

## **INDEPENDENT AUDITOR'S REPORT To The Members of BARBEQUE-NATION HOSPITALITY LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of BARBEQUE-NATION HOSPITALITY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

#### **Emphasis of Matters**

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

- (i) We draw attention to Note 2.2 to the standalone financial statements, which describes the impact of COVID 19 pandemic on the Company's operations. Further, the current liabilities, exceeded its current assets by Rs. 1,787.13 Million as of March 31, 2020.

As stated in the aforesaid note, the board of directors have approved management's detailed business plan (including cash flows) for the Company which interalia envisages (i) cost savings and continuing revenue growth through various initiatives, (ii) extension of moratorium for repayment of loan and interest by its lenders (iii) raising

adequate funding through incremental debt and fresh equity infusion and after duly considering the aforesaid business plan and the continued financial support expected to be received from the Promoters of the Company as stated in Note 2.2, have approved the preparation of the standalone financial statements on a going concern basis.

- (ii) We also draw attention to Note 34 to the standalone financial statements which describes significant management estimates and assumptions involved in assessing the financial impact of COVID 19 pandemic. Based on such assessment, the Management has concluded that the Company will recover the carrying amount of its assets as on March 31, 2020. However, given the uncertainty regarding the duration, extent and eventual outcome of the impact of the COVID-19 pandemic, the Company cannot estimate with any precision the impact on its prospective financial performance and the eventual outcome of the impact could be different than that estimated as at the date of approval of these standalone financial statements.

Our opinion is not modified in respect of the matters stated in (i) and (ii) above.

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash flows and the Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

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- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 note 35 of its standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 008072S



**Sathya P. Koushik**  
Partner  
(Membership No. 206920)  
UDIN:20206920AAAAKX7146

**BENGALURU**  
November 03, 2020

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) 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, 2020 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 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

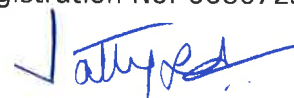
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 008072S



**Sathya P. Koushik**  
Partner

(Membership No. 206920)  
UDIN:20206920AAAAX7146

**BENGALURU**  
November 03, 2020

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## 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 by the Management at reasonable intervals during the year and post year end on account of the lockdown and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) 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, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities, except for the month of February and March 2020 for which the Company has not yet deposited its dues.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

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| Name of Statute                     | Nature of dues         | Forum where the dispute is pending           | Period to which the amount relates | Amount involved (Rs. in Million) | Amount unpaid (Rs. in Million) |
|-------------------------------------|------------------------|--|------------------------------------|----------------------------------|--------------------------------|
| Punjab Value Added Tax Act, 2005    | Value Added Tax        | Commercial Tax Officer, Chandigarh           | 2011-2014                          | 1.90                             | 1.25                           |
| Maharashtra Value Added Tax, 2002   | Value Added Tax        | Commercial Tax Officer, Maharashtra          | 2011-2014                          | 1.08                             | 0.91                           |
| Gujarat Value Added Tax Act, 2005   | Value Added Tax        | Commercial Tax Officer, Gujarat              | January 2013 to December 2016      | 4.17                             | 2.67                           |
| Gujarat Value Added Tax Act, 2005   | Value Added Tax        | Commercial Tax Officer, Gujarat              | 2014-16                            | 2.03                             | 1.53                           |
| Delhi Value Added Tax Act, 2005     | Value Added Tax        | Commercial Tax Officer, Delhi                | 2014-16                            | 2.67                             | 2.48                           |
| Rajasthan Value Added Tax Act, 2003 | Value Added Tax        | Commercial Tax Officer, Rajasthan            | 2014-16                            | 0.63                             | -                              |
| Goods and Services Tax Act, 2017    | Goods and Services Tax | Director General of Anti-Profiteering (GST)  | November 2017 to March 2019        | 325.89                           | 325.89                         |
| Tamilnadu Value Added Tax Act, 2006 | Value Added Tax        | Commercial Tax Officer, Tamilnadu            | 2016-17                            | 155.41                           | 155.41                         |
| Income Tax Act, 1961                | Income tax             | Commissioner of Income Tax (Appeals)         | 2011-12                            | 26.76                            | 26.76                          |
| Income Tax Act, 1961                | Income tax             | Commissioner of Income Tax (Appeals)         | 2012-13                            | 25.64                            | 20.51                          |
| Income Tax Act, 1961                | Income tax             | Assistant Commissioner of Income tax, Indore | 2013-14                            | 1.42                             | 1.42                           |
| Income Tax Act, 1961                | Income tax             | Commissioner of Income Tax (Appeals)         | 2013-14                            | 27.87                            | 22.29                          |
| Income Tax Act, 1961                | Income tax             | Commissioner of Income Tax (Appeals)         | 2014-15                            | 13.25                            | 10.60                          |
| Income Tax Act, 1961                | Income tax             | Commissioner of Income Tax (Appeals)         | 2015-16                            | 8.88                             | 7.11                           |
| Income Tax Act, 1961                | Income tax             | Commissioner of Income Tax (Appeals)         | 2016-17                            | 47.63                            | 38.11                          |

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|                      |            |                                      |         |        |         |
|----------------------|------------|--------------------------------------|---------|--------|---------|
| Income Tax Act, 1961 | Income tax | Commissioner of Income Tax (Appeals) | 2017-18 | 2.84   | 2.28    |
| Income Tax Act, 1961 | Income tax | Commissioner of Income Tax (Appeals) | 2016-17 | 266.07 | 266.07* |

\*Represents the disputed due relating to subsidiary disposed off during the FY 2018-19.

- (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 paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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.

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- (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



**Sathya P. Koushik**  
Partner  
(Membership No. 206920)  
UDIN:20206920AAAAKX7146

**BENGALURU**  
November 03, 2020

**Barbeque-Nation Hospitality Limited**  
**Standalone Balance Sheet as at March 31, 2020**  
(Amount in Rupees Millions except for share data or as otherwise stated)

| Particulars  | Note | As at           |                          |                          |
|--|------|-----------------|--------------------------|--------------------------|
|  |      | 31-Mar-20       | 31-Mar-19<br>(Restated)* | 01-Apr-18<br>(Restated)* |
| <b>ASSETS</b>  |      |                 |                          |                          |
| <b>Non-current assets</b>  |      |                 |                          |                          |
| Property, plant and equipment  | 4(a) | 2,817.93        | 2,579.11                 | 2,020.94                 |
| Lease right of use assets  | 5    | 3,581.91        | 3,146.41                 | 2,363.39                 |
| Capital work-in-progress   |      | 97.33           | 90.13                    | 119.67                   |
| Goodwill   | 6    | 189.66          | 189.66                   | 189.66                   |
| Other Intangible assets  | 4(b) | 65.00           | 54.44                    | 44.37                    |
| <b>Financial Assets</b>  |      |                 |                          |                          |
| Investments  | 7    | 406.33          | 279.04                   | 275.66                   |
| Loans  | 8    | 234.99          | 193.49                   | 166.49                   |
| Other financial assets   | 9    | 21.59           | 15.04                    | 11.39                    |
| Deferred tax assets (net)  | 35   | 277.90          | 304.53                   | 262.23                   |
| Other non-current assets   | 10   | 57.24           | 27.06                    | 21.25                    |
| <b>Total Non-current assets [A]</b>  |      | <b>7,749.88</b> | <b>6,878.91</b>          | <b>5,475.05</b>          |
| <b>Current assets</b>  |      |                 |                          |                          |
| Inventories  | 11   | 129.82          | 182.63                   | 175.01                   |
| <b>Financial assets</b>  |      |                 |                          |                          |
| Investments  |      | -               | -                        | 0.01                     |
| Trade receivables  | 12   | 25.24           | 56.31                    | 65.41                    |
| Cash and cash equivalents  | 13   | 125.24          | 67.68                    | 355.83                   |
| Loans  |      | -               | -                        | 149.10                   |
| Other financial assets   | 14   | 57.38           | 37.38                    | 52.10                    |
| Other current assets   | 15   | 271.99          | 183.07                   | 159.04                   |
| <b>Total current assets [B]</b>  |      | <b>609.67</b>   | <b>527.07</b>            | <b>956.50</b>            |
| <b>Total assets [A+B]</b>  |      | <b>8,359.55</b> | <b>7,405.98</b>          | <b>6,431.55</b>          |
| <b>EQUITY AND LIABILITIES</b>  |      |                 |                          |                          |
| <b>Equity</b>  |      |                 |                          |                          |
| Equity Share capital   | 16   | 139.96          | 139.92                   | 138.00                   |
| Other equity   | 17   | 617.85          | 1,569.89                 | 1,671.63                 |
| <b>Equity attributable to owners of the Company [C]</b>                      |      | <b>757.81</b>   | <b>1,709.81</b>          | <b>1,809.63</b>          |
| <b>Liabilities</b>   |      |                 |                          |                          |
| <b>Non-current liabilities</b>   |      |                 |                          |                          |
| <b>Financial Liabilities</b>   |      |                 |                          |                          |
| Borrowings   | 18   | 1,249.55        | 611.11                   | 469.32                   |
| Lease Liability  | 19   | 3,880.15        | 3,383.89                 | 2,623.18                 |
| Provisions   | 20   | 75.24           | 103.45                   | 76.98                    |
| Other non-current liabilities  |      | -               | -                        | 1.71                     |
| <b>Total Non-current liabilities [D]</b>                                     |      | <b>5,204.94</b> | <b>4,098.45</b>          | <b>3,171.19</b>          |
| <b>Current liabilities</b>   |      |                 |                          |                          |
| <b>Financial Liabilities</b>   |      |                 |                          |                          |
| Borrowings   | 21   | 405.92          | 157.10                   | 185.12                   |
| Lease Liability  | 19   | 404.60          | 338.68                   | 247.88                   |
| Trade payables   | 22   | -               | -                        | -                        |
| - total outstanding dues of micro enterprises and small enterprises          |      | 8.67            | 1.03                     | -                        |
| - total outstanding dues of creditors other than micro and small enterprises |      | 973.67          | 670.19                   | 628.13                   |
| Other financial liabilities  | 23   | 428.15          | 277.54                   | 239.01                   |
| Other current liabilities  | 24   | 108.99          | 79.94                    | 65.25                    |
| Provisions   | 25   | 56.19           | 33.54                    | 32.20                    |
| Current tax liabilities (Net)  | 26   | 10.61           | 39.70                    | 53.14                    |
| <b>Total current liabilities [E]</b>   |      | <b>2,396.80</b> | <b>1,597.72</b>          | <b>1,450.73</b>          |
| <b>Total liabilities [F= [D+E]]</b>  |      | <b>7,601.74</b> | <b>5,696.17</b>          | <b>4,621.92</b>          |
| <b>Total equity and liabilities [F+C]</b>                                    |      | <b>8,359.55</b> | <b>7,405.98</b>          | <b>6,431.55</b>          |

See accompanying notes to the Standalone Financial Statements

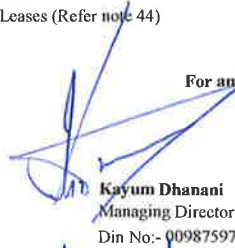
\*Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 44)

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

  
Sathya P Koushik  
Partner



**For and on behalf of the Board of Directors**

  
**Kayum Dhanani**  
Managing Director  
Din No:- 00987597

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Narayanan Unni  
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Date: 2020.11.03 15:34:48  
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**T.N Unni**  
Director  
Din No:- 00079237

  
**Rahul Agrawal**  
Chief Executive Officer

  
**Amit V Betala**  
Chief Financial Officer

  
**Nagamani C Y**  
Company Secretary

Bengaluru, November 3rd, 2020

Bengaluru, November 3rd, 2020



**Barbeque-Nation Hospitality Limited**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2020**  
(Amount in Rupees Millions except for share data or as otherwise stated)

| Particulars   | Notes | For the year ended |                               |
|---|-------|--------------------|-------------------------------|
|   |       | March 31, 2020     | March 31, 2019<br>(Restated)* |
| <b>REVENUE</b>  |       |                    |                               |
| Revenue from operations   | 27    | 7,870.52           | 7,034.55                      |
| Other income  | 271   | 33.06              | 41.74                         |
| <b>Total (A)</b>  |       | <b>7,903.58</b>    | <b>7,076.29</b>               |
| <b>Expenses</b>   |       |                    |                               |
| Cost of food and beverages consumed   | 28    | 2,752.97           | 2,366.30                      |
| Employee benefits expenses  | 29    | 1,778.63           | 1,451.52                      |
| Other operating expenses  | 30    | 1,776.51           | 1,605.18                      |
| <b>Total (B)</b>  |       | <b>6,308.11</b>    | <b>5,423.00</b>               |
| <b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)</b> |       | <b>1,595.47</b>    | <b>1,653.29</b>               |
| Finance costs (D)   | 31    | 631.61             | 472.91                        |
| Depreciation and amortisation expense (E)   | 32    | 1,045.73           | 773.84                        |
| <b>Profit before tax and exceptional items (F) = (C-D-E)</b>  |       | <b>(81.87)</b>     | <b>406.54</b>                 |
| Exceptional items (G)   | 33    | 766.86             | 687.75                        |
| <b>Profit before tax (H) = (F-G)</b>  |       | <b>(848.73)</b>    | <b>(281.21)</b>               |
| <b>Tax expense / (benefit):</b>   | 35    |                    |                               |
| Current tax   |       | 49.35              | 129.50                        |
| Deferred tax  |       | (56.63)            | (40.56)                       |
| Deferred tax impact due to change in tax rate   |       | 85.20              | -                             |
| <b>Net tax expense / (benefit) (I)</b>  |       | <b>77.92</b>       | <b>88.94</b>                  |
| <b>Net Profit for the year (J) = (H-I)</b>  |       | <b>(926.65)</b>    | <b>(370.15)</b>               |
| <b>Other Comprehensive Income / (Losses) (K)</b>  | 37    |                    |                               |
| Items that will not be reclassified to Statement of profit and loss   |       |                    |                               |
| Remeasurements of the defined benefit plans   |       | (7.70)             | (4.99)                        |
| Income tax on the above   |       | 1.94               | 1.74                          |
| <b>Total comprehensive income / (Losses) for the year (J + K)</b>   |       | <b>(932.41)</b>    | <b>(373.40)</b>               |
| <b>Earnings per share</b>   | 40    |                    |                               |
| Basic (in Rs.) (Face value of Rs.5 each)  |       | (33.11)            | (13.96)                       |
| Diluted (in Rs.) (Face value of Rs.5 each)  |       | (33.11)            | (13.96)                       |

See accompanying notes to the Standalone Financial Statements

\*Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 44)

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



**Sathya P Koushik**  
Partner



**For and on behalf of the Board of Directors**



**Kayum Dhanani**  
Managing Director  
Din No:- 00987597

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**T.N Unni**  
Director

Din No:- 00079237



**Rahul Agrawal**  
Chief Executive Officer



**Amit V Betala**  
Chief Financial Officer



**Nagamani C Y**  
Company Secretary

Bengaluru, November 3rd, 2020

Bengaluru, November 3rd, 2020



**Barbeque-Nation Hospitality Limited**  
**Standalone Statement of Changes in Equity**  
(Amount in Rupees Millions except for share data or as otherwise stated)

(a) **Equity share capital**

| Particulars                                     | As at         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 31-Mar-19     |
| Opening balance                                 | 139.92        | 138.00        |
| Changes in equity share capital during the year |               |               |
| Issue of the equity share during the year       | 0.04          | 1.92          |
| <b>Closing balance</b>                          | <b>139.96</b> | <b>139.92</b> |

(b) **Other equity**

| Particulars  | Reserves and Surplus |                                   |                   | Total other equity |
|--|----------------------|-----------------------------------|-------------------|--------------------|
|  | Securities premium   | Share options outstanding account | Retained earnings |                    |
| <b>Balance as at April 01, 2018</b>  | 1,330.43             | 28.58                             | 735.31            | 2,094.32           |
| Restatement pursuant to retrospective adoption of Ind AS 116 (net of deferred tax) | -                    | -                                 | (422.69)          | (422.69)           |
| <b>Balance as at April 01, 2018 *</b>  | <b>1,330.43</b>      | <b>28.58</b>                      | <b>312.62</b>     | <b>1,671.63</b>    |
| Profit/(loss) for the year   | -                    | -                                 | (370.15)          | (370.15)           |
| Remeasurements of the defined benefit plans (net of tax)                           | -                    | -                                 | (3.25)            | (3.25)             |
| <b>Total comprehensive income/(loss)</b>   | <b>-</b>             | <b>-</b>                          | <b>(373.40)</b>   | <b>(373.40)</b>    |
| Premium received on shares issued  | 318.39               | -                                 | -                 | 318.39             |
| Share issue expenses   | (20.40)              | -                                 | -                 | (20.40)            |
| Share based compensation to employees  | -                    | 7.40                              | -                 | 7.40               |
| Dividend and tax thereon   | -                    | -                                 | (33.73)           | (33.73)            |
| <b>Balance as at March 31, 2019 *</b>  | <b>1,628.42</b>      | <b>35.98</b>                      | <b>(94.51)</b>    | <b>1,569.89</b>    |
| Profit/(loss) for the year   | -                    | -                                 | (926.65)          | (926.65)           |
| Remeasurements of the defined benefit plans (net of tax)                           | -                    | -                                 | (5.76)            | (5.76)             |
| <b>Total comprehensive income/(loss)</b>   | <b>-</b>             | <b>-</b>                          | <b>(932.41)</b>   | <b>(932.41)</b>    |
| Transfer on exercise of options  | -                    | (1.61)                            | -                 | (1.61)             |
| Transfer on forfeiture of options  | -                    | (0.18)                            | 0.18              | -                  |
| Premium received on shares issued  | 2.59                 | -                                 | -                 | 2.59               |
| Share based compensation to employees  | -                    | 13.12                             | -                 | 13.12              |
| Dividend and tax thereon   | -                    | -                                 | (33.73)           | (33.73)            |
| <b>Balance as at March 31, 2020</b>  | <b>1,631.01</b>      | <b>47.31</b>                      | <b>(1,060.47)</b> | <b>617.85</b>      |

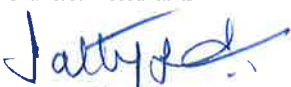
See accompanying notes to the Standalone Financial Statements

\*Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 44)

In terms of our report attached.

**For Deloitte Haskins & Sells**

Chartered Accountants



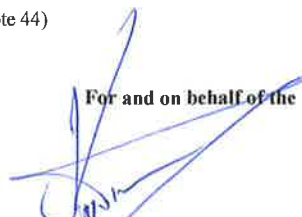
**Sathya P Koushik**

Partner



Bengaluru, November 3rd, 2020

**For and on behalf of the Board of Directors**



**Kayum Dhanani**

Managing Director

Din No:- 00987597

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Narayanan Unni

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**T.N Unni**

Director

Din No:- 00079237



**Rahul Agrawal**  
Chief Executive Officer



**Amit V Betala**  
Chief Financial Officer



**Nagamani C Y**  
Company Secretary

Bengaluru, November 3rd, 2020



**Barbeque-Nation Hospitality Limited**  
**Standalone Cash Flow Statement for the year ended 31st March, 2020**  
(Amount in Rupees Millions except for share data or as otherwise stated)

| Particulars for the year  | Year<br>2019-20   | Year<br>2018-19<br>(Restated)* |
|---|-------------------|--------------------------------|
| <b>A. Cash flow from operating activities</b>   |                   |                                |
| Profit / (loss) before tax  | (848.73)          | (281.21)                       |
| <b>Adjustments for:</b>   |                   |                                |
| Depreciation and amortisation   | 1,045.73          | 773.84                         |
| Interest expense on borrowings  | 133.27            | 63.31                          |
| Interest on lease liabilities   | 433.96            | 347.53                         |
| Interest expenses on provision for asset retirement obligations   | 3.56              | 3.15                           |
| Interest income   | (24.06)           | (33.85)                        |
| Income from government grant  | -                 | (4.71)                         |
| Expense on employee stock option scheme   | 13.12             | 7.40                           |
| Provision no longer required  | (9.00)            | -                              |
| Net loss on disposal of investments in subsidiary (Refer note 33)   | -                 | 413.60                         |
| Provision for impairment of loans and interest receivable from subsidiary (Refer note 33)                           | 117.90            | 274.86                         |
| Provision for impairment of investments (Refer note 33)   | 584.09            | -                              |
| Recognition of credit loss in respect of financial guarantee given towards loan taken by subsidiary (Refer note 33) | 71.20             | -                              |
| Net loss relating to restaurant units closed / relocated  | (6.33)            | (0.71)                         |
| Provision for doubtful receivables and advances   | 5.00              | 12.16                          |
| <b>Operating profit before working capital changes</b>  | <b>1,519.71</b>   | <b>1,575.37</b>                |
| <b>Changes in working capital:</b>  |                   |                                |
| Adjustments for (increase) / decrease in operating assets:  |                   |                                |
| Inventories   | 52.81             | (7.62)                         |
| Trade receivables   | 31.07             | (3.06)                         |
| Other assets (financial & non financial)  | (88.19)           | (49.76)                        |
| Adjustments for increase / (decrease) in operating liabilities:   |                   |                                |
| Trade payables  | 311.12            | 43.11                          |
| Other liabilities   | 29.05             | 17.69                          |
| Non-current provisions  | (26.91)           | 10.43                          |
| Current provisions  | 19.09             | 1.34                           |
| <b>Cash generated from operations</b>   | <b>1,847.75</b>   | <b>1,587.50</b>                |
| Net income tax (paid) / refunds   | (78.44)           | (142.94)                       |
| <b>Net cash flow from / (used in) operating activities (A)</b>  | <b>1,769.31</b>   | <b>1,444.56</b>                |
| <b>B. Cash flow from investing activities</b>   |                   |                                |
| Capital expenditure on property, plant and equipment, including Right-of-use assets, CWIP and capital advances      | (795.40)          | (952.27)                       |
| Proceeds from sale of property, plant and equipment   | 0.68              | 1.03                           |
| Investment in subsidiary  | (711.38)          | (260.43)                       |
| Proceeds from sale of investment in subsidiary  | -                 | 0.50                           |
| Loan given to subsidiary  | (111.95)          | (199.26)                       |
| Deposits placed for margin money  | (36.44)           | (9.86)                         |
| Interest received   | 0.00              | 23.69                          |
| Sale of investment in mutual fund   | -                 | 0.01                           |
| <b>Net cash flow from / (used in) investing activities (B)</b>  | <b>(1,654.49)</b> | <b>(1,396.59)</b>              |
| <b>C. Cash flow from financing activities</b>   |                   |                                |
| Proceeds from issue of equity shares  | 1.02              | 320.31                         |
| Share issue expenses / Expenses towards offer for sale of shares  | (61.10)           | (22.70)                        |
| Proceeds from long-term borrowings  | 899.03            | 614.30                         |
| Repayment of long-term borrowings   | (216.03)          | (497.08)                       |
| Net increase / (decrease) in working capital borrowings   | 248.82            | (28.02)                        |
| Dividend paid (including dividend tax)  | (33.73)           | (33.73)                        |
| Payments of interest portion of lease liabilities   | (433.96)          | (347.53)                       |
| Payments of principal portion of lease liabilities  | (332.69)          | (275.77)                       |
| Interest paid   | (128.62)          | (65.91)                        |
| <b>Net cash flow from financing activities (C)</b>  | <b>(57.26)</b>    | <b>(336.13)</b>                |



**Barbeque-Nation Hospitality Limited**  
**Standalone Cash Flow Statement for the year ended 31st March, 2020**  
(Amount in Rupees Millions except for share data or as otherwise stated)

| Particulars for the year                                | Year<br>2019-20 | Year<br>2018-19<br>(Restated)* |
|---|-----------------|--------------------------------|
| Net increase in cash and cash equivalents (A+B+C)       | 57.56           | (288.16)                       |
| Cash and cash equivalents at the beginning of the year  | 67.68           | 355.84                         |
| <b>Cash and cash equivalents at the end of the year</b> | <b>125.24</b>   | <b>67.68</b>                   |

See accompanying notes to the Standalone Financial Statements

\*Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 44)

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



**Sathya P Koushik**  
Partner



Bengaluru, November 3rd, 2020

**For and on behalf of the Board of Directors**



**Kayum Dhanani**  
Managing Director  
Din No:- 00987597

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Narayanan Unni

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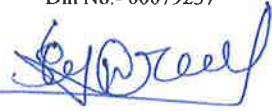
**T.N Unni**  
Director  
Din No:- 00079237



**Bahul Agrawal**  
Chief Executive Officer



**Amit V Betala**  
Chief Financial Officer



**Nagamani C Y**  
Company Secretary

Bengaluru, November 3rd, 2020





**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 Survey No. 62, Site No. 13, 6<sup>th</sup> cross, NS Palya, Stage 2, BTM Layout, Bengaluru - 560 076, Karnataka, India.

**2. Significant accounting policies**

**2.1 Statement of compliance:**

These financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Refer note 42 in respect of change in accounting policy due to adoption of Ind AS 116.

**2.2 Basis of preparation and presentation**

The financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.



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

The impact of the COVID-19 pandemic and the measures put in place to control the spread of virus by the jurisdictional regulatory authorities, have triggered disruptions to the Company's operations at the balance sheet date. Further, its current liabilities exceeded its current assets by Rs.1,787.13 Million as of March 31, 2020.

Due to the restrictions placed by the jurisdictional regulatory authorities, the Company's restaurant outlets were closed temporarily commencing from latter part of March 2020 and pursuant to the reduced level of operations, the Company has incurred operating losses during the period of closure and in the period subsequent to March 31, 2020. The Company has resumed its operations in a phased manner depending on easing of lockdown restrictions and its evaluation of operating scenarios at respective store locations. As on date of approval of these financial statements, the Company had opened substantially all of its outlets and commenced operations.

In order to address the matter of having adequate liquidity in the Company to ensure that the Company can meet all its obligations in the normal course of business, the management of the Company has taken various measures which include the following:

- A number of cash conservation measures, including a (i) significant reduction in the level of capital expenditure in the short term, (ii) limiting the outflows to only outlets which the Company intends to operationalise, compliance and health and safety related spend, (iii) pausing all non-essential discretionary and variable spending, (iv) payroll cost reductions through store manpower rationalisation and salary cuts, and (v) extended credit with suppliers and lessors, reduction in lease rentals etc.
- Continuing focus on outdoor catering and sourcing of customers from third party platforms, its various initiatives to comply with sanitization and social distancing protocols, minimal contact experience through non-touch alternatives and strict adherence to hygiene norms along with gradual easing of regulatory restrictions are expected to help the Company to achieve its pre-COVID level of operations and profitability by April 2021.
- The Company has approached its lenders requesting for moratorium for payment of interest across all the loan facilities till March 31, 2021 and repayment of principal for all its loans till August 31, 2022.
- Raising adequate funding through incremental debt from banks with 1 year moratorium for repayment of principal and interest and fresh equity infusion.

The Promoters of the Company have committed to the Company, financial support, if any required to ensure that the Company shall be able to meet all its obligations in the normal course of business for a period of not less than one year from the date of approval of these financial statements.

The Board of directors of the Company have approved the aforesaid business plan and in their assessment, based on due consideration of the business plan and the Promoters' undertaking referred above, the Company will be able to meet all its obligations in the normal course of business. Accordingly, the Board of directors have approved the preparation of the standalone financial statements on a going concern basis.

The standalone financial statements do not therefore incorporate adjustments, if any, that may be required in respect of recoverability and classification of asset carrying amounts or the amounts and classification of liabilities, should the Company not continue as a going concern

**2.3 Revenue recognition**



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

Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer.

Revenue from sale of food and beverages is recognized at the time of underlying sale to the customer. Revenue is presented net of discounts given to the customers and any taxes collected from customers for remittance to the government. In case of discount to customers in the form of gift voucher, the value of such discount is determined based on the percentage of redemption in the past. Customer purchases of gift cards are recognized as sales upon redemption of gift card or upon expiry.

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

Royalty arrangements based on sales are recognised at the time the underlying sales occur.

Government incentives are accrued for based on fulfilment 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.

**2.4 Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.5 Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

**2.6 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating units.



A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss.

## **2.7 Property, Plant and Equipment**

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on tangible assets have been provided on the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life of assets is given below:

|                        |  |
|------------------------|--|
| Leasehold improvements | Amortised over the period of the lease |
| Furniture and fittings | 10 Years                               |
| Plant & machinery      | 15 Years                               |
| Service equipments     | 10 Years                               |
| Computer equipments    | 3-6 Years                              |
| Vehicles               | 8 Years                                |

## **2.8 Intangible assets**

Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Liquor licenses with perpetual term purchased for restaurant chain business: Amortised over the lease term of the respective restaurants

|                             |                        |
|-----------------------------|------------------------|
| Software and other licenses | 3 Years                |
| Brand name                  | Indefinite useful life |



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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

**2.9 Investments in subsidiary**

Investment in subsidiaries are measured at cost less impairment.

**2.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Cost of inventories include all costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**2.11 Financial Instruments**

**Financial assets and financial liabilities:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Initial recognition and measurement:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

**Subsequent measurement:**

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

**Financial Assets at fair value through other comprehensive Income:** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

**Financial assets at fair value through profit or loss:** Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.



### Financial liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of profit and loss.

## 2.12 Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.



### **2.13 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **2.14 Foreign Currency transactions and translations**

The functional currency of the Company is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- (a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

### **2.15 Employee Benefits**

#### **Defined Contribution Plan**

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

#### **Defined Benefit Plan**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

#### **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.

### **2.16 Share based payment transaction**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### **2.17 Borrowing Costs**

Borrowing costs include:

- (a) interest expense calculated using the effective interest rate method,
- (b) finance charges in respect of finance leases, and
- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

### **2.18 Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.





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For arrangements entered into prior to the date of transition to Ind AS, i.e., April 1, 2018, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Further, in respect of lease contracts of its outlet premises, the Company has elected not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

**Measurement of the right-of use asset:**

At the commencement date, the right-of-use asset is measured at cost and comprises:

- the amount of the initial measurement of the lease liability, to which is added, if applicable, any lease payments made at or before the commencement date, less any lease incentives received;
- where relevant, any initial direct costs incurred by the lessee for the conclusion of the contract. These are incremental costs which would not have been incurred if the contract had not been concluded;
- estimated costs for restoration and dismantling of the leased asset according to the terms of the contract, through a return obligation liability or provision determined as a discounted amount of the restoration and dismantling costs.

Following the initial recognition, the right-of-use asset is depreciated from the commencement date on a straight-line basis over the lease term. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

**Measurement of the lease liability**

At the commencement date, the lease liability is recognized for an amount equal to the present value of the lease payments over the lease term.

Amounts involved in the measurement of the lease liability are:

- fixed payments (including in-substance fixed payments; meaning that even if they are variable in form, they are in-substance unavoidable);
- variable lease payments that depend on an index or a rate, initially measured using the index or the rate in force at the lease commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured based on a process similar to the amortized cost method using the discount rate:

- the liability is increased by the accrued interests resulting from the discounting of the lease liability, at the beginning of the lease period;



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- less payments made. The interest cost for the period as well as variable payments, not taken into account in the initial measurement of the lease liability and incurred over the relevant period are recognized as costs.

In addition, the lease liability may be remeasured in the following situations:

- change in the lease term,
- modification related to the assessment of the reasonably certain nature (or not) of the exercise of an option,
- remeasurement linked to the residual value guarantees,
- adjustment to the rates and indices according to which the rents are calculated when rent adjustments occur.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## **2.19 Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax:** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **Current and deferred tax for the period**

Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



## **2.20 Provisions and Contingent Liabilities**

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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). 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.

## **2.21 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## **2.22 Earnings per share (EPS)**

Basic earnings per share are computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **2.23 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.



### **3 Use of estimates and judgements**

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

#### **Impairment of investments made and loans given to subsidiaries**

The Company reviews its carrying value of investments made and loans given to subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

#### **Useful lives of property, plant and equipment**

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### **Provision for site restoration obligations:**

The Company has recognised provision for site restoration obligation associated with the stores opened. In determining the value of the provision, assumptions and estimates are made in respect of the expected cost to dismantle and remove the furniture/fixtures from the stores and the expected timing of those costs.



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**Uncertain tax positions**

- The Company's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with relevant tax authorities. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.



Note  
No.

4 Property, plant and equipment and intangible assets\*

| Particulars                                       | Cost                    |               |             |                           | Accumulated depreciation/amortisation |  |                                  |                           | Net Block                 |
|---|-------------------------|---------------|-------------|---------------------------|---------------------------------------|--|----------------------------------|---------------------------|---------------------------|
|   | Balance as at 01-Apr-19 | Additions     | Deletions   | Balance as at 31-Mar-2020 | Balance as at 01-Apr-19               | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Balance as at 31-Mar-2020 | Balance as at 31-Mar-2020 |
| <b>4(a) Property, plant and equipment (owned)</b> |                         |               |             |                           |                                       |  |                                  |                           |                           |
| Lease hold improvements                           | 1,090.90                | 234.82        | 0.51        | 1,325.21                  | 297.77                                | 166.36   | 0.49                             | 463.64                    | 861.57                    |
| Furniture and fixtures                            | 947.73                  | 176.02        | 0.51        | 1,123.24                  | 231.73                                | 131.78   | 0.29                             | 363.22                    | 760.02                    |
| Plant & machinery                                 | 696.63                  | 166.35        | 4.44        | 858.54                    | 103.28                                | 62.37  | 2.59                             | 163.06                    | 695.48                    |
| Service equipments                                | 651.83                  | 133.06        | 0.79        | 784.10                    | 250.75                                | 118.93   | 0.48                             | 369.20                    | 414.90                    |
| Computer equipments                               | 126.26                  | 47.64         | 1.40        | 172.50                    | 54.20                                 | 40.87  | 1.38                             | 93.69                     | 78.81                     |
| Vehicles  | 4.97                    | 4.60          | 0.32        | 9.25                      | 1.48                                  | 0.83   | 0.21                             | 2.10                      | 7.15                      |
| <b>Total</b>                                      | <b>3,518.32</b>         | <b>762.49</b> | <b>7.97</b> | <b>4,272.84</b>           | <b>939.21</b>                         | <b>521.14</b>                                    | <b>5.44</b>                      | <b>1,454.91</b>           | <b>2,817.93</b>           |
| <b>4(b) Intangible assets (others)</b>            |                         |               |             |                           |                                       |  |                                  |                           |                           |
| Liquor licenses                                   | 7.63                    | 0.60          | -           | 8.23                      | 5.84                                  | 0.16   | -                                | 6.00                      | 2.23                      |
| Software and licenses                             | 36.70                   | 19.62         | -           | 56.32                     | 13.53                                 | 9.50   | -                                | 23.03                     | 33.29                     |
| Brand name  | 29.48                   | -             | -           | 29.48                     | -                                     | -  | -                                | -                         | 29.48                     |
| <b>Total</b>                                      | <b>73.81</b>            | <b>20.22</b>  | <b>-</b>    | <b>94.03</b>              | <b>19.37</b>                          | <b>9.66</b>                                      | <b>-</b>                         | <b>29.03</b>              | <b>65.00</b>              |
| <b>Grand Total</b>                                | <b>3,592.13</b>         | <b>782.71</b> | <b>7.97</b> | <b>4,366.87</b>           | <b>958.58</b>                         | <b>530.80</b>                                    | <b>5.44</b>                      | <b>1,483.94</b>           | <b>2,882.93</b>           |

| Particulars                                       | Cost                    |               |             |                         | Accumulated depreciation/amortisation |  |                                  |                         | Net Block               |
|---|-------------------------|---------------|-------------|-------------------------|---------------------------------------|--|----------------------------------|-------------------------|-------------------------|
|   | Balance as at 01-Apr-18 | Additions     | Deletions   | Balance as at 31-Mar-19 | Balance as at 01-Apr-18               | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Balance as at 31-Mar-19 | Balance as at 31-Mar-19 |
| <b>4(a) Property, plant and equipment (owned)</b> |                         |               |             |                         |                                       |  |                                  |                         |                         |
| Lease hold improvements                           | 796.63                  | 295.26        | 0.99        | 1,090.90                | 176.62                                | 121.58   | 0.43                             | 297.77                  | 793.13                  |
| Furniture and fixtures                            | 718.18                  | 229.96        | 0.41        | 947.73                  | 140.34                                | 91.59  | 0.20                             | 231.73                  | 716.00                  |
| Plant & machinery                                 | 519.36                  | 180.13        | 2.86        | 696.63                  | 58.78                                 | 45.54  | 1.04                             | 103.28                  | 593.35                  |
| Service equipments                                | 506.77                  | 148.68        | 3.62        | 651.83                  | 180.58                                | 72.28  | 2.11                             | 250.75                  | 401.08                  |
| Computer equipments                               | 63.51                   | 62.75         | -           | 126.26                  | 30.93                                 | 23.27  | -                                | 54.20                   | 72.06                   |
| Vehicles  | 4.53                    | 0.44          | -           | 4.97                    | 0.79                                  | 0.69   | -                                | 1.48                    | 3.49                    |
| <b>Total</b>                                      | <b>2,608.98</b>         | <b>917.22</b> | <b>7.88</b> | <b>3,518.32</b>         | <b>588.04</b>                         | <b>354.95</b>                                    | <b>3.78</b>                      | <b>939.21</b>           | <b>2,579.11</b>         |
| <b>4(b) Intangible assets (others)</b>            |                         |               |             |                         |                                       |  |                                  |                         |                         |
| Liquor licenses                                   | 7.63                    | -             | -           | 7.63                    | 4.62                                  | 1.22   | -                                | 5.84                    | 1.79                    |
| Software and licenses                             | 19.39                   | 17.31         | -           | 36.70                   | 7.51                                  | 6.02   | -                                | 13.53                   | 23.17                   |
| Brand name  | 29.48                   | -             | -           | 29.48                   | -                                     | -  | -                                | -                       | 29.48                   |
| <b>Total</b>                                      | <b>56.50</b>            | <b>17.31</b>  | <b>-</b>    | <b>73.81</b>            | <b>12.13</b>                          | <b>7.24</b>                                      | <b>-</b>                         | <b>19.37</b>            | <b>54.44</b>            |
| <b>Grand Total</b>                                | <b>2,665.48</b>         | <b>934.53</b> | <b>7.88</b> | <b>3,592.13</b>         | <b>600.17</b>                         | <b>362.19</b>                                    | <b>3.78</b>                      | <b>958.58</b>           | <b>2,633.55</b>         |

\*Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 44)



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

**5 Right-of-use asset\*****Gross carrying value**

| Particulars          | Rs.      |
|----------------------|----------|
| As at April 1, 2018  | 3,852.46 |
| Additions            | 1,202.30 |
| Deletions            | (21.45)  |
| As at March 31, 2019 | 5,033.31 |
| Additions            | 1,037.68 |
| Deletions            | (128.93) |
| As at March 31, 2020 | 5,942.06 |

**Accumulated depreciation**

| Particulars                      | Rs.      |
|----------------------------------|----------|
| As at April 1, 2018              | 1,489.07 |
| Depreciation charge for the year | 411.65   |
| Deletions                        | (13.82)  |
| As at March 31, 2019             | 1,886.90 |
| Depreciation charge for the year | 514.93   |
| Deletions                        | (41.68)  |
| As at March 31, 2020             | 2,360.15 |

**Net carrying value**

|                      |          |
|----------------------|----------|
| As at March 31, 2020 | 3,581.91 |
| As at March 31, 2019 | 3,146.41 |
| As at April 1, 2018  | 2,363.39 |

\*Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 44)



Note No.

6 Goodwill

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-20 | 31-Mar-19 |
| Goodwill allocated to the business of operating restaurant outlets | 189.66    | 189.66    |

The carrying value of and brand referred under note 4 amounting Rs. 37.57 and the goodwill referred above have been allocated to the business of operating restaurant outlets, which is considered cash generating unit by the Company for the purpose of impairment assessment. The recoverable amount of the above cash generating unit has been determined based on 'Value in use' model, wherein, the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 4 to 5 years and terminal value. The terminal value of each cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate. The Directors and the Management have assessed and concluded that the reasonably possible change in the key assumptions would not result in carrying amount of brand and goodwill to exceed the aggregate of their recoverable amounts.

7 Investments

(Classified under non-current assets)

| Particulars  | As at              |               |
|--|--------------------|---------------|
|  | 31-Mar-20          | 31-Mar-19     |
| <b>Unquoted Investments in equity instruments of subsidiary (carried at cost):</b>   |                    |               |
| Barbeque Nation Mena Holding Limited (formerly known as Barbeque Nation Holdings Limited)<br>(159,425 (31 March 2019: 140,525) equity shares of AED 100 each)<br>Less:- Allowance for impairment (Refer note 33) | 313.09<br>(313.09) | 276.26<br>-   |
| Barbeque Nation Holdings Pvt Ltd<br>(19,980 (31 March 2019: 19,980) equity shares of USD 1 each)   | 1.39               | 1.39          |
| Barbeque Holdings Pvt Ltd<br>(19,980 (31 March 2019: 19,980) equity shares of USD 1 each)<br>Less: Impairment pursuant to wind up (Refer note below)   | 1.39<br>(1.39)     | 1.39<br>-     |
| Red Apple Kitchen Consultancy Private Limited<br>(3,232 (31 March 2019: Nil) equity shares of Rs 100 each) (Refer note below)<br>Less:- Allowance for impairment (Refer note 33)                                 | 674.87<br>(271.00) | -<br>-        |
| <b>Share application money:</b><br>Barbeque Nation Holdings Pvt Ltd  | 1.07               | -             |
| <b>Total</b>   | <b>406.33</b>      | <b>279.04</b> |
| Aggregate amount of un-quoted investments  | 406.33             | 279.04        |

Note 1

- (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. 130, the Company acquired 78.64% stake in PGPL. Subsequently, the Company acquired remaining stake in PGPL for Rs. 47.73 during November 2016. Further, the Company made additional investments in PGPL of Rs. 28.97 during the previous year and Rs. 50.35 during the year ended 31 March 2018.

During the previous year ended March 31, 2019, the management terminated the franchisee with Johnny Rockets and also disposed of its investments in PGPL for the net consideration of Rs. 0.5 million.

- (b) Barbeque Holdings Pvt. Ltd has been wound up pursuant to the notice/ order, dated August 10, 2020, issued by the Registrar of Companies, Port Louis, Mauritius towards the application made on September 27, 2019.
- (c) The Company acquired securities of Red Apple Kitchen Consultancy Private Limited ("Red Apple") representing 61.35% stake on a fully diluted basis and additional acquisition rights in Red Apple, for a total consideration of Rs. 674.87 towards 2,964 equity shares of face value of Rs. 100 each of Red Apple from Samar Retail Private Limited, a related party which is controlled by the Managing Director of the Company. This acquisition was approved by the Board of Directors and shareholders in their meeting dated December 30, 2019 and November 29, 2019, respectively.

8 Loans

(Classified under non-current assets)

| Particulars  | As at         |               |
|--|---------------|---------------|
|  | 31-Mar-20     | 31-Mar-19     |
| <b>Unsecured,</b>  |               |               |
| Security deposits (Towards the lease of restaurant outlets)                                      |               |               |
| - Unsecured, considered good   | 234.99        | 193.49        |
| - Doubtful   | 11.69         | -             |
| Less : Allowance for bad and doubtful deposits pursuant to closure of outlets (Refer note below) | (11.69)       | -             |
| Loans to related parties   |               |               |
| considered good  | -             | -             |
| credit impaired  | 386.81        | 274.86        |
| Less: Allowance for impairment (Refer note 33)   | (386.81)      | (274.86)      |
| <b>Total</b>   | <b>234.99</b> | <b>193.49</b> |

Note:

Allowance for bad and doubtful deposits pursuant to closure of outlets is included in the Net loss relating to restaurant units closed / relocated disclosed under Note 33.





Note

No.

9 Other financial assets

(Classified under non-current assets)

| Particulars                               | As at        |              |
|---|--------------|--------------|
|   | 31-Mar-20    | 31-Mar-19    |
| Balances held as margin money or security | 21.59        | 15.04        |
| <b>Total</b>                              | <b>21.59</b> | <b>15.04</b> |

10 Other non-current assets

| Particulars   | As at        |              |
|---|--------------|--------------|
|   | 31-Mar-20    | 31-Mar-19    |
| <b>Unsecured, considered good:</b>                  |              |              |
| Amounts paid to statutory authorities under protest | 29.77        | 10.62        |
| Other security deposits                             | 27.47        | 16.44        |
| <b>Total</b>  | <b>57.24</b> | <b>27.06</b> |

11 Inventories

| Particulars                                 | As at         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 31-Mar-19     |
| (At lower of cost and net realisable value) |               |               |
| Food & beverages                            | 117.34        | 134.14        |
| Stores & consumables                        | 12.48         | 48.49         |
| <b>Total</b>                                | <b>129.82</b> | <b>182.63</b> |

12 Trade receivables

| Particulars   | As at        |              |
|---|--------------|--------------|
|   | 31-Mar-20    | 31-Mar-19    |
| <b>Trade receivables (unsecured) consist of following</b>           |              |              |
| Considered good   | 25.24        | 56.31        |
| Considered doubtful   | 1.65         | 14.68        |
|   | 26.89        | 70.99        |
| Allowance for doubtful receivables (expected credit loss allowance) | (1.65)       | (14.68)      |
| <b>Total</b>  | <b>25.24</b> | <b>56.31</b> |

The Company business is predominantly retail in nature on 'cash and carry' basis which is largely through cash and credit card collections. The credit risk on such credit card collections is minimal, since they are primarily owned by card issuing banks. The Company also has certain receivables from corporates on credit terms ranging upto 60 days.

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

Movement in allowance for doubtful debts is as follows:

| Particulars   | As at       |              |
|---|-------------|--------------|
|   | 31-Mar-20   | 31-Mar-19    |
| Opening balance   | 14.68       | 2.52         |
| Movement in expected credit loss (ECL) allowance on trade receivables at lifetime ECL | -           | 12.16        |
| Written-off during the year   | (13.03)     | -            |
| <b>Closing balance</b>  | <b>1.65</b> | <b>14.68</b> |



Note  
No.

13 Cash and cash equivalents

| Particulars   | As at         |              |
|---|---------------|--------------|
|   | 31-Mar-20     | 31-Mar-19    |
| <b>Balances with banks</b>                            |               |              |
| In current accounts                                   | 123.43        | 49.87        |
| In deposit accounts                                   | -             | -            |
| Cash on hand  | 1.81          | 17.81        |
| <b>Cash and cash equivalents as per balance sheet</b> | <b>125.24</b> | <b>67.68</b> |

14 Other financial assets

(Classified under current assets)

| Particulars                                    | As at        |              |
|--|--------------|--------------|
|  | 31-Mar-20    | 31-Mar-19    |
| Balances held as margin money or security      | 36.10        | 6.21         |
| <b>Interest accrued on</b>                     |              |              |
| fixed deposits                                 | 5.79         | 3.87         |
| loans given to related parties                 | 5.95         | -            |
| Less: Allowance for impairment (Refer note 33) | (5.95)       | -            |
| <b>Other receivables from subsidiaries</b>     | <b>15.49</b> | <b>27.30</b> |
| <b>Total</b>                                   | <b>57.38</b> | <b>37.38</b> |

15 Other current assets

| Particulars   | As at         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 31-Mar-19     |
| Advance to employees  | 27.43         | 5.69          |
| Prepaid expenses  | 48.59         | 65.90         |
| Advances paid for supply of materials / rendering of services |               |               |
| Unsecured, considered good                                    | 57.25         | 31.65         |
| Doubtful  | 8.98          | 9.96          |
|   | <b>66.23</b>  | <b>41.61</b>  |
| Less: Allowance for bad and doubtful advances                 | (8.98)        | (9.96)        |
|   | <b>57.25</b>  | <b>31.65</b>  |
| Balance with Government authorities                           | 2.54          | 4.75          |
| Unamortised share issue expenses (Refer note below)           | 136.18        | 75.08         |
| <b>Total</b>  | <b>271.99</b> | <b>183.07</b> |

Note: The Company has incurred certain expenses towards proposed Initial Public Offering of its equity shares. The Company expects to recover certain amount 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.

| Particulars                          | As at       |             |
|--------------------------------------|-------------|-------------|
|                                      | 31-Mar-20   | 31-Mar-19   |
| Opening balance                      | 9.96        | 9.96        |
| Additional provision during the year | 5.00        | -           |
| Written-off during the year          | (5.98)      | -           |
| <b>Closing balance</b>               | <b>8.98</b> | <b>9.96</b> |



Note  
No.

**16 Equity Share capital**

| Particulars   | As at         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 31-Mar-19     |
| <b>Authorised</b><br>60,000,000 equity shares of Rs. 5/- each<br>(as at 31-Mar-19 60,000,000 equity shares of Rs. 5/- each)                                   | 300.00        | 300.00        |
| <b>Issued, subscribed and fully paid up capital</b><br>27,991,788 equity shares of Rs. 5/- each<br>(as at 31-Mar-19 27,984,014 equity shares of Rs. 5/- each) | 139.96        | 139.92        |
| <b>Total</b>  | <b>139.96</b> | <b>139.92</b> |

**(a) Reconciliation of the number of shares and amount outstanding as**

| Particulars                           | As at              |               |                    |               |
|---------------------------------------|--------------------|---------------|--------------------|---------------|
|                                       | 31-Mar-20          |               | 31-Mar-19          |               |
|                                       | No. of shares      | Amount        | No. of shares      | Amount        |
| <b>Equity shares of Rs. 5/- each:</b> |                    |               |                    |               |
| Opening balance                       | 2,79,84,014        | 139.92        | 2,75,99,014        | 138.00        |
| Add: Issued during the year #         | 7,774              | 0.04          | 3,85,000           | 1.93          |
| <b>Closing balance</b>                | <b>2,79,91,788</b> | <b>139.96</b> | <b>2,79,84,014</b> | <b>139.92</b> |

#

- (i) 7,774 equity shares of Rs. 5 each were issued to employees pursuant to Employee stock options scheme  
(ii) 385,000 equity shares of Rs. 5 each were issued to Partner Reinsurance Europe SE at a premium of Rs.827 per share on April 11, 2018.

**(b) Details of shares held by each shareholder holding more than 5% shares**

| Particulars                          | As at         |           |               |           |
|--------------------------------------|---------------|-----------|---------------|-----------|
|                                      | 31-03-2020    |           | 31-03-2019    |           |
|                                      | No. of Shares | % holding | No. of Shares | % holding |
| Sayaji Housekeeping Services Limited | 1,26,21,116   | 45.09%    | 1,26,21,116   | 45.10%    |
| Tamara Private Limited               | 60,78,402     | 21.71%    | 60,78,402     | 21.72%    |
| Pace Private Limited                 | 31,82,964     | 11.37%    | 31,82,964     | 11.37%    |
| Kayum Razak Dhanani                  | 12,98,684     | 4.64%     | 13,98,684     | 5.00%     |

**(c) Number of equity shares reserved for issuance**

| Name of shareholders  | As at     |           |
|---|-----------|-----------|
|   | 31-Mar-20 | 31-Mar-19 |
| Equity shares of Rs. 5/- each<br>to eligible employees under Employee Stock Option Scheme | 9,30,830  | 5,32,480  |

- (d) The Company has only one class of equity share having a par value of Rs.5/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

**17 Other equity**

| Particulars                 | As at         |                 |
|-----------------------------|---------------|-----------------|
|                             | 31-Mar-20     | 31-Mar-19       |
| Securities premium          | 1,631.01      | 1,628.42        |
| Share based payment reserve | 47.31         | 35.98           |
| Retained earnings           | (1,060.47)    | (94.51)         |
| <b>Total</b>                | <b>617.85</b> | <b>1,569.89</b> |

| Particulars  | As at             |                 |
|--|-------------------|-----------------|
|  | 31-Mar-20         | 31-Mar-19       |
| <b>Securities premium account</b>  |                   |                 |
| Opening balance  | 1,628.42          | 1,330.43        |
| Add: Premium on shares issued during the year [Refer Note 16 (a)]              | 2.59              | 318.39          |
| Less: Share issue expenses   | -                 | (20.40)         |
| <b>Closing balance</b>   | <b>1,631.01</b>   | <b>1,628.42</b> |
| <b>Share based payment reserve</b>   |                   |                 |
| Opening balance  | 35.98             | 28.58           |
| Add: Charge for year   | 13.12             | 7.40            |
| Less: Transfer to securities premium on account of exercise                    | (1.61)            | -               |
| Less: Transfer to retained earnings on account of forfeiture                   | (0.18)            | -               |
| <b>Closing balance</b>   | <b>47.31</b>      | <b>35.98</b>    |
| <b>Retained earnings</b>   |                   |                 |
| Opening balance  | (94.51)           | 312.62          |
| Add: Transfer on forfeiture of options   | 0.18              | -               |
| Add: Profit/(loss) for the year  | (926.65)          | (370.15)        |
| Less: Remeasurement loss recognised in Other comprehensive Income (net of tax) | (5.76)            | (3.25)          |
| Less: Dividend on equity shares (refer note below)                             | (27.98)           | (27.98)         |
| Less: Dividend distribution tax (refer note below)                             | (5.75)            | (5.75)          |
| <b>Closing balance</b>   | <b>(1,060.47)</b> | <b>(94.51)</b>  |

| Particulars   | As at     |           |
|---|-----------|-----------|
|   | 31-Mar-20 | 31-Mar-19 |
| The amount of dividends proposed before the financial statements were approved for issue but not recognised as a distribution to owners during the year | -         | 27.98     |
| Tax on dividend above   | -         | 5.75      |

**Nature and purpose of reserves**

Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Share based payment reserve: The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

Retained earnings: Retained earnings are the profits / loss that the Company has earned / incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

**18 Borrowings**

| Particulars                                      | As at           |               |
|--|-----------------|---------------|
|  | 31-Mar-20       | 31-Mar-19     |
| <b>Secured at amortised cost:</b>                |                 |               |
| (For details of terms and security, refer notes) |                 |               |
| Term loans                                       |                 |               |
| (i) from banks                                   | 866.36          | 611.11        |
| (ii) from non-banking financial institutions     | 382.14          | -             |
| Vehicle loans                                    | 1.05            | -             |
| <b>Total</b>                                     | <b>1,249.55</b> | <b>611.11</b> |



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note  
No.**18 Notes: Details of security and terms of repayment for the long-term borrowings:**

| Terms of repayment and security  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-20 | 31-Mar-19 |
| <b>Term loans from banks</b>   |           |           |
| <b>(i) Term loan 1:</b>  |           |           |
| <b>Non -Current portion</b>  | 291.73    | 154.92    |
| <b>Current maturities of long-term debt</b>  | 45.77     | 60.00     |
| <b>Repayment terms:</b><br>Repayable in 60 monthly instalments after a moratorium of 6 months and carries an interest rate of 1 Year MCLR + 0.40% p.a  |           |           |
| <b>Security :</b><br>1)First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.<br>2)First paripassu charge on entire current assets and security deposits of the Company, both present and future.<br>3)First paripassu charge by way of hypothecation over the Brand of the Company |           |           |
| <b>(ii) Term loan 2:</b>   |           |           |
| <b>Non -Current portion</b>  | 11.77     | 23.35     |
| <b>Current maturities of long-term debt</b>  | 13.69     | 21.53     |
| <b>Repayment terms:</b><br>USD loan - Repayable in 60 defined monthly instalments and carries an interest rate of 6 months LIBOR + 450 base points   |           |           |
| <b>Security :</b><br>1)First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.<br>2)First paripassu charge on entire current assets and security deposits of the Company, both present and future.<br>3)First paripassu charge by way of hypothecation over the Brand of the Company |           |           |
| <b>(iii) Term loan 3:</b>  |           |           |
| <b>Non -Current portion</b>  | 207.24    | -         |
| <b>Current maturities of long-term debt</b>  | 39.41     | -         |
| <b>Repayment terms:</b><br>Repayable in 54 defined installments and carries an interest rate of 1 year MCLR plus 0.85% p.a.  |           |           |
| <b>Security :</b><br>1)First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.<br>2)First paripassu charge on entire current assets and security deposits of the Company, both present and future.<br>3)First paripassu charge by way of hypothecation over the Brand of the Company |           |           |
| <b>(iv) Term loan 4:</b>   |           |           |
| <b>Non -Current portion</b>  | 52.51     | 63.00     |
| <b>Current maturities of long-term debt</b>  | 10.51     | 18.00     |
| <b>Repayment terms:</b><br>Repayable in 60 equal monthly instalments and carries an interest rate of 12 month MCLR plus 1% p.a   |           |           |
| <b>Security :</b><br>1)First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.<br>2)First paripassu charge on entire current assets and security deposits of the Company, both present and future.<br>3)First paripassu charge by way of hypothecation over the Brand of the Company |           |           |



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note  
No.

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

| Terms of repayment and security   | As at     |           |
|---|-----------|-----------|
|   | 31-Mar-20 | 31-Mar-19 |
| <b>(v) Term loan 5:</b>   |           |           |
| <b>Non -Current portion</b>   | 11.56     | 20.00     |
| <b>Current maturities of long-term debt</b>   | 8.26      | 14.40     |
| <b>Repayment terms:</b><br>Repayable in 42 defined monthly instalments and carries an interest rate of 12 month MCLR plus 1% p.a  |           |           |
| <b>Security :</b><br>1)First pari passu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.<br>2)First pari passu charge on entire current assets and security deposits of the Company, both present and future.<br>3)First pari passu charge by way of hypothecation over the Brand of the Company |           |           |
| <b>(vi) Term loan 6:</b>  |           |           |
| <b>Non -Current portion</b>   | 254.96    | 297.88    |
| <b>Current maturities of long-term debt</b>   | 48.38     | 82.56     |
| <b>Repayment terms:</b><br>Repayable in 60 monthly instalments and carries interest rate at 1 year MCLR plus 0.60% p.a  |           |           |
| <b>Security :</b><br>1)First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future<br>2)First pari passu charge over the Brand of the Company  |           |           |
| <b>(vii) Term loan 7:</b>   |           |           |
| <b>Non -Current portion</b>   | 17.92     | 22.23     |
| <b>Current maturities of long-term debt</b>   | 4.79      | 10.00     |
| <b>Repayment terms:</b><br>Repayable in 20 equal quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a.  |           |           |
| <b>Security :</b><br>1)First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future<br>2)First pari passu charge over the Brand of the Company  |           |           |
| <b>(viii) Term loan 8:</b>  |           |           |
| <b>Non -Current portion</b>   | 18.67     | 29.73     |
| <b>Current maturities of long-term debt</b>   | 5.08      | 10.53     |
| <b>Repayment terms:</b><br>Repayable in 19 equal quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a.  |           |           |
| <b>Security :</b><br>1)First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future<br>2)First pari passu charge over the Brand of the Company  |           |           |
| <b>(ix) Term loan 9:</b>  |           |           |
| <b>Non -Current portion</b>   | -         | -         |
| <b>Current maturities of long-term debt</b>   | -         | 6.97      |
| <b>Repayment terms:</b><br>Repayable in 9 quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a later, rate to be reset annually.  |           |           |
| <b>Security :</b><br>1)First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future<br>2)First pari passu charge over the Brand of the Company  |           |           |



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note  
No.**18. Notes: Details of security and terms of repayment for the long-term borrowings:**

| Terms of repayment and security  | As at           |               |
|--|-----------------|---------------|
|  | 31-Mar-20       | 31-Mar-19     |
| <b>(x) Term loan 10:</b>   |                 |               |
| Non -Current portion   | 187.00          | -             |
| Current maturities of long-term debt   | 39.20           | -             |
| <b>Repayment terms:</b><br>Repayable in 36 defined monthly installments and carries an interest rate of 14% p.a  |                 |               |
| <b>Security :</b>  |                 |               |
| 1) Second ranking pari-passu charge over all current and moveable fixed assets and security deposits of the Company, both present and future.                    |                 |               |
| 2) Exclusive pledge over the shares of Red Apple Kitchen Consultancy Private Limited.  |                 |               |
| <b>(xi) Term loan 11:</b>  |                 |               |
| Non -Current portion   | 195.14          | -             |
| Current maturities of long-term debt   | 51.26           | -             |
| <b>Repayment terms:</b><br>Repayable in 33 defined monthly installments and carries an interest rate of 14% p.a  |                 |               |
| <b>Security :</b>  |                 |               |
| 1) Second pari-passu charge over all current assets and security deposits of the Company, both present and future  |                 |               |
| 2) Exclusive pledge over 35% of the aggregate share capital of Red Apple Kitchen Consultancy Private Limited (on a fully diluted basis) acquired by the Company. |                 |               |
| <b>(xii) Vehicle loan:</b>   |                 |               |
| Non -Current portion   | 1.05            | -             |
| Current maturities of long-term debt   | 2.20            | -             |
| <b>Repayment terms:</b><br>Repayable in 36 equated monthly installments and carries an interest rate of 8.5% p.a   |                 |               |
| <b>Security :</b><br>Hypothecation of underlying vehicle in favor of lender  |                 |               |
| <b>Total</b>   | <b>1,518.10</b> | <b>835.10</b> |
| <b>Non-current portion</b>   | <b>1,249.55</b> | <b>611.11</b> |
| <b>Current maturities of long-term debt</b>  | <b>268.55</b>   | <b>223.99</b> |



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

19 Lease liabilities

| Particulars  | As at           |                 |
|--|-----------------|-----------------|
|  | 31-Mar-20       | 31-Mar-19       |
| <b>Opening balance</b>   | <b>3,722.57</b> | <b>2,871.06</b> |
| Addition   | 992.33          | 1,138.70        |
| Accretion of interest  | 433.96          | 347.53          |
| Payments   | (766.65)        | (623.30)        |
| Deletions  | (97.46)         | (11.42)         |
| <b>Closing balance</b>   | <b>4,284.75</b> | <b>3,722.57</b> |
| Current  | 404.60          | 338.68          |
| Non-Current  | 3,880.15        | 3,383.89        |
| <b>Maturity Analysis - contractual undiscounted cash flows</b> |                 |                 |
| Less than one year   | 838.15          | 753.30          |
| One to five years  | 3,575.93        | 2,978.25        |
| More than five years   | 2,335.57        | 3,308.32        |
| <b>Total Undiscounted Lease Liability as at</b>                | <b>6,749.65</b> | <b>7,039.87</b> |





**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

**20 Provisions**

| Particulars                                | As at        |               |
|--|--------------|---------------|
|  | 31-Mar-20    | 31-Mar-19     |
| Provision for employee benefits:           |              |               |
| Compensated absences                       | 7.48         | 20.95         |
| Gratuity                                   | 29.04        | 31.95         |
| Provision for asset retirement obligations | 38.72        | 50.55         |
| <b>Total</b>                               | <b>75.24</b> | <b>103.45</b> |

**21 Borrowings**

| Particulars   | As at         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 31-Mar-19     |
| <b>Secured loans repayable on demand from banks:</b>  |               |               |
| (i) Working capital loan  | 50.00         | 19.00         |
| The rate of interest is 1 month MCLR plus 65 bps  |               |               |
| Security  |               |               |
| Paripassu first charge by way of hypothecation along with other term lenders on                                     |               |               |
| 1) Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future |               |               |
| 2) Entire current assets and security deposits of the Company both present and future                               |               |               |
| 3) Brand of the Company   |               |               |
| (ii) Overdraft facility   | 99.42         | 51.06         |
| The rate of interest is 6 month MCLR plus 25 bps  |               |               |
| Security  |               |               |
| Paripassu first charge by way of hypothecation along with other term lenders on                                     |               |               |
| 1) Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future |               |               |
| 2) Entire current assets and security deposits of the Company, both present and future                              |               |               |
| 3) Brand of the Company   |               |               |
| <b>Unsecured</b>  |               |               |
| (i) Overdraft facility  | 150.00        | 85.01         |
| Repayable on demand and carries and interest rate of 1 month MCLR   |               |               |
| (ii) CC - A Treds   | 71.80         | 22.03         |
| Repayable on demand and the rate of financing depends on the bidding by various banks on the platform.              |               |               |
| (iii) Axis bank credit card   | 34.70         | -             |
| Repayable in fifty two days credit period   |               |               |
| <b>Total</b>  | <b>405.92</b> | <b>157.10</b> |

**22 Trade payables**

| Particulars   | As at         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 31-Mar-19     |
| Other than Acceptances  |               |               |
| Total outstanding dues of micro enterprises and small enterprises | 8.67          | 1.03          |
| Total outstanding dues of creditors other than micro enterprises  | 973.67        | 670.19        |
| <b>Total</b>  | <b>982.34</b> | <b>671.22</b> |

**Disclosure required under section 22 of the micro, small and Medium Enterprises Development Act, 2006:**

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-20 | 31-Mar-19 |
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 8.67      | 1.03      |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | -         | -         |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day                              | -         | -         |
| (iv) The amount of interest due and payable for the year   | -         | -         |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year  | -         | -         |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | -         | -         |



**Barbeque Nation Hospitality Limited**  
Notes to the Standalone Financial Statements  
(Amount in Rupees Millions except for share data or as otherwise stated)

Note  
No.

**23 Other financial liabilities**

| Particulars   | As at         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 31-Mar-19     |
| <b>Current maturities of long-term borrowings</b>   |               |               |
| from banks  | 178.09        | 223.99        |
| from non-banking financial institutions   | 90.46         | -             |
| Recognition of credit loss in respect of financial guarantee given towards loan taken by subsidiary (Refer note 33) | 71.20         | -             |
| Interest accrued but not due on borrowings  | 8.04          | 3.39          |
| Payables on purchase of property, plant and equipment   | 80.36         | 50.16         |
| <b>Total</b>  | <b>428.15</b> | <b>277.54</b> |

**24 Other current liabilities**

| Particulars                            | As at         |              |
|--|---------------|--------------|
|  | 31-Mar-20     | 31-Mar-19    |
| Payable towards statutory remittances  | 75.04         | 60.26        |
| Contract liability                     |               |              |
| Gift card liability (Refer note below) | 33.95         | 19.68        |
| <b>Total</b>                           | <b>108.99</b> | <b>79.94</b> |

Note:

The Company recognised revenue from contractual liability in the statement of profit and loss in the following year.

**25 Provisions**

| Particulars                                | As at        |              |
|--|--------------|--------------|
|  | 31-Mar-20    | 31-Mar-19    |
| Provision for employee benefits:           |              |              |
| Compensated absences                       | 16.00        | 15.73        |
| Gratuity                                   | 33.93        | 14.81        |
| Provision for asset retirement obligations | 6.26         | 3.00         |
| <b>Total</b>                               | <b>56.19</b> | <b>33.54</b> |

**26 Current tax liabilities (Net)**

| Particulars                            | As at        |              |
|--|--------------|--------------|
|  | 31-Mar-20    | 31-Mar-19    |
| Provision - Others:                    |              |              |
| Income Tax (net of advance income tax) | 10.61        | 39.70        |
| <b>Total</b>                           | <b>10.61</b> | <b>39.70</b> |



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

**27 Revenue from operations**

| Particulars  | For the year ended |                 |
|--|--------------------|-----------------|
|  | March 31, 2020     | March 31, 2019  |
| Sale of food & beverages   | 7,840.17           | 6,995.03        |
| Other operating revenues (net of expenses directly attributable to such income) (Refer note (i) below) | 30.35              | 39.52           |
| <b>Total</b>   | <b>7,870.52</b>    | <b>7,034.55</b> |

**(i) Other operating revenue**

| Particulars                              | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| Revenue from displays and sponsorships   | 2.43               | 6.56           |
| Share of profits and income from royalty | 15.25              | 23.42          |
| Sale of scrap                            | 2.23               | 3.07           |
| Other receipts from outdoor catering     | 1.96               | -              |
| Guarantee commission                     | 4.04               | 3.98           |
| Others                                   | 4.43               | 2.49           |
| <b>Total</b>                             | <b>30.35</b>       | <b>39.52</b>   |

**27 (I) Other income**

| Particulars                        | For the year ended |                |
|------------------------------------|--------------------|----------------|
|                                    | March 31, 2020     | March 31, 2019 |
| <b>Interest income on</b>          |                    |                |
| financial assets at amortised cost | 16.08              | 14.81          |
| fixed deposits and loans           | 7.98               | 19.04          |
| Income from government grant       | -                  | 4.71           |
| Foreign exchange gain              | -                  | 1.77           |
| Income from sublease of premises   | -                  | 1.41           |
| Provision no longer required       | 9.00               | -              |
| <b>Total</b>                       | <b>33.06</b>       | <b>41.74</b>   |

**28 Cost of food and beverages consumed**

| Particulars          | For the year ended |                 |
|----------------------|--------------------|-----------------|
|                      | March 31, 2020     | March 31, 2019  |
| <b>Opening stock</b> | 134.14             | 138.17          |
| Add: Purchases       | 2,736.17           | 2,362.27        |
|                      | <b>2,870.31</b>    | <b>2,500.44</b> |
| Less Closing stock   | (117.34)           | (134.14)        |
| <b>Total</b>         | <b>2,752.97</b>    | <b>2,366.30</b> |

**29 Employee benefits expenses**

| Particulars                                | For the year ended |                 |
|--|--------------------|-----------------|
|  | March 31, 2020     | March 31, 2019  |
| Salaries and wages                         | 1,275.76           | 1,032.85        |
| Contributions to provident and other funds | 74.73              | 49.75           |
| Gratuity expenses                          | 16.19              | 9.48            |
| Expense on employee stock option scheme    | 13.12              | 7.40            |
| Staff welfare expenses                     | 398.83             | 352.04          |
| <b>Total</b>                               | <b>1,778.63</b>    | <b>1,451.52</b> |



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

**30 Other operating expenses**

| Particulars   | For the year ended |                 |
|---|--------------------|-----------------|
|   | March 31, 2020     | March 31, 2019  |
| Consumption of stores & operating supplies  | 172.89             | 126.10          |
| Power and fuel  | 617.56             | 545.59          |
| Rent including lease rentals  | 152.57             | 145.66          |
| Repairs and maintenance:  |                    |                 |
| <i>Buildings</i>  | 3.78               | 7.57            |
| <i>Machinery</i>  | 31.31              | 29.50           |
| <i>Others</i>   | 28.11              | 34.30           |
| House keeping services  | 131.68             | 166.99          |
| Water charges   | 41.30              | 36.34           |
| Insurance   | 11.15              | 10.57           |
| Rates and taxes   | 88.48              | 69.74           |
| Communication   | 38.89              | 39.78           |
| Travelling and conveyance   | 30.96              | 30.61           |
| Printing and stationery   | 39.38              | 34.08           |
| Laundry expenses  | 16.74              | 15.02           |
| Security service charges  | 19.36              | 23.87           |
| Recruitment expenses  | 2.35               | 4.05            |
| Business promotion  | 160.40             | 143.90          |
| Vehicle hiring charges  | 11.31              | 10.86           |
| Legal and professional  | 42.24              | 44.95           |
| Payments to auditors (Refer note below)   | 5.81               | 4.48            |
| Parking Charges   | 7.20               | 8.03            |
| Expenses on Corporate social responsibility   | 0.20               | 5.60            |
| Loss on sale of fixed assets  | 1.85               | -               |
| Provision for doubtful receivables and advances   | 5.00               | 12.16           |
| Miscellaneous expenses  | 115.99             | 55.43           |
| <b>Total</b>  | <b>1,776.51</b>    | <b>1,605.18</b> |
| <b>Note:</b>  |                    |                 |
| <b>Payment to auditors</b>  |                    |                 |
| (Excluding Rs. 8.85 (Rs. 2.60 for the year ended March 31, 2019) which are considered as unamortised share issue expenses under other current assets) |                    |                 |
| For statutory audit and quarterly reviews   | 4.50               | 3.50            |
| Other services (including reimbursement of expenses)  | 0.50               | 0.30            |
| Taxes thereon   | 0.81               | 0.68            |
| <b>Total</b>  | <b>5.81</b>        | <b>4.48</b>     |

**31 Finance costs**

| Particulars                                | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| Interest expense on:                       |                    |                |
| Borrowings                                 | 133.27             | 63.31          |
| Provision for asset retirement obligations | 3.56               | 3.15           |
| Interest on lease liabilities              | 433.96             | 347.53         |
| Others                                     | 0.33               | 0.82           |
| Receivable discounting charges             | 46.46              | 48.13          |
| Other bank charges                         | 14.03              | 9.97           |
| <b>Total</b>                               | <b>631.61</b>      | <b>472.91</b>  |

**32 Depreciation and amortisation expense**

| Particulars   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2020     | March 31, 2019 |
| Depreciation on Property, plant and equipment (Refer note 4(a)) | 521.14             | 354.95         |
| Depreciation on Lease right of use assets (Refer note 5)        | 514.93             | 411.65         |
| Amortisation on Intangible assets (Refer note 4(b))             | 9.66               | 7.24           |
| <b>Total</b>  | <b>1,045.73</b>    | <b>773.84</b>  |



33 **Exceptional items**

| Particulars   | For th year ended |                |
|---|-------------------|----------------|
|   | March 31, 2020    | March 31, 2019 |
| Net loss on disposal of investments in PGPL (Refer note (i) below)  | -                 | 413.60         |
| Provision for impairment of investments in (Refer note (ii) below)  |                   |                |
| Barbeque Nation Mena Holdings Limited   | 313.09            | -              |
| Red Apple Kitchen Consultancy Private Limited   | 271.00            | -              |
| Provision for impairment of loans given to Barbeque-Nation Mena Holdings Limited (Refer note (ii) below)                    | 117.90            | 274.86         |
| Recognition of credit loss in respect of financial guarantee given towards loan taken by subsidiary (Refer note (ii) below) | 71.20             | -              |
| Net loss relating to restaurant units closed / relocated  | (6.33)            | (0.71)         |
| <b>Total</b>  | <b>766.86</b>     | <b>687.75</b>  |

Notes:

(i) Loss on disposal of investments in PGPL

PGPL was operating Johnny Rockets Restaurants pursuant to the terms of International Master Development Agreement (IMDA) with Johnny Rockets Licensing LLC. During the year ended 31 March 2019, the parties terminated the IMDA and the Company also disposed off its investments in PGPL. The following consequential losses pursuant to the above have been recognised under exceptional items.

| Particulars  | Year<br>2019-20 |
|--|-----------------|
| Carrying value of investments and loans and advances   | 330.55          |
| Less: Consideration received   | 0.50            |
| <b>Net loss</b>  | <b>330.05</b>   |
| Liability towards bank loan taken by PGPL assumed by the Company pursuant to the guarantee given | 83.55           |
| <b>Net loss on disposal of investments</b>   | <b>413.60</b>   |

(ii) Impairment assessment of investments made and loans and advances given to subsidiaries:

Following is the exposure towards subsidiaries :

| Particulars  | Red Apple     | Barbeque-Nation Mena Holding Limited |                 |
|--|---------------|--------------------------------------|-----------------|
|  | As at         |                                      |                 |
|  | 31-Mar-20     | 31-Mar-20                            | 31-Mar-19       |
| <b>Prior to impairment</b>   |               |                                      |                 |
| Investments  | 674.87        | 313.09                               | 276.26          |
| Loans and advances   | -             | 117.90                               | 295.51          |
| Bank guarantee given towards loans taken by Barbeque-Nation Mena Holding Limited | -             | 524.75                               | 583.92          |
| <b>Total</b>   | <b>674.87</b> | <b>955.74</b>                        | <b>1,155.69</b> |
| Less: Provision for impairment   | (271.00)      | (502.19)                             | (274.86)        |
| <b>Exposure post impairment</b>  | <b>403.87</b> | <b>453.55</b>                        | <b>880.83</b>   |

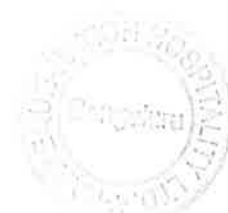
The Directors of the Company performed impairment assessment of the above exposure by determining the "value in use" of these subsidiaries as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate.

For its impairment assessment as at March 31, 2020, the management has assessed the impact of the Covid 19 on the operations and forecasted cash flows. The following inputs have been used for arriving the said recoverable amount.

| Particulars             | As at     |           |
|-------------------------|-----------|-----------|
|                         | 31-Mar-20 | 31-Mar-19 |
| <b>Input considered</b> |           |           |
| Discount rate           | 18.00%    | 15.00%    |
| Growth rate             | 2.00%     | 2.00%     |

Pursuant to the above impairment assessment, the Company recognised provision for impairment of investments and loans and advances of Rs. 773.19 (for the year ended March 31, 2019 - Rs. 274.86) under exceptional items.

- 34 As explained in Note 2.2, the impact of the COVID-19 pandemic and the measures put in place to control the spread of virus, have triggered significant disruptions to the Company's operations. The management has considered external and internal information in assessing the impact of COVID - 19 pandemic on its financial statements, including recoverability of its assets as at the Balance Sheet date. Given the uncertainty regarding the duration, extent and eventual outcome of the impact of the COVID-19 pandemic, the Company cannot estimate with any precision, the impact on its prospective financial performance and accordingly the eventual outcome of the impact may be different from that estimated as at the date of approval of these financial statements.



Note  
No.

35 Tax expense / (benefit):

**Tax expenses recognised in Statement of Profit and Loss**

| Particulars                                      | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| Current tax                                      | 49.35              | 129.50         |
| Deferred tax                                     | (56.63)            | (40.56)        |
| Deferred tax impact due to reduction in tax rate | 85.20              | -              |
| <b>Total</b>                                     | <b>77.92</b>       | <b>88.94</b>   |

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

| Particulars  | For the year ended |                 |
|--|--------------------|-----------------|
|  | March 31, 2020     | March 31, 2019  |
| <b>Profit before tax</b>   | <b>(848.73)</b>    | <b>(281.21)</b> |
| Enacted income tax rate in India   | 25.17%             | 34.94%          |
| <b>Computed expected tax expense</b>                                     | <b>(213.61)</b>    | <b>(98.27)</b>  |
| <b>Tax impact on:</b>  |                    |                 |
| Tax impact on account of change in effective tax rate (Refer note below) | 85.20              | -               |
| Tax impact on account of change in WDV                                   | 6.12               | -               |
| Deduction u/s 80JJAA of Income tax Act, 1961                             | (12.42)            | -               |
| Loss on disposal of investments in subsidiaries                          | -                  | 89.65           |
| Impairment of investments and loans in subsidiaries                      | 194.60             | 96.05           |
| Expenses relating to closed outlets                                      | 8.95               | -               |
| Effect on account of non-deductible expenses under income tax            | 4.87               | 5.27            |
| Others   | 4.21               | -3.76           |
| <b>Income tax expense recognised in Statement of profit and loss</b>     | <b>77.92</b>       | <b>88.94</b>    |

**Note:**

The Government of India vide ordinance No 15 of 2019 dated September 20, 2019 amended the income tax provision by inserting section 115BAA. As per amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the condition mentioned under the amendment provisions and recognised the effect of change by revising the annual effective income tax rate. Due to the reduced tax rate, the Company has re-measured its Net Deferred Tax Assets as at April 01, 2019 and the impact of this change has been recognized in the Statement of Profit and Loss for the year ended March 31, 2020 under "Tax Expense".

**Movement in deferred tax balances**

| Particulars  | For the year ended March 31, 2020 |                                  |                               |  |                 |
|--|-----------------------------------|----------------------------------|-------------------------------|--|-----------------|
|  | Opening balance                   | Impact due to change in tax rate | Recognised in profit and Loss | Recognised in Other Comprehensive Income | Closing balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                   |                                  |                               |  |                 |
| Property, Plant and Equipment                                    | (32.37)                           | 9.06                             | 27.25                         | -  | 3.94            |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                   |                                  |                               |  |                 |
| Right-of-use and lease liabilities (net)                         | 262.96                            | (73.57)                          | 21.21                         | -  | 210.60          |
| Provision towards asset retirement obligations                   | 19.75                             | (5.53)                           | (2.90)                        | -  | 11.32           |
| Employee Benefits and other provisions                           | 46.13                             | (12.91)                          | 0.44                          | 1.94                                     | 35.60           |
| Others   | 8.06                              | (2.25)                           | 10.63                         | -  | 16.44           |
| <b>Net deferred tax asset / (liabilities)</b>                    | <b>304.53</b>                     | <b>(85.20)</b>                   | <b>56.63</b>                  | <b>1.94</b>                              | <b>277.90</b>   |

| Particulars  | For the year ended March 31, 2019 |  |                               |  |                 |
|--|-----------------------------------|--|-------------------------------|--|-----------------|
|  | Opening balance                   | Impact of Ind AS 116 adjusted in retained earnings | Recognised in profit and Loss | Recognised in Other Comprehensive Income | Closing balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                                   |  |                               |  |                 |
| Property, Plant and Equipment                                    | (20.44)                           | -  | (11.93)                       | -  | (32.37)         |
| <b>Tax effect of items constituting deferred tax assets</b>      |                                   |  |                               |  |                 |
| Right-of-use and lease liabilities (net)                         | -                                 | 223.70   | 39.26                         | -  | 262.96          |
| Provision towards asset retirement obligations                   | 14.72                             | -  | 5.03                          | -  | 19.75           |
| Employee Benefits and other provisions                           | 37.85                             | -  | 6.54                          | 1.74                                     | 46.13           |
| Others   | 6.40                              | -  | 1.66                          | -  | 8.06            |
| <b>Net deferred tax asset / (liabilities)</b>                    | <b>38.53</b>                      | <b>223.70</b>                                      | <b>40.56</b>                  | <b>1.74</b>                              | <b>304.53</b>   |



Note  
No.  
36

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

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-20 | 31-Mar-19 |
| <b>A. Contingent liabilities</b>   |           |           |
| Claims against the Company not acknowledged as debt  |           |           |
| - on account of indirect tax matters (Sales tax, VAT and GST)  | 493.78    | 18.56     |
| - on account of direct tax matters   | 420.36    | 1.42      |
| Customs duties saved against imports under EPCG scheme   | -         | 0.65      |
| Stand-by Letter of Credit given to bank and corporate guarantee on borrowings by subsidiary (to the extent of loans outstanding) | 513.28    | 583.92    |
| <b>B. Commitments</b>  |           |           |
| Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets                   | 102.60    | 75.92     |

**37 Employee benefit plans**

**Defined contribution plans**

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 contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-20 | 31-Mar-19 |
| Contribution to Provident Fund and Employee State Insurance Scheme | 101.25    | 49.75     |

**Defined benefit plans**

This is the risk of gratuity, a defined employee benefit scheme to its employees. The said plan typically exposes the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

**Investment risk**

The fund has invested 100% of the funds in 'Schemes of insurance - conventional products' which are risk averse as whole of the risk is borne by the Insurance company.

**Interest risk**

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Longevity risk**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability

Gratuity: The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars       | As at                          |                                |
|-------------------|--------------------------------|--------------------------------|
|                   | 31-Mar-20                      | 31-Mar-19                      |
| Discount rate     | 5.00%                          | 6.80%                          |
| Salary escalation | 5.00%                          | 8.00%                          |
| Attrition rate    | 53.00%                         | 40.00%                         |
| Retirement age    | 58 years                       | 58 years                       |
| Mortality         | As per IALM (2012-14) ultimate | As per IALM (2006-08) ultimate |

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

| Particulars  | As at        |              |
|--|--------------|--------------|
|  | 31-Mar-20    | 31-Mar-19    |
| <b>Service cost:</b>   |              |              |
| Current service cost   | 12.96        | 7.16         |
| Net interest expense   | 3.23         | 2.32         |
| <b>Components of defined benefit costs recognised in profit or loss</b>                            | <b>16.19</b> | <b>9.48</b>  |
| <b>Remeasurement on the net defined benefit liability:</b>   |              |              |
| Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return | (0.02)       | (0.02)       |
| Actuarial (gains) / losses arising from changes in demographic assumptions                         | (2.62)       | -            |
| Actuarial (gains) / losses arising from changes in financial assumptions                           | (2.45)       | 0.22         |
| Actuarial (gains) / losses arising from experience adjustments                                     | 12.79        | 4.79         |
| <b>Components of defined benefit costs recognised in other comprehensive income</b>                | <b>7.70</b>  | <b>4.99</b>  |
| <b>Total</b>   | <b>23.89</b> | <b>14.47</b> |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:



Note  
No.

| Particulars  | As at        |              |
|--|--------------|--------------|
|  | 31-Mar-20    | 31-Mar-19    |
| Present value of funded defined benefit obligation           | 65.21        | 48.83        |
| Fair value of plan assets                                    | (2.25)       | (2.09)       |
| <b>Funded status</b>   | <b>62.96</b> | <b>46.74</b> |
| Restrictions on asset recognised                             | -            | -            |
| <b>Net liability arising from defined benefit obligation</b> | <b>62.96</b> | <b>46.74</b> |
| Current  | 33.93        | 14.81        |
| Non-current  | 29.03        | 31.93        |

Movements in the present value of the defined benefit obligation are as follows:

| Particulars   | As at        |              |
|---|--------------|--------------|
|   | 31-Mar-20    | 31-Mar-19    |
| Opening defined benefit obligation  | 48.83        | 37.78        |
| <b>Expenses recognised in the statement of profit and loss</b>                |              |              |
| Current service cost  | 12.96        | 7.16         |
| Interest cost   | 3.23         | 2.45         |
| <b>Remeasurement (gains)/losses recognised in other comprehensive income:</b> |              |              |
| Actuarial gains and losses arising from changes in demographic assumptions    | (2.62)       | -            |
| Actuarial gains and losses arising from changes in financial assumptions      | (2.45)       | 0.22         |
| Actuarial gains and losses arising from experience adjustments                | 12.79        | 4.79         |
| Benefits paid   | (7.53)       | (3.57)       |
| <b>Closing defined benefit obligation</b>                                     | <b>65.21</b> | <b>48.83</b> |

| Particulars   | As at       |             |
|---|-------------|-------------|
|   | 31-Mar-20   | 31-Mar-19   |
| Opening fair value of the asset                             | 2.09        | 1.94        |
| Interest income on plan assets                              | 0.14        | 0.13        |
| Return of plan assets greater / (lesser) than discount rate | 0.02        | 0.02        |
| Benefits paid   | -           | -           |
| <b>Closing fair value of assets</b>                         | <b>2.25</b> | <b>2.09</b> |

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

| Discount Rate   | As at     |           |
|---|-----------|-----------|
|   | 31-Mar-20 | 31-Mar-19 |
| 1 Effect on defined benefit obligation due to 100 bps increase in Discount Rate | 63.99     | 47.78     |
| 2 Effect on defined benefit obligation due to 100 bps decrease in Discount Rate | 66.47     | 49.93     |

| Salary escalation rate   | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-20 | 31-Mar-19 |
| 1 Effect on defined benefit obligation due to 100 bps increase in salary escalation rate | 66.46     | 49.92     |
| 2 Effect on defined benefit obligation due to 100 bps decrease in salary escalation rate | 63.98     | 47.78     |

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.





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There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future cash outflows (undiscounted) towards the plan are as follows:

| Financial year | As at     |           |
|----------------|-----------|-----------|
|                | 31-Mar-20 | 31-Mar-19 |
| 1 year         | 33.93     | 17.45     |
| 2 to 5 year    | 35.50     | 49.57     |
| 6 to 10 year   | 2.56      | 25.13     |

**38 Employee Stock Option Scheme**

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 (underlying equity share of face value of Rs. 10/- each per option) 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. Pursuant to the sub-division of equity share of Rs. 10 each into 2 equity shares of Rs. 5 each during the year ended March 31, 2017, the scheme comprise of 532,480 options (underlying equity share of face value of Rs. 5 each per option). Further, in the annual general meeting held on July 23, 2019 the shareholders of the Company has approved the increase of options to be offered to the employees to 932,480.

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 from one to three years from the date of grant and all the vested options can be exercised by the option grantee within twenty four months from the vesting date or at the time of liquidity event, as approved by the Board, whichever is later. However, in respect of resigned employees, vested options shall stand forfeited unless such options are exercised by the employees during his/her notice period before the last working day and in respect of terminated employees, vested options shall be exercised within one month from the notice of termination.

On April 1, 2016, July 10, 2017, August 5, 2017, October 1, 2019 and January 14, 2020, 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.

The detail of fair market value and the exercise price is as given below (considering the effect of sub-division of shares):

| Date of grant  | 01-Apr-16 | 01-Apr-16 | 01-Apr-16 | 01-Apr-16 | 01-Apr-16 | 01-Apr-16 | 01-Apr-16 | 01-Apr-16 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fair market value of option at grant date (Rs.)            | 232.44    | 207.98    | 184.64    | 162.87    | 142.94    | 108.96    | 94.82     |           |
| Fair market value of shares per option at grant date (Rs.) | 310.00    | 310.00    | 310.00    | 310.00    | 310.00    | 310.00    | 310.00    |           |
| Vesting period   | 3 years   | 3 years   | 3 years   | 3 years   | 3 years   | 3 years   | 3 years   |           |
| Exercise price (Rs.)                                       | 93.00     | 124.00    | 155.00    | 186.00    | 217.00    | 279.00    | 310.00    |           |

| Date of grant  | 05-Aug-17 | 10-Jul-17  | 05-Aug-17 | 05-Aug-17 | 05-Aug-17 | 05-Aug-17 | 05-Aug-17 | 05-Aug-17 |
|--|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fair market value of option at grant date (Rs.)            | 375.54    | 357.15     | 294.11    | 253.39    | 212.67    | 131.23    | 90.52     |           |
| Fair market value of shares per option at grant date (Rs.) | 500.00    | 500.00     | 500.00    | 500.00    | 500.00    | 500.00    | 500.00    |           |
| Vesting period   | 3 years   | 1.75 years | 3 years   | 3 years   | 3 years   | 3 years   | 3 years   |           |
| Exercise price (Rs.)                                       | 150.00    | 155.00     | 250.00    | 300.00    | 350.00    | 450.00    | 500.00    |           |

| Date of grant  | 05-Aug-17 | 05-Aug-17 | 05-Aug-17 |
|--|-----------|-----------|-----------|
| Fair market value of option at grant date (Rs.)            | 21.45     | 51.40     | 79.65     |
| Fair market value of shares per option at grant date (Rs.) | 500.00    | 500.00    | 500.00    |
| Vesting period   | 1 year    | 2 years   | 3 years   |
| Exercise price (Rs.)                                       | 500.00    | 500.00    | 500.00    |

| Date of grant  | 01-Oct-19 | 01-Oct-19 | 01-Oct-19 | 01-Oct-19 | 01-Oct-19 | 01-Oct-19 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Fair market value of option at grant date (Rs.)            | 350.89    | 294.40    | 241.47    | 201.39    | 179.26    | 163.80    |
| Fair market value of shares per option at grant date (Rs.) | 635.00    | 635.00    | 635.00    | 635.00    | 635.00    | 635.00    |
| Vesting period   | 3 years   | 3 years   | 3 years   | 3 years   | 3 years   | 3 years   |
| Exercise price (Rs.)                                       | 350.00    | 420.00    | 490.00    | 560.00    | 630.00    | 700.00    |

| Date of grant  | 14-Jan-20 | 14-Jan-20 | 14-Jan-20 | 14-Jan-20 |
|--|-----------|-----------|-----------|-----------|
| Fair market value of option at grant date (Rs.)            | 350.89    | 241.47    | 179.26    | 163.80    |
| Fair market value of shares per option at grant date (Rs.) | 635.00    | 635.00    | 635.00    | 635.00    |
| Vesting period   | 3 years   | 3 years   | 3 years   | 3 years   |
| Exercise price (Rs.)                                       | 350.00    | 490.00    | 630.00    | 700.00    |

Employee stock options details as on the Balance Sheet date (considering the effect of sub-division of shares) are as follows:



**Barbeque-Nation Hospitality Limited**

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(Amount in Rupees Millions except for share data or as otherwise stated)

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| Particulars  | Options<br>(Numbers) | Weighted<br>average exercise<br>price per option<br>(Rs.) |
|--|----------------------|---|
| Options outstanding at the beginning of 01 April 2018  | 4,30,235             | 339.98  |
| Granted during the year                                | -                    | -   |
| Lapsed during the year                                 | 86,524               | 254.84  |
| <b>Options outstanding at the end of 31 March 2019</b> | <b>3,43,711</b>      | <b>361.41</b>   |
| <b>Options available for grant as at 31 March 2019</b> | <b>1,88,769</b>      |   |
| Options outstanding at the beginning of 01 April 2019  | 3,43,711             | 361.41  |
| Granted during the year                                | 2,32,807             | 575.00  |
| Exercised during the year                              | 7,774                | 132.48  |
| Lapsed/forfeited during the year                       | 40,789               | 472.43  |
| <b>Options outstanding at the end of 31 March 2020</b> | <b>5,27,955</b>      | <b>450.34</b>   |
| <b>Options available for grant as at 31 March 2020</b> | <b>4,02,875</b>      |   |

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 | 10-Jul-17  | 05-Aug-17 | 05-Aug-17 | 05-Aug-17 | 01-Oct-19 | 14-Jan-20 |
|--------------------------------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| Risk Free Interest Rate              | 6.60%     | 6.68%      | 6.68%     | 6.68%     | 6.68%     | 6.76%     | 6.76%     |
| Expected Life                        | 3.5 years | 1.75 years | 1 year    | 2 years   | 3 years   | 3 years   | 3 years   |
| Expected Annual Volatility of Shares | 33.33%    | 3.02%      | 3.02%     | 3.02%     | 3.02%     | 31.30%    | 31.30%    |
| Expected Dividend Yield              | 0.24%     | 0.15%      | 0.15%     | 0.15%     | 0.15%     | 0.20%     | 0.20%     |

**39 Disclosures in respect of leases**

Company as a lessee: The Company has lease contracts for operational stores and corporate office, with lease period varying between 3 to 15 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

**Amount recognised in Special Purpose Restated Standalone Statement of Profit and Loss**

| Particulars   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2020     | March 31, 2019 |
| Depreciation: on Right-of-use assets                      | 514.93             | 411.65         |
| Finance cost: Interest on lease liabilities               | 433.96             | 347.53         |
| Short term and variable lease payments (Refer Note below) | 152.57             | 145.66         |

The Company applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and lease arrangements having variable lease payments based on turnover of respective outlets at premises taken on lease.

**Amount recognised in Standalone Statement of Cash flows**

| Particulars                             | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2020     | March 31, 2019 |
| Cash outflows for leases                |                    |                |
| Interest portion of lease liabilities   | (433.96)           | (347.53)       |
| Principal portion of lease liabilities  | (332.69)           | (275.77)       |
| Additional information:                 |                    |                |
| Non-cash additions to lease liabilities | 894.87             | 1,127.28       |

**40 Earnings per share**

| Particulars  | For the year ended |                |
|--|--------------------|----------------|
|  | March 31, 2020     | March 31, 2019 |
| <b>Basic and Diluted Earnings Per Share (Rs.)</b>                        |                    |                |
| <b>Basic Earnings Per Share (Basic EPS)</b>                              |                    |                |
| Net profit/(loss) after tax attributable to equity shareholders          | (926.65)           | (370.15)       |
| Less: Share issue expenses debited to securities premium                 | -                  | (20.40)        |
|  | (926.65)           | (390.55)       |
| Weighted average number of Equity Shares outstanding                     | 2,79,86,203        | 2,79,73,466    |
| <b>Basic EPS in Rs.</b>  | <b>(33.11)</b>     | <b>(13.96)</b> |
| Face value in Rs.  | 5.00               | 5.00           |
| <b>Diluted Earnings Per Share (Diluted EPS)</b>                          |                    |                |
| Net profit/(loss) after tax attributable to equity shareholders          | (926.65)           | (370.15)       |
| Less: Share issue expenses debited to securities premium                 | -                  | (20.40)        |
|  | (926.65)           | (390.55)       |
| Weighted average number of Shares used for calculating Basic EPS         | 2,79,86,203        | 2,79,73,466    |
| Add: Effect of ESOPs and share warrants which are dilutive*              | -                  | -              |
| Weighted average number of shares considered for calculating Diluted EPS | 2,79,86,203        | 2,79,73,466    |
| <b>Diluted EPS in Rs.</b>  | <b>(33.11)</b>     | <b>(13.96)</b> |
| Face value in Rs.  | 5.00               | 5.00           |

\*The effect of ESOPs outstanding is anti-dilutive for the year ended March 31, 2020 and year ended March 31, 2019 and hence ignored for the purpose of computing Diluted EPS.

**41 Segment reporting**

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.



Note  
No.

42 Financial instruments

The carrying value and fair value of financial instruments by categories

| Particulars                  | Carrying value  |                 | Fair value      |                 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                              | As at           |                 | As at           |                 |
|                              | 31-Mar-20       | 31-Mar-19       | 31-Mar-20       | 31-Mar-19       |
| <b>Financial assets</b>      |                 |                 |                 |                 |
| <b>Amortised cost</b>        |                 |                 |                 |                 |
| Loans                        | 234.99          | 193.49          | 234.99          | 193.49          |
| Trade receivables            | 25.24           | 56.31           | 25.24           | 56.31           |
| Cash and cash equivalents    | 125.24          | 67.68           | 125.24          | 67.68           |
| Other financial assets       | 78.97           | 52.42           | 78.97           | 52.42           |
| <b>Total assets</b>          | <b>464.44</b>   | <b>369.90</b>   | <b>464.44</b>   | <b>369.90</b>   |
| <b>Financial liabilities</b> |                 |                 |                 |                 |
| <b>Amortised cost</b>        |                 |                 |                 |                 |
| Loans and borrowings         | 1,924.02        | 381.09          | 1,924.02        | 381.09          |
| Lease Liabilities            | 4,284.75        | 3,722.57        | 4,284.75        | 3,722.57        |
| Trade payables               | 982.34          | 671.22          | 982.34          | 671.22          |
| Other financial liabilities  | 159.60          | 53.55           | 159.60          | 53.55           |
| <b>Total liabilities</b>     | <b>7,350.71</b> | <b>4,828.43</b> | <b>7,350.71</b> | <b>4,828.43</b> |

The management assessed that fair value of cash and cash equivalents, trade receivables, loans and trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

**Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 -- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Financial risk management**

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments. The company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.

**Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's liquidity risk has increased as its operations have been significantly affected due to COVID pandemic. Refer Note 2.2 for details of measures taken by the management of the Company to address liquidity issues so as to ensure that the Company can meet all its obligations in the normal course of business.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

| Particulars               | As at         |              |
|---------------------------|---------------|--------------|
|                           | 31-Mar-20     | 31-Mar-19    |
| Cash and cash equivalents | 125.24        | 67.68        |
| <b>Total</b>              | <b>125.24</b> | <b>67.68</b> |



Note  
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42 Financial instruments

The table below provides details regarding the contractual maturities of significant financial liabilities

| Particulars                 | As at<br>31-03-2020 |                 |              |                 |                 |
|-----------------------------|---------------------|-----------------|--------------|-----------------|-----------------|
|                             | < 1 year            | 1-3 years       | > 3 years    | Total           | Carrying value  |
| Borrowings                  | 674.47              | 1,151.69        | 97.86        | 1,924.02        | 1,924.02        |
| Trade payables              | 982.34              | -               | -            | 982.34          | 982.34          |
| Other financial liabilities | 159.60              | -               | -            | 159.60          | 159.60          |
| <b>Total</b>                | <b>1,816.41</b>     | <b>1,151.69</b> | <b>97.86</b> | <b>3,065.96</b> | <b>3,065.96</b> |

| Particulars                 | As at<br>31-03-2019 |               |               |                 |                 |
|-----------------------------|---------------------|---------------|---------------|-----------------|-----------------|
|                             | < 1 year            | 1-3 years     | > 3 years     | Total           | Carrying value  |
| Borrowings                  | 381.09              | 443.32        | 174.11        | 998.52          | 381.09          |
| Trade payables              | 671.22              | -             | -             | 671.22          | 671.22          |
| Other financial liabilities | 53.55               | -             | -             | 53.55           | 53.55           |
| <b>Total</b>                | <b>1,105.86</b>     | <b>443.32</b> | <b>174.11</b> | <b>1,723.29</b> | <b>1,105.86</b> |

**Foreign currency risk**

The Company's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The following table presents unhedged foreign currency risk from financial instruments

| Particulars       | As at     |           |
|-------------------|-----------|-----------|
|                   | 31-Mar-20 | 31-Mar-19 |
| Borrowings in USD | 25.46     | 44.88     |

**Foreign currency rate sensitivity analysis**

| Particulars                      | After tax impact of profit<br>after tax |                |
|----------------------------------|---|----------------|
|                                  | For the year ended                      |                |
|                                  | March 31, 2020                          | March 31, 2019 |
| <b>Depreciation of USD by 5%</b> |   |                |
| Increase in profit               | 0.95                                    | 1.46           |
| <b>Appreciation of USD by 5%</b> |   |                |
| Decrease in profit               | (0.95)                                  | (1.46)         |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. Such risks are overseen by the Company's corporate treasury department as well as senior management.

**Interest rate sensitivity analysis**

If interest rates had been 1% higher/lower and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:



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42 Financial instruments

| Particulars   | After tax impact of profit after tax |                |
|---|--------------------------------------|----------------|
|   | For the year ended                   |                |
|   | March 31, 2020                       | March 31, 2019 |
| Decrease in interest rate by 1%<br>Increase in profit | 14.40                                | 2.48           |
| Increase in interest rate by 1%<br>Decrease in profit | (14.40)                              | (2.48)         |

**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

The capital structure is as follows:

| Particulars  | As at           |                 |
|--|-----------------|-----------------|
|  | 31-Mar-20       | 31-Mar-19       |
| Equity attributable to the equity share holders of the company | 757.81          | 1,709.81        |
| Equity as a percentage of total capital                        | 62%             | 65%             |
| Current borrowings   | 584.01          | 381.09          |
| Non-current borrowings   | -               | 617.43          |
| <b>Total borrowings</b>  | <b>584.01</b>   | <b>998.52</b>   |
| Less: Cash and cash equivalents                                | 125.24          | 67.68           |
| <b>Net borrowings</b>  | <b>458.77</b>   | <b>930.84</b>   |
| Net borrowings as a percentage of total capital                | 38%             | 35%             |
| <b>Total capital (borrowings and equity)</b>                   | <b>1,216.58</b> | <b>2,640.65</b> |



**Barbeque-Nation Hospitality Limited**  
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**43 Related party transactions**

| Description transactions  | Names of related parties  |
|---|---|
| Subsidiaries  | Prime Gourmet Private Limited (from 29 August, 2016 to 5 December 2018)<br>Barbeque Nation MENA Holding Limited (formerly known as Barbeque Nation Holdings Limited)<br>Barbeque Nation Restaurant LLC<br>Barbeque Nation Holdings Pvt Ltd<br>Barbeque Holdings Pvt Ltd<br>Barbeque Nation (Malaysia) SDN. BHD.<br>Barbeque Nation International LLC<br>Barbeque Nation Kitchen LLC<br>Red Apple Kitchen Consultancy Private Limited (from December 31, 2019) |
| Investing party for which the Company is an Associate                       | Sayaji Hotels Limited<br>Sayaji Housekeeping Services Limited<br>Tamara Private Limited   |
| Key Management Personnel (KMP)  | Kayum Dhanani (Managing Director)<br>Armit V Betala (Chief Financial Officer - from January 14, 2020)<br>Rahul Agrawal (Chief Financial Officer - from May 21, 2018 to January 13, 2020)<br>Rahul Agrawal (Chief Executive Officer - from January 14, 2020)<br>Mohan Kumar Ramamurthy (Chief Financial Officer, w.e.f June 15, 2017 till 01 May 2018)<br>Sameer Bhasin (Chief Executive Officer till 22 May 2018)<br>Nagamani CY (Company Secretary)          |
|   | <b>Non-Executive Directors</b><br>T Narayanan Unni<br>Raooof Razak Dhanani<br>Suchitra Dhanani<br>Tarun Khanna<br>Abhay Chintaman Chaudhary   |
| Relatives of KMP  | Gulshanbanu Memon<br>Sanya Dhanani  |
| Entities in which KMP / Relatives of KMP can exercise significant influence | Sara Soule Private Limited<br>Sana Reality Private Limited<br>Samar Lifestyle Private Limited<br>Samar Retail Private Limited   |



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Note  
No.  
43**Standalone Statement of Transactions and Balances with Related Parties**

| Particulars   | For the year ended |                |
|---|--------------------|----------------|
|   | March 31, 2020     | March 31, 2019 |
| <b>Transactions with related parties</b>                                  |                    |                |
| <b>Sale of materials</b>  |                    |                |
| Subsidiary company:   |                    |                |
| Prime Gourmet Private Limited   | -                  | 0.13           |
| <b>Income from sub-lease</b>  |                    |                |
| Subsidiary company:   |                    |                |
| Prime Gourmet Private Limited   | -                  | 1.41           |
| <b>Services rendered</b>  |                    |                |
| Investing party for which the Company is an Associate :                   |                    |                |
| Sayaji Hotels Limited   | 11.95              | 17.47          |
| Entity in which KMP / Relatives of KMP can exercise significant influence |                    |                |
| Samar Lifestyle Private Limited   | -                  | 0.60           |
| <b>Royalty income</b>   |                    |                |
| Subsidiary company:   |                    |                |
| Barbeque Nation Restaurant LLC  | 7.90               | 6.96           |
| Barbeque Nation (Malaysia) SDN. BHD.                                      | 0.69               | 0.36           |
| Barbeque Nation International LLC   | 1.05               | -              |
| <b>Guarantee commission</b>   |                    |                |
| Subsidiary company:   |                    |                |
| Barbeque Nation MENA Holding Limited                                      | 4.04               | 3.98           |
| <b>Services received</b>  |                    |                |
| Investing party for which the Company is an Associate :                   |                    |                |
| Sayaji Hotels Limited   | 0.08               | 1.85           |
| Entity in which KMP / Relatives of KMP can exercise significant influence |                    |                |
| Sara Soule Private Limited  | 1.57               | -              |
| Samar Lifestyle Private Limited   | 0.26               | 0.50           |
| <b>Reimbursement of expenses paid</b>                                     |                    |                |
| Subsidiaries:   |                    |                |
| Barbeque Nation MENA Holding Limited                                      | 5.26               | 33.60          |
| Barbeque Nation Restaurant LLC  | 0.01               | -              |
| Barbeque Nation (Malaysia) Sdn. Bhd.                                      | 0.82               | 3.81           |
| Barbeque Nation International LLC   | 0.29               | -              |
| Barbeque Nation Holdings Pvt Ltd  | -                  | 0.29           |
| Barbeque Holdings Pvt Ltd   | -                  | 0.28           |
| <b>Purchase of consumables</b>  |                    |                |
| Entity in which KMP / Relatives of KMP can exercise significant influence |                    |                |
| Sara Soule Private Limited  | 0.08               | 6.00           |



**Barbeque-Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

**43 Standalone Statement of Transactions and Balances with Related Parties**

|  |        |        |
|--|--------|--------|
| <b>Purchase of property, plant and equipment</b>   |        |        |
| Subsidiaries   |        |        |
| Prime Gourmet Private Limited  | -      | 9.15   |
| <b>Rent and maintenance charges</b>  |        |        |
| Entity in which KMP / Relatives of KMP can exercise significant influence                                  |        |        |
| Sara Soule Private Limited   | 0.56   | -      |
| Sana Reality Private Limited   | 14.99  | 10.30  |
| Samar Retail Private Limited   | 5.66   | -      |
| Investing party for which the Company is an Associate  |        |        |
| Sayaji Hotels Limited  | 0.57   | 0.89   |
| Relatives of KMP   |        |        |
| Gulshanbanu Memon  | 4.56   | 5.04   |
| <b>Remuneration</b>  |        |        |
| Relatives of KMP   |        |        |
| Sanya Dhanani  | 0.74   | 0.52   |
| <b>Security deposit paid</b>   |        |        |
| Entities in which KMP / relatives of KMP have significant influence:                                       |        |        |
| Sara Soule Private Limited   | 3.13   | -      |
| Samar Retail Private Limited   | 2.50   | -      |
| Relatives of KMP   |        |        |
| Gulshanbanu Memon  | 0.51   | 5.00   |
| <b>Investment made during the year in</b>  |        |        |
| Subsidiaries:  |        |        |
| Barbeque Nation MENA Holding Limited   | 36.82  | 257.65 |
| Red Apple Kitchen Consultancy Private Limited  | 674.87 | -      |
| <b>Loan granted to subsidiaries</b>  |        |        |
| Subsidiaries:  |        |        |
| Prime Gourmet Private Limited  | -      | 50.20  |
| Barbeque Nation MENA Holding Limited   | 111.95 | 149.06 |
| <b>Receipt towards interest on loan granted to subsidiary</b>  |        |        |
| Subsidiaries:  |        |        |
| Barbeque Nation MENA Holding Limited   | -      | 1.00   |
| <b>Write off of loan receivable</b>  |        |        |
| Subsidiaries:  |        |        |
| Prime Gourmet Private Limited  | -      | 73.50  |
| <b>Provision for impairment of investment and loan/interest receivable</b>                                 |        |        |
| Subsidiaries:  |        |        |
| Barbeque Nation MENA Holding Limited   | 430.99 | 274.86 |
| Barbeque Holdings Private Limited  | 1.39   | -      |
| Red Apple Kitchen Consultancy Private Limited  | 271.00 | -      |
| <b>Recognition of credit loss in respect of financial guarantee given towards loan taken by subsidiary</b> |        |        |
| Subsidiaries:  |        |        |
| Barbeque Nation MENA Holding Limited   | 71.20  | -      |
| <b>Interest income on loan granted</b>   |        |        |
| Subsidiaries:  |        |        |
| Barbeque Nation MENA Holding Limited   | 5.95   | 15.89  |





**Barbeque Nation Hospitality Limited**

Notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

**43 Standalone Statement of Transactions and Balances with Related Parties****Balances outstanding with related parties**

| Particulars  | As at     |           |
|--|-----------|-----------|
|  | 31-Mar-20 | 31-Mar-19 |
| <b>Trade receivables</b>   |           |           |
| Subsidiaries:  |           |           |
| Barbeque Nation MENA Holding Limited                                 | 4.04      | 3.98      |
| Barbeque Nation Restaurant LLC                                       | 7.91      | 6.96      |
| Barbeque Nation (Malaysia) SDN. BHD.                                 | 0.69      | 0.36      |
| Barbeque Nation International LLC (Oman)                             | 1.05      | -         |
| <b>Loans receivable</b>  |           |           |
| Subsidiaries:  |           |           |
| Barbeque Nation MENA Holding Limited                                 | 386.81    | 274.86    |
| Less: Allowance for impairment                                       | -386.81   | -274.86   |
| <b>Security deposits (refundable) with</b>                           |           |           |
| Entities in which KMP / relatives of KMP have significant influence: |           |           |
| Sara Soule Private Limited   | 3.13      | 0.21      |
| Samar Retail Private Limited   | 2.50      | -         |
| Sana Reality Private Limited   | 3.00      | 3.00      |
| Red Apple Kitchen Consultancy Private Limited                        | 2.50      |           |
| Relatives of KMP   |           |           |
| Gulshanbani Memon  | 7.46      | 6.94      |
| Investing party for which the Company is an Associate                |           |           |
| Sayaji Hotels Limited  | 5.10      | 5.10      |
| <b>Trade Payables</b>  |           |           |
| Entities in which KMP / relatives of KMP have significant influence: |           |           |
| Sara Soule Private Limited   | 0.69      | 0.28      |
| Samar Lifestyle Private Limited                                      | 0.04      | -         |
| Investing party for which the Company is an Associate                |           |           |
| Sayaji Hotels Limited  | 2.61      | 4.54      |
| <b>Other current assets</b>  |           |           |
| Advances paid for supply of materials / rendering of services        |           |           |
| Samar Lifestyle Private Limited                                      | -         | 0.11      |
| <b>Other receivables</b>   |           |           |
| Subsidiaries   |           |           |
| Barbeque Nation MENA Holding Limited                                 | 7.68      | 20.65     |
| Barbeque Nation Holdings Private Limited, Mauritius                  | 0.84      | 0.84      |
| Barbeque Holdings Private Limited, Mauritius                         | -         | 0.83      |
| Barbeque Nation (Malaysia) SDN. BHD.                                 | 5.76      | 4.89      |
| Barbeque Nation International LLC (Oman)                             | 0.38      | 0.09      |
| <b>Interest accrued on loan (before impairment)</b>                  |           |           |
| Subsidiaries:  |           |           |
| Barbeque Nation MENA Holding Limited                                 | 5.95      | -         |

**Compensation of key management personnel**

The remuneration of directors and other members of key management personnel during the year is as follows:

| Particulars          | For the year ended |                |
|----------------------|--------------------|----------------|
|                      | March 31, 2020     | March 31, 2019 |
| Short-term benefits  | 17.33              | 17.61          |
| Share-based payments | 4.69               | 5.08           |
| <b>Total</b>         | <b>22.02</b>       | <b>22.69</b>   |

The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by actuary.



Note No.

44 Adoption of Ind AS 116 - Leases

Effective April 1, 2019, the Company adopted Ind AS 116 - "Leases", which sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires Lessees to account for leases in a manner similar to accounting for finance leases under erstwhile Ind AS 17. The Company adopted Ind AS 116 using the full retrospective method. Accordingly the comparative figures have been adjusted in accordance with the policy mentioned in Note 2.18 of Notes to Standalone Financial Statements. The cumulative adjustment on application of this Standard has been adjusted to retained earnings as at April 1, 2018.

The following is the summary of practical expedients elected by the Company on the initial application:

- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly Ind AS 116 is applied to all the lease contracts entered before 1st April, 2018 on the initial date of application of Ind AS 116.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- In respect of lease contracts of its outlet premises, the Company has elected not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

For the year ended March 31, 2020, the Company has not applied the practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification.

A Reconciliation of total comprehensive income

| Particulars  | FY 2018-19      |
|--|-----------------|
| As per audited financial statements  | (306.51)        |
| Impact of Ind AS 116   |                 |
| Reversal of rent expenses recognised under Other operating expenses  | 642.07          |
| Finance cost (interest) on lease liability   | (347.53)        |
| Depreciation on Right-of-use assets  | (411.65)        |
| Decrease in depreciation of leasehold improvements pursuant to reclassification to Depreciation on Right-of-use assets | 7.18            |
| Profit on early termination of lease contracts recognised under exceptional items                                      | 3.78            |
| Tax impact on the above  | 39.26           |
| <b>As per standalone financial statements</b>  | <b>(373.40)</b> |

B Reconciliation of Equity

| Particulars  | As at 01-Apr-18      |                    |                             |                   |                 |
|--|----------------------|--------------------|-----------------------------|-------------------|-----------------|
|  | Equity share capital | Securities premium | Share based payment reserve | Retained earnings | Total Equity    |
| Equity as per audited financial statements                                   | 138.00               | 1,330.43           | 28.58                       | 735.31            | 2,232.32        |
| Cumulative impact on account of adoption of Ind AS 116 (net of deferred tax) | -                    | -                  | -                           | (422.69)          | (422.69)        |
| <b>Total equity, as restated</b>   | <b>138.00</b>        | <b>1,330.43</b>    | <b>28.58</b>                | <b>312.62</b>     | <b>1,809.63</b> |

| Particulars  | As at 31-Mar-19      |                    |                             |                   |                 |
|--|----------------------|--------------------|-----------------------------|-------------------|-----------------|
|  | Equity share capital | Securities premium | Share based payment reserve | Retained earnings | Total Equity    |
| Equity as per audited financial statements                                   | 139.92               | 1,628.42           | 35.98                       | 395.07            | 2,199.39        |
| Cumulative impact on account of adoption of Ind AS 116 (net of deferred tax) | -                    | -                  | -                           | (489.58)          | (489.58)        |
| <b>Total equity, as restated</b>   | <b>139.92</b>        | <b>1,628.42</b>    | <b>35.98</b>                | <b>(94.51)</b>    | <b>1,709.81</b> |

C Statement showing impact of cashflows for the year ended

| Particulars                        | Year ended March 31, 2019 |                      |  |
|------------------------------------|---------------------------|----------------------|--|
|                                    | As per audited financials | Impact of Ind AS 116 | As per standalone financial statements |
| Cashflow from operating activities | 802.49                    | 642.07               | 1,444.56                               |
| Cashflow from investing activities | (1,377.82)                | (18.77)              | (1,396.59)                             |
| Cashflow from financing activities | 287.17                    | (623.30)             | (336.13)                               |
| <b>Net impact</b>                  | <b>(288.16)</b>           | <b>-</b>             | <b>(288.16)</b>                        |

