on derivative instruments and unhedged foreign currency exposures

The Company does not have any derivative contracts during the year ended and as at 31 March, 2017 and as at 31 March, 2016.

Details of unhedged foreign currency exposure are given below:

Particulars	As at 31-Mar-17	As at 31-Mar-16
Long-term borrowings in foreign currency:		
Amount in USD	1,272,342	1,556,640
Amount Rs. in Lakhs	824.96	1,032.52

33 CIF value of imports & expenditure

(Rs. in Lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Import of capital Items	44.86	190.74
Import of non-capital Items (food and beverages)	599.35	768.64

34 Details of consumption of imported and indigenous items

Particulars	As at 31-Mar-17	As at 31-Mar-16
Imported		
<u>Food and beverages</u>		
Amount Rs. in Lakhs	921.17	872.90
% of consumption	5.05%	5.56%
Indigenous		
<u>Food and beverages</u>		
Amount Rs. in Lakhs	16,501.33	13,867.46
% of consumption	90.41%	88.38%
<u>Stores & operating supplies</u>		
Amount Rs. in Lakhs	828.26	950.07
% of consumption	4.54%	6.06%
Total consumption - Amount Rs. in Lakhs	18,250.75	15,690.43
Total % of consumption	100.00%	100.00%

35 Earnings in Foreign currency

(Rs. in Lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Sale of food & beverages	864.51	613.61



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

36 Employee Benefits

a) Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 436.29 Lakhs (Previous Year Rs. 368.38 Lakhs) for Provident Fund contributions and Rs. 208.03 Lakhs (Previous Year Rs. 168.03 Lakhs) for Employee State Insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plan

The Company offers gratuity under its employee benefit scheme to its employees. The following table gives the status of the defined benefit scheme and the amount recognised in the financial statements:

	(Rs. in Lakhs)	
Particulars	31-Mar-17	31-Mar-16
I. Components of Employer Expense		
Current service cost	56.68	49.22
Interest cost	15.28	11.13
Expected return on plan assets	(1.32)	(1.22)
Actuarial losses / (gain)	0.98	(4.99)
Total expense recognized in Statement of Profit and Loss	71.62	54.14
II. Actual contributions and benefit payments		
Actual benefit payments	-	-
Actual contributions	-	-
III. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	267.58	194.62
Fair value of plan assets	17.89	16.55
Net asset / (liability) recognised in the Balance Sheet	249.69	178.07
- Current	38.95	53.06
- Non-current	210.74	125.01
IV. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	194.62	139.15
Current service cost	56.68	49.22
Interest cost	15.28	11.13
Actuarial (gains) / losses	1.00	(4.88)
Benefits paid	-	-
Present value of DBO at the end of the year	267.58	194.62
V. Change in fair value of assets during the year		
Plan assets at beginning of the year	16.55	15.22
Expected return on plan assets	1.32	1.22
Actual company contributions	-	-
Actuarial gain / (loss) on Plan Assets	0.02	0.11
Plan assets at the end of the year	17.89	16.55
VI. Experience Adjustment		
Defined benefit obligation	267.58	194.62
Fair value of plan assets	17.89	16.55
Funded status [Surplus / (Deficit)]	249.69	178.07
Experience gain / (loss) adjustments on plan liabilities	9.19	(4.88)
Experience gain / (loss) adjustments on plan assets	0.02	0.11
VII. Principal Assumptions used in actuarial valuation		
Discount rate	6.50%	7.85%
Expected rate of return on plan assets	8%	9%
Salary escalation	10%	10%
Attrition rate	40%	40%
Retirement Age	58 years	58 years
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note
no.

37.1 Employee Stock Option Scheme

- (a) In the annual general meeting held on August 26, 2015, the shareholders of the Company had approved the issue of not more than 266,240 options under the Scheme titled "Employee Stock Option Scheme 2015 (ESOP 2015)". The ESOP 2015 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises equity share of face value Rs. 10/-. Pursuant to the split of equity share of Rs. 10 each into 2 equity shares of Rs. 5 each during the current year, the holders of ESOP are entitled for 2 equity shares of Rs. 5 each for every option held.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. Vesting period of the option is three years from the date of grant and all the vested options can be exercised by the option grantee within six months from the vesting date or at the time of liquidity event, as approved by the Board, whichever is later.

On April 1, 2016, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

- (c) **The detail of fair market value and the exercise price is as given below:**

	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16
Date of grant							
Fair market value of option at grant date (Rs.)	464.88	415.96	369.28	325.73	285.88	217.92	189.64
Fair market value of shares per option at grant date (Rs.)	620.00	620.00	620.00	620.00	620.00	620.00	620.00
Exercise price (Rs.)	186.00	248.00	310.00	372.00	434.00	558.00	620.00

- (d) **Employee stock options details as on the Balance Sheet date are as follows:**

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Options outstanding at the beginning of the financial year 2016-17:	-	-
Granted during the year 2016-17:	106,764	311.00
Lapsed during the year 2016-17:	33,854	363.00
Options outstanding at the end of the financial year 2016-17:	72,910	287.00

Options available for grant as at 31-Mar-17: 193,330

- (e) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	01-Apr-16
Risk Free Interest Rate	6.60%
Expected Life	3.5 years
Expected Annual Volatility of Shares	33.33%
Expected Dividend Yield	0.24%

37.2 Phantom Stock Options Scheme

The Board of Directors in their meeting on December 1, 2015 approved the issue of 22,242 Phantom options under the Scheme titled "Phantom Option Scheme 2015 (POS 2015)". The POS 2015 allows the issue of options to the consultants of the Company and its subsidiaries. The option holder is entitled for cash equal to the difference between market value of equity shares of face value Rs. 10/- and the exercise price of each option.

Vesting period of each option is three years from the date of grant and all the vested options can be exercised by the option grantee within 60 days from the vesting date or at the time of liquidity event as approved by the Board.

On April 1, 2016, the Company granted 22,242 options under said scheme for eligible personnel. Liability in respect of such options is measured as a difference between the fair value of market price of underlying shares and the exercise price of such options and is recognised over the vesting period on a straight-line basis. Provision made in respect of these options for the year ended March 31, 2017 amounted Rs. 33.29 Lakhs.



Barbeque Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

38 Related party transactions

(a) Details of related parties:

Description of relationship	Names of related parties
(i) Subsidiary Company	Favorite Restaurants Private Limited (upto 31 December, 2016) Prime Gourmet Private Limited (from 29 August, 2016) Barbeque Nation Holdings Limited (from 27 December, 2016)
(ii) Investing party for which the Company is an Associate	Sayaji Hotels Limited (from 13 August 2014) Sayaji Housekeeping Services Limited (from 29 March, 2016) Tamara Private Limited
(iii) Key Management Personnel (KMP)	Kayum Dhanani (Managing Director)
(iv) Entities in which KMP / Relatives of KMP can exercise significant influence	Sara Soule Private Limited

(b) Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:

Particulars	Subsidiary Company	Investing party for which the Company is an Associate	KMP/ Relatives of KMP	(Rs. in Lakhs)
				Entity in which KMP / Relatives of KMP can exercise significant influence
Nature of transaction				
Purchase of Fixed Assets from Savaji Hotels Limited	-	(1,238.00)	-	-
Purchase of consumables - from Sara Soule Private Limited	-	-	-	40.31
Rent and maintenance charges to - Sara Soule Private Limited	-	-	-	49.64
- Sayaji Hotels Limited	-	166.75	-	-
Security deposit paid - to Sara Soule Private Limited	-	-	-	1.80
Royalty & Service Charge On Liquor - From Savaji Hotels Limited	-	161.08	-	-
Services Received from Savaji Hotels Limited	-	10.52	-	-
Investment in equity shares in - Prime Gourmet Private Limited (excluding the initial investments of Rs. 1,300 Lakhs as a result of which the entity became subsidiary of the Company)	289.77	-	-	-
- Barbeque Nation Holdings Limited	N/A	-	-	-
Money received towards issue of equity shares to Mr. Kayum Dhanani	-	-	1,240.00	-
Loan granted to Favorite Restaurants Private Limited	228.35	-	-	-
Receipt towards repayment of loan - from Favorite Restaurants Private Limited	57.28	-	-	-
Receipt towards interest on loan granted- from Favorite Restaurants Private Limited	8.77	-	-	-
Interest income on loan granted to Favorite Restaurants Private Limited	30.50	-	-	-
Purchase of goods and reimbursement of expenses - from Favorite Restaurants Private Limited	12.25	-	-	-
	(10.30)	-	-	-



Particulars	Subsidiary Company	Investing party for which the Company is an Associate	KMP/Relatives of KMP	(Rs. in Lakhs)
				Entity in which KMP / Relatives of KMP can exercise significant influence
Reimbursement of expenses on behalf of:				
- Prime Gourmet Private Limited	4.61 N/A	- (-)	- (-)	- (-)
- Barbeque Nation Holdings Limited	160.27 N/A	- (-)	- (-)	- (-)
Nature of outstanding balances				
Trade receivables				
Favorite Restaurants Private Limited	N/A (2.52)	- (-)	- (-)	- (-)
Trade payables				
Sara Soule Private Limited	- (-)	- (-)	- (-)	39.68 (15.54)
Savaji Hotels Limited	- (-)	66.92 (1,194.46)	- (-)	- (-)
Other receivables				
Prime Gourmet Private Limited	4.61 (-)	- (-)	- (-)	- (-)
Barbeque Nation Holdings Ltd	160.27 (-)	- (-)	- (-)	- (-)
Security deposits				
Sara Soule Private Limited	- (-)	- (-)	- (-)	2.30 (0.50)
Loan to subsidiary				
Favorite Restaurants Private Limited	N/A (233.23)	- (-)	- (-)	- (-)
Interest accrued on loan				
Favorite Restaurants Private Limited	N/A (7.90)	- (-)	- (-)	- (-)

Figures in bracket relate to the previous year.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

39 The Company operates in only one segment, viz., setting up and managing restaurant business. The Company's operations are in India and therefore there are no secondary geographical segment.

40 Disclosures in respect of Operating leases

Premises are taken on Lease for periods ranging from 3 to 15 years with a non- cancellable period at the beginning of the agreement ranging from 3 to 6 years. Contingent rent for certain restaurant outlets is payable in accordance with the leasing agreement at the higher of:

- i) Fixed minimum guarantee amount and;
- ii) Revenue share percentage

Future minimum lease payments in respect of non-cancellable leases are as follows:

Particulars	(Rs. in Lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Payable not later than one year	2,066.97	1,195.88
Payable later than one year but not later than five years	1,158.70	1,502.36
Payable later than five years	-	-
Lease payments recognized in the Statement of Profit and Loss during the year		
in respect of non-cancellable lease term	1,597.89	1,930.87
in respect of cancellable lease term	3,506.83	1,742.04
Total	5,104.72	3,672.91

41 Earnings per share

Particulars	31-Mar-17	31-Mar-16
Basic and diluted earnings per share (EPS)		
Net profit for the year attributable to the equity shareholders (Rs. in Lakhs)	1,459.23	1,276.08
Weighted average number of equity shares	26,979,082	26,624,014
Basic and diluted EPS (Rs.)	5.41	4.79

- (i) The face value of the equity share of the Company has been split from Rs.10 to Rs.5 per share with the effect from December 15, 2016. Accordingly, the weighted average number of shares considered for Basic and Diluted EPS calculation above reflect the effect of share split retrospectively for the previous year.
- (ii) The effect of the conversion of Employee Stock Options granted during the current year is anti-dilutive, and hence the same has been ignored in calculation of diluted EPS.

42 The directors propose that a dividend of Rs.1 per share be paid for equity shareholders out of current year's profit. This equity dividend is subject to approval by shareholders at the Annual General Meeting. Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to the Company with effect from April 1, 2016, dividend declared after the balance sheet date but before the financial statements are approved for issue, is not to be recognised as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements. Accordingly, this dividend for the current year has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 270.24 Lakhs. The payment of this dividend is estimated to result in payment of dividend distribution tax of Rs. 55.02 lacs @ 20.36% on the amount of dividends payable.



Barbeque-Nation Hospitality Limited
Notes forming part of the standalone financial statements

Note

- 43 Pursuant to the MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are provided in the table below:

Particulars	Rs. in Lakhs		
	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	23.88	70.23	94.11
(+) Permitted receipts	-	1,110.35	1,110.35
(+) Non-permitted receipts	39.47	-	39.47
(-) Permitted payments	-	129.23	129.23
(-) Non-permitted payments	0.61	-	0.61
(-) Amount deposited in Banks	62.74	971.47	1,034.21
Closing cash in hand as on December 30, 2016	-	79.88	79.88

The term 'Specified Bank Notes' has the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

44 **Expenditure on Corporate Social Responsibility Activities**

Particulars	Rs. in Lakhs
(a) Gross amount required to be spent by the company during the year ended March 31, 2017	48.28

(b) Amount spent during the year on:

Particulars	Rs. in Lakhs			
	In cash	Yet to be paid in cash	Other than Cash	Total
(i) Construction/acquisition of any asset	Nil	Nil	Nil	Nil
(ii) On purposes other than (i) above	7.00	Nil	Nil	7.00

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

