

Report of Factual Findings in Connection with agreed-upon procedures assignment related to translated financials

To,
The Board of Directors
Barbeque-Nation Hospitality Limited
Survey No. 62, Site No. 13, 6th cross, NS Palaya,
BTM Layout, Bengaluru – 560 076.

We have performed the procedures agreed with you and enumerated below with respect to the Translated Financial Information (referred to as 'INR Financial Information') of Barbeque Nation Mena Holding Limited, Dubai, ('Company' or 'Barbeque Mena') as at and for the year ended 31 March 2018, annexed to this report. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. The procedures were performed solely to assist you in evaluating the validity of the INR Financial Information of the Company and are summarized as follows:

1. We obtained the standalone audited financials and the INR Financial Information of the Company as at and for the year ended 31 March 2018 and compared the AED balances considered for preparation of INR Financial Information with the standalone audited financials of the Company.
2. We compared the AED to INR exchange rates considered for translation of AED balances to INR with the sources data.
3. We verified the translation of AED balances to INR are in accordance with the Indian Accounting Standard 21 'The Effects of Changes in Foreign Exchange Rates' (Ind AS 21).

The management of the Barbeque-Nation Hospitality Limited, India ('Barbeque-Nation', the ultimate holding company) are responsible for preparation of the INR Financial Information in accordance with para 11(I)(A)(ii), Part A, Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 ('SECI ICDR 2018') and in accordance with Ind AS 21. Our responsibility is to perform above mentioned agreed upon procedures and to report our factual findings based on those procedures.

We report our finding below:

- (a) With respect to item 1 above, we found that the AED balances considered for preparation of INR Financial Information as at and for the year ended 31 March 2018 are in agreement with the standalone audited financials of the Company.
- (b) With respect to item 2 above, we found AED to INR exchange rates considered for translation of AED balances to INR are in agreement with the source data.
- (c) With respect to item 3, we found translation of AED balances to INR are in accordance with Ind AS 21.

Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the INR Financial Information of the Company. Had we performed additional procedures or had we performed an audit or review of the INR Financial Information in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.



S G M & Associates LLP

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. These INR Financial Information is intended solely for the use of the management of Barbeque-Nation for uploading on their website in connection with the proposed Initial Public Offer of equity shares of Barbeque-Nation. Our report should not be used or referred to or distributed for any other purpose without our consent in writing.

For **S G M & Associates LLP**
Chartered Accountants
(LLP Registration No. S200058)



A handwritten signature in blue ink, appearing to read "Hemanth M Kumar".

Hemanth M Kumar
Partner
Membership No. 216251

Bengaluru, 06 February 2020
UDIN: 20216251AAAABP4219

Encl: INR Financial Information and Standalone audited financials of Barbeque Nation Restaurant LLC, Dubai as at and for the year ended 31 March 2018.

Barbeque Nation Mena Holding Limited
Special Purpose Standalone Balance Sheet as at 31 March 2018
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Note No.	31-Mar-18	31-Mar-17
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,765,402	-
Capital work-in-progress	4	488,327	-
Financial Assets			
Investments	5	19,295,664	2,595,035
Loans	6	437,843,287	88,621,049
Total Non-current assets [A]		459,392,680	91,216,084
Current assets			
Financial assets			
Cash and cash equivalents	7	63,449,531	3,248
Loans	8	26,688,420	-
Other current assets	9	1,750,147	-
Total current assets [B]		91,888,098	3,248
Total assets [A+B]		551,280,778	91,219,332
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	17,718,700	17,653,300
Other equity	11	(21,374,441)	(2,210,952)
Equity attributable to owners of the Company [C]		(3,655,741)	15,442,348
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	182,851,597	75,438,482
Total Non-current liabilities [D]		182,851,597	75,438,482
Current liabilities			
Financial Liabilities			
Trade payables	13	5,316,744	30,911
Other financial liabilities	14	366,768,178	307,591
Total current liabilities [E]		372,084,922	338,502
Total liabilities [F= [D+E]]		554,936,519	75,776,984
Total equity and liabilities [F+C]		551,280,778	91,219,332

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding LimitedSpecial Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2018
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars for the year / period ended	Note No.	31-Mar-18	31-Mar-17
REVENUE			
Revenue from operations	15	19,776,721	588,942
Other income	16	-	-
Total (A)		19,776,721	588,942
Expenses			
Employee benefits expenses	17	14,859,475	-
Other operating expenses	18	7,120,118	2,210,952
Total (B)		21,979,593	2,210,952
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		(2,202,872)	(1,622,010)
Finance costs (D)	19	16,898,171	588,942
Depreciation expense (E)	3	54,254	-
Loss before tax and exceptional items (F) = (C-D-E)		(19,155,297)	(2,210,952)
Exceptional items (G)		-	-
Loss before tax (H) = (F-G)		(19,155,297)	(2,210,952)
Tax expense / (benefit):			
Current tax		-	-
Deferred tax		-	-
Net tax expense / (benefit) (I)		-	-
Net Loss for the year / period (J) = (H-I)		(19,155,297)	(2,210,952)
Other Comprehensive Income / (Losses) (K)			
Items that will not be reclassified to Statement of Loss and loss			
Remeasurements of the defined benefit plans		-	-
Income tax on the above		-	-
Total comprehensive income for the year / period (J + K)		(19,155,297)	(2,210,952)

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding Limited
Special Purpose Standalone Statement of changes in equity
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Share capital	Foreign currency translation	Retained earnings	Total
As at 31 March 2016	-	-	-	-
Effect of increase in share capital	17,653,300	-	-	17,653,300
Loss for the period	-	-	(2,210,952)	(2,210,952)
Foreign currency translation	-	-	-	-
As at 31 March 2017	17,653,300	-	(2,210,952)	15,442,348
As at 31 March 2017	17,653,300	-	(2,210,952)	15,442,348
Loss for the year	-	-	(19,155,297)	(19,155,297)
Foreign currency translation	-	57,208	-	57,208
As at 31 March 2018	17,653,300	57,208	(21,366,249)	(3,655,741)

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding Limited

Special Purpose Standalone Statement of Cashflow for the year ended 31 March 2018

(Amount in Rupees, except for shares data or as otherwise stated)

Particulars for the year / period ended	31-Mar-18	31-Mar-17
Cashflows from operating activities		
Loss for the year / period	(19,155,297)	(2,210,952)
Adjustments for:		
Depreciation	54,254	-
Interest expenses	16,898,171	588,942
Interest income	(16,879,648)	(588,942)
Operating loss before working capital changes	(19,082,520)	(2,210,952)
Changes in other receivables and prepayments	(1,734,276)	-
Changes in accruals and other payables	14,070,400	350,332
Net cash used in operating activities	(6,746,396)	(1,860,620)
Cashflows from investing activities		
Purchase of plant and equipments (including capital work-in-progress)	(2,287,547)	-
Investment in subsidiary companies	(16,539,654)	(2,685,729)
Interest income	16,879,648	588,942
Loan to / (repayment) subsidiary companies	(369,115,600)	(94,903,221)
Net cash used in investing activities	(371,063,153)	(97,000,008)
Cashflow from financing activities		
Proceeds from issued of shares including advance from shareholders	136,992,389	35,830,928
Process from long-term borrowings from banks (net)	321,161,614	63,621,890
Interest paid	(16,898,171)	(588,942)
Net cash flow from financing activities	441,255,832	98,863,876
Net changes in cash and cash equivalents	63,446,283	3,248
Cash and cash equivalents at beginning of the year / period	3,248	-
Cash and cash equivalents at end of the year / period	63,449,531	3,248

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements
(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

1 Corporate information

Barbeque Nation Holdings Limited (Company) is an offshore company with limited liability, registered with the Jebel Ali Free Zone Authority, Dubai, United Arab Emirates (UAE), under the registration number 171179, issued on 25 March 2015.

The Company is registered to investment is limited liability companies, partnership, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investments in international properties worldwide, own real property of the Palm Islands or Jumeirah Islands or any property owned by Nakheel or Emaar Properties or any other real property approved by the authority and any other activity approved by Jebel Ali Free Zone Authority.

2 Basis of preparation

(a) Statement of compliance

The audited financials statements of the Company as at and for the year ended 31 March 2018 were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the applicable requirements of the U.A.E. Federal Commercial Companies Law No. 8 of 1984.

The management of Barbeque-Nation Hospitality Limited ('BBQ-Nation', the ultimate holding company of the Company), have prepared these special purpose standalone financial statements in accordance with para 11(I)(A)(ii), Part A, Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 ('SECI ICDR 2018') and in accordance with Indian Accounting Standard 21 'The Effects of Changes in Foreign Exchange Rates' (Ind AS 21).

The Company's functional currency is United Arab Emirates Dirham (AED) and these special purpose standalone financial statements are presented in Indian Rupees (INR) ('INR Financials'). The results and financial position of the Company have been translated to INR using the following procedures:

- (i) assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at date of that balance sheet;
- (ii) income and expenses for each statement of profit and loss presented (including comparatives) are translated at average exchange rates for those periods; and
- (iii) all resulting exchange difference are recognised in 'Other comprehensive income'.

AED / INR conversion rates considered for translation

Exchange rates for*	31-Mar-18	31-Mar-17
- assets and liabilities	17.72	17.65
- income and expenses	17.56	18.27

* exchange rates taken from the data available in the public domain

Refer the audited financials statement of the Company as on and for the year ended 31 March 2018 for accounting policy and other details.



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements
(Amount in Rupees, except for shares data or as otherwise stated)

Note
No.

3 Property, plant and equipment

Particulars	Furniture, fixtures, & office equipments	Vehicle	Total
Cost:			
As at 01 April 2017	-	-	-
Additions	118,095	1,685,552	1,803,647
Deletions	-	-	-
Transalation adjustment	1,081	15,425	16,506
Balance as at 31 March 2017	119,176	1,700,977	1,820,153
Depreciation			
As at 01 April 2017	-	-	-
Charge for the year	6,918	47,336	54,254
Reversal	-	-	-
Transalation adjustment	63	434	497
Balance as at 31 March 2018	6,981	47,770	54,751
Net book value			
<i>As at 31 March 2018</i>	<i>112,195</i>	<i>1,653,207</i>	<i>1,765,402</i>



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements

(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

4 Capital work-in-progress

Particulars	31-Mar-18	31-Mar-17
Capital work-in-progress	488,327	-
Total	488,327	-

5 Investments

Particulars as at	31-Mar-18	31-Mar-17
(i) Barbeque Nation Restaurant L.L.C, Dubai	2,604,649	2,595,035
(ii) Barbeque Nation (Malaysia) SDN BHD, Malaysia	16,691,015	-
Total	19,295,664	2,595,035

(i) Investment in Barbeque Nation Restaurant L.L.C, incorporated in Dubai, U.A.E - 49% interest in share capital (147 Shares of AED 1,000 each).

(ii) Investment in Barbeque Nation (Malaysia) SDN BHD, incorporated in Malaysia, 100% interest in share capital (500,000 shares of MYR 1 each).

6 Loans

Particulars as at	31-Mar-18	31-Mar-17
Non-current		
(i) Barbeque Nation Restaurant L.L.C, Dubai	431,319,439	88,621,049
(ii) Barbeque Nation (Malaysia) SDN BHD, Malaysia	6,523,848	-
Total	437,843,287	88,621,049
Current maturities of long-term loan	26,688,420	-
Total	464,531,707	88,621,049

(i) Secured and interest bearing loan with fixed repayment schedule taken from Axis Bank, India and Yes Bank, India.

7 Cash and cash equivalents

Particulars as at	31-Mar-18	31-Mar-17
In current account	63,449,531	3,248
Total	63,449,531	3,248

8 Loan

Particulars as at	31-Mar-18	31-Mar-17
Current		
Barbeque Nation Restaurant L.L.C, Dubai	26,688,420	-
Total	26,688,420	-



Barbeque Nation Mena Holding LimitedNotes forming part of special purpose standalone financial statements
(Amount in Rupees, except for shares data or as otherwise stated)**Note****No.**

9 Other current assets			
Particulars as at		31-Mar-18	31-Mar-17
Prepaid expenses		1,750,147	-
Total		1,750,147	-
10 Equity share capital			
Particulars as at		31-Mar-18	31-Mar-17
Authorised capital			
10,000 shares of AED 100 each		17,718,700	17,653,300
Issued, subscribed and paid-up capital			
10,000 shares of AED 100 each		17,718,700	17,653,300
Total		17,718,700	17,653,300
11 Other equity			
Particulars as at		31-Mar-18	31-Mar-17
Retained earnings			
Opening balance		(2,210,952)	-
Total comprehensive loss for the year / period		(19,155,297)	(2,210,952)
Foreign currency translation		(8,192)	-
Closing balance		(21,374,441)	(2,210,952)
12 Borrowings			
Particulars as at		31-Mar-18	31-Mar-17
Non-current			
Long-term loan from banks		27,132,574	58,470,819
(i) Long-term loan from related parties		155,719,023	16,967,663
Total		182,851,597	75,438,482
Current maturities of long-term debt		357,988,438	-
Total		540,840,035	75,438,482
(i) Unsecured and interest bearing loan at 0.25% over the lending rate received from Barbeque-Nation Hospitality Limited, without fixed repayment terms.			
13 Trade payables			
Particulars as at		31-Mar-18	31-Mar-17
Trade payables		5,316,744	30,911
Total		5,316,744	30,911
14 Other financial liabilities			
Particulars as at		31-Mar-18	31-Mar-17
Current maturities of long-term borrowings		357,988,438	-
Interest accrued but not due on borrowings		8,779,740	307,591
Total		366,768,178	307,591



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements
(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

15 Revenue from operations			
Particulars for the year / period ended	31-Mar-18	31-Mar-17	
Management fees	2,897,073	-	
Interest income on long-term loans	16,879,648	588,942	
Total	19,776,721	588,942	
16 Other income			
Particulars for the year / period ended	31-Mar-18	31-Mar-17	
Income from bank	-	-	
Foreign exchange gain	-	-	
Total	-	-	
17 Employee benefits expenses			
Particulars for the year / period ended	31-Mar-18	31-Mar-17	
Salaries and wages	14,859,475	-	
Total	14,859,475	-	
18 Other expenses			
Particulars for the year / period ended	31-Mar-18	31-Mar-17	
Lease rent	438,950	-	
Other expenses	6,681,168	2,210,952	
Total	7,120,118	2,210,952	
19 Finance costs			
Particulars for the year / period ended	31-Mar-18	31-Mar-17	
Interest on term-loan	8,818,252	588,942	
Interest on loan from related parties	8,079,919	-	
Total	16,898,171	588,942	
20 Contingent liability and capital commitment			
Particulars for the year / period ended	31-Mar-18	31-Mar-17	
Contingent liability	-	-	
Capital commitment	819,968	-	



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements
(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

21 Related party transactions**A List of related parties**

Holding company	Barbeque-Nation Hospitality Limited
Subsidiary companies	Barbeque Nation Restaurant L.L.C, Dubai Barbeque Nation (Malaysia) SDN BHD, Barbeque Nation International L.L.C.

B Transactions with related parties

Particulars	Holding company	Subsidiary companies	31-Mar-18	31-Mar-17
Revenue				
Management fees	-	2,897,073	2,897,073	-
Interest income on long-term loans	-	16,879,648	16,879,648	588,942
Expenses				
Interest on loan from related parties	8,079,919	-	8,079,919	-

C Balances with related parties

Investment in subsidiaries	-	19,295,664	19,295,664	2,595,035
Long-term loan to subsidiaries	-	464,531,707	464,531,707	88,621,049
Loan from shareholder	155,719,023	-	155,719,023	16,967,663
Interest payable to shareholder	460,184	-	460,184	460,184



**BARBEQUE NATION
HOLDINGS LIMITED**

Financial Statements

31 March 2018

Registered office:

P.O. Box 71241
Dubai, U.A.E.

BARBEQUE NATION HOLDINGS LIMITED

Financial Statements

31 March 2018

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BARBEQUE NATION HOLDINGS LIMITED
Director's Report

The director submits his report and financial statements for the financial year ended 31 March 2018.

Results

The loss for the year amounted to AED 1,081,078/-.

Review of the business

The company is registered to invest in limited liability companies, partnerships, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investment in international properties worldwide, own real property of the Palm Islands or Jumeirah Islands or any property owned by Nakheel or Emaar Properties or any other real property approved by the authority and any other activity approved by Jebel Ali Free Zone Authority. During the year, the company was mainly engaged in investment activity and has charged management fees, interest, royalty and commission to its subsidiary company.

The company also has a branch namely Barbeque Nation Holdings Limited (DMCC Branch), licensed to act as representative and regional liaison office to coordinate and supervise restaurant business in Middle East.

Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the company.

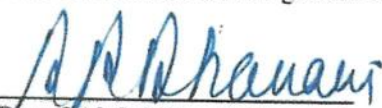
Shareholder and its interest

The shareholder at 31 March 2018 and its interest as at that date in the share capital of the company was as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>
Barbeque Nation Hospitality Limited	India	10,000	1,000,000

Auditors

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board at the annual general meeting.



Mr. Raoof Abdul Razak Dhanani
 Director



Independent Auditors' Report to the Shareholder/Directors' of BARBEQUE NATION HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BARBEQUE NATION HOLDINGS LIMITED** (the "Company"), which comprises of the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Emphasis of matter

Without qualifying our audit opinion, we draw attention to note 2 (a) which states that these financial statements represent the assets, liabilities and results of operations of the company on a stand-alone basis.

The financial statements of its subsidiary companies are not consolidated in these financial statements, as separate consolidated financial statements will be prepared by the holding company.

Other Information

Management is responsible for the other information. Other information comprises the director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.



**Independent Auditors' Report to the Shareholder of
BARBEQUE NATION HOLDINGS LIMITED**

Report on the Audit of the Financial Statements (contd.)

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

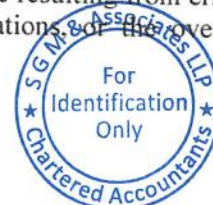
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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, misrepresentation, or the override of internal control.



**Independent Auditors' Report to the Shareholder of
BARBEQUE NATION HOLDINGS LIMITED**

Report on the Audit of the Financial Statements (contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Sonal P. Shah
For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)

29 April 2018



BARBEQUE NATION HOLDINGS LIMITED

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Statement of Financial Position

At 31 March 2018

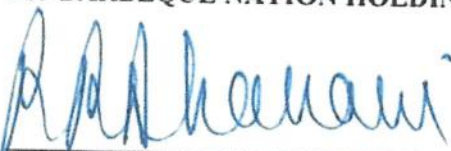
	Notes	2018 AED	2017 AED
ASSETS			
Non-current assets			
Fixed assets	6	99,635	-
Capital work in progress	7	27,560	-
Investment in subsidiary companies	8, 17	1,089,000	147,000
Long term loan to subsidiary companies	9, 17	<u>24,710,802</u>	<u>5,020,084</u>
		<u>25,926,997</u>	<u>5,167,084</u>
Current assets			
Other receivables and prepayment		98,774	-
Short term loan to a subsidiary	9, 17	1,506,229	174,325
Bank balances	10	<u>3,580,936</u>	<u>184</u>
		<u>5,185,939</u>	<u>174,509</u>
TOTAL ASSETS		<u>31,112,936</u>	<u>5,341,593</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,000,000	1,000,000
Accumulated losses		<u>(1,206,321)</u>	<u>(125,243)</u>
Total equity		<u>(206,321)</u>	<u>874,757</u>
Non-current liabilities			
	12	<u>28,992,390</u>	<u>4,273,336</u>
Current liabilities			
Accruals and other payables	14	795,571	19,177
Bank borrowings	13	<u>1,531,296</u>	<u>174,325</u>
		<u>2,326,867</u>	<u>193,500</u>
TOTAL EQUITY AND LIABILITIES		<u>31,112,936</u>	<u>5,341,593</u>

The accompanying notes 1 to 23 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 to 4.

Approved by the board of directors on 29th April 2018 and signed on their behalf by:

For BARBEQUE NATION HOLDINGS LIMITED



Mr. Raof Abdul Razak Dhanani
Director



BARBEQUE NATION HOLDINGS LIMITED

Statement of Comprehensive Income for the year ended 31 March 2018

	<i>Notes</i>	<i>Year ended 31 March 2018 AED</i>	<i>25 Mar. 2015 to 31 Mar. 2017 AED</i>
Revenue	15, 17	1,749,092	32,235
Expenses	16	(1,867,751)	(125,243)
Finance charges	17, 18	<u>(962,419)</u>	<u>(32,235)</u>
(Loss) for the year/period		(1,081,078)	(125,243)
Other comprehensive income		—	—
Total comprehensive income for the year/period		<u>(1,081,078)</u>	<u>(125,243)</u>

The accompanying notes 1 to 23 form an integral part of these financial statements.



BARBEQUE NATION HOLDINGS LIMITED

Statement of Changes in Equity for the year ended 31 March 2018

	<i>Share capital AED</i>	<i>Accumulated losses AED</i>	<i>Total AED</i>
Share capital introduced	1,000,000	-	1,000,000
Loss for the period	-	(125,243)	(125,243)
As at 31 March 2017	1,000,000	(125,243)	874,757
Loss for the year	-	(1,081,078)	(1,081,078)
As at 31 March 2018	<u>1,000,000</u>	<u>(1,206,321)</u>	<u>(206,321)</u>

The accompanying notes 1 to 23 form an integral part of these financial statements.



BARBEQUE NATION HOLDINGS LIMITED

Statement of Cash Flows for the year ended 31 March 2018

	<i>Note</i>	<i>Year ended 31 March 2018 AED</i>	<i>25 Mar. 2015 to 31 Mar. 2017 AED</i>
<u>Cash flows from operating activities</u>			
(Loss) for the year/period		(1,081,078)	(125,243)
Adjustments for:			
Depreciation		3,090	-
Provision for staff end of service gratuity		24,970	-
Finance costs to banks		502,235	32,235
Finance costs to the shareholder		460,184	-
Interest income from long term loan		<u>(961,364)</u>	<u>(32,235)</u>
Operating (loss) before working capital changes		(1,051,963)	(125,243)
Changes in other receivables and prepayment		(98,774)	-
Changes in accruals and other payables		<u>776,396</u>	<u>19,175</u>
Net cash (used in) operating activities		<u>(374,341)</u>	<u>(106,068)</u>
<u>Cash flows from investing activities</u>			
Purchase of plant and equipment		(102,725)	-
Payments for capital work in progress		(27,560)	-
Payment made for investment in a subsidiary		(942,000)	(147,000)
Interest income from long term loan given		961,364	32,235
(Payments for) loan given to subsidiary companies		<u>(21,022,622)</u>	<u>(5,194,409)</u>
Net cash (used in) investing activities		<u>(21,133,543)</u>	<u>(5,309,174)</u>
<u>Cash flows from financing activities</u>			
Share capital introduced		-	1,000,000
Proceeds from the shareholder's loan		7,802,269	961,161
Proceeds from bank borrowings (net)		18,175,675	3,486,500
Proceeds from vehicle loan		73,111	-
Finance costs paid to banks		(502,235)	(32,235)
Finance costs paid to the shareholder		<u>(460,184)</u>	<u>-</u>
Net cash from financing activities		<u>25,088,636</u>	<u>5,415,426</u>
Net changes in cash and cash equivalents		3,580,752	184
Cash and cash equivalents at beginning of the year/period		<u>184</u>	<u>-</u>
Cash and cash equivalents at end of the year/period	10	<u>3,580,936</u>	<u>184</u>

The accompanying notes 1 to 23 form an integral part of these financial statements.



BARBEQUE NATION HOLDINGS LIMITED

(Incorporated in Jebel Ali Free Zone)

(Registration No 171179)

Notes to the Financial Statements

for the year ended 31 March 2018

1. Legal status

- a) **BARBEQUE NATION HOLDINGS LIMITED** ("The Company") is an Offshore company with limited liability, registered with the Jebel Ali Free Zone Authority, Dubai, United Arab Emirates, under the registration number 171179, issued on 25 March 2015. The company also has a branch namely Barbeque Nation Holdings Limited (DMCC Branch), licensed to act as representative and regional liaison office to coordinate and supervise restaurant business in Middle East.
- b) The company is registered to invest in limited liability companies, partnerships, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investment in international properties worldwide, own real property of the Palm Islands or Jumeirah Islands or any property owned by Nakheel or Emaar Properties or any other real property approved by the authority and any other activity approved by Jebel Ali Free Zone Authority. During the year, the company was mainly engaged in investment activity and has charged management fees, interest, royalty and commission to its subsidiary company.

2. Basis of preparation

- a) These financial statements do not include the financial statements of its subsidiary companies, Barbeque Nation Restaurant LLC and Barbeque Nation (Malaysia) SDN BHD. The consolidated financial statements for the group are prepared by the holding company, Barbeque Nation Hospitality Limited, India.

b) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2017 and the implementing rules and regulations of the Jebel Ali Free Zone Authority.

c) Basis of measurement

The financial statements have been prepared on the historical cost as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

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.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

Basis of measurement (contd.)

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

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- 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
- Level 3 inputs are unobservable inputs for the asset or liability.

d) Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

3. Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of fixed assets, investments and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to Statement of comprehensive income or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

Classification of investment as a subsidiary

The company has classified its 49% investment in Barbeque Nation Restaurant LLC, a limited liability company, as its' subsidiary, considering all relevant circumstances, the management is of the opinion that it is in a position to control the investee company.

Mr. Sulaiman Mohamed Khalifa Alsuwaidi acts as a local sponsor of Barbeque Nation Restaurant LLC and receives a sponsorship fees. As per verbal arrangement, he does not take part in the operational and financial management of the investee company, which is considered as a subsidiary.

Key sources of estimation uncertainty and assumptions

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

Residual values of fixed assets

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful life of fixed assets

Management determines the estimated useful lives and depreciation charge for its fixed assets at the time of addition of the assets and is reviewed on annual basis.

Doubtful debt provision

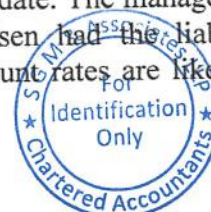
Management regularly undertakes a review of the amounts of loans and receivables owed to the company either from third parties or from related parties and assess the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of all financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

4. Adoption of new International Financial Reporting Standards

a) New and revised International Financial Reporting Standards

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- IAS 7 – Statement of Cash Flows-Disclosure Initiative Amendment
- IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses
- Amendments to IFRS 12 as per annual improvements to IFRS standards 2014-16 cycle

During the current period, the management has adopted the above standards and amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these interim financial statements.

Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

Amendments to IFRS 2- Classification and Measurement of Share- based Payment Transactions- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

IFRS 9 – Financial Instruments (July 2014 version) this replaces the earlier IFRS 9 and is the final version – The effective date of the standard is set for annual periods beginning on or after 1 January 2018 with choice for early adoption. From February 2015 entities newly applying IFRS 9 will need to apply the version published in July 2014.

IFRS 15 – Revenue from contracts with customers – The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

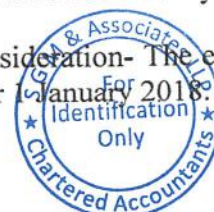
IFRS17 -Insurance Contracts The effective date of the standard is set for annual periods beginning on or after 1 January 2021.

Amendment to IAS 28 (long term interest in Associates and Joint Ventures The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

Amendments to IAS 40 – Transfer of Investment Property- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

Amendments to IFRSs- Annual improvements to IFRS Standards 2014-16 Cycle

IFRIC22- Foreign Currency Transactions and Advance Consideration- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

International Financial Reporting Standards issued but not effective

IFRIC23-uncertainty of Income Tax Position- The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5. Significant accounting policies

a) Depreciation of fixed assets

The cost of fixed assets is depreciated by equal annual installments over their estimated useful lives as follows:

Computers	3 years
Vehicle	4 years

Depreciation on additions is calculated on a pro-rata basis from the month of additions and on deletion up to the month of deletion of the asset.

b) Capital work in progress

Capital work in progress is stated at cost less accumulated impairment, if any and is transferred to respective items of fixed assets as and when available for intended use. No depreciation is charged on capital work-in-progress.

c) Investment in subsidiaries

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,

- The Investor has power over the investee
- It is exposed to rights of variable returns and
- It has the ability to use its power to affect the amount of the returns.

The purchase method of accounting is used to account for the acquisition of subsidiary. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

Investment in subsidiaries are stated at cost less provision for impairment if any.

Income from investment in subsidiary is accounted only to the extent of receipt of distribution of accumulated net profits of subsidiary. Distributions received in excess of such profits are considered as a recovery of investments and are recorded as a reduction of the cost of investments.



Notes to the Financial Statements
for the year ended 31 March 2018

d) Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

Non derivative financial assets

Initial recognition and measurement

Financial assets are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of non - derivative financial assets depends on their classification as follows:

The company classifies non-derivative financial assets into the following categories: Financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables.

During the year, the company has non-derivative financial assets in the form of loans and receivables only.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in income statement when the loans and receivables are derecognized or impaired, and through the amortization process.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

e) **Other receivables**

An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts.

Bad debts are written off when identified.

f) **Impairment of financial assets**

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the company.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows.

For financial assets carried at amortised cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

g) **Impairment of non-financial assets**

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of comprehensive income.



BARBEQUE NATION HOLDINGS LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2018***h) Other payables**

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

i) Provision

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting year, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

j) Revenue recognition**Commission income**

Commission for providing loan to a related party is charged as per the agreement with the related party and is accounted on accrual basis.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the agreement with a related party.

Management fees

Management fees for providing managerial services to a related party are charged as per the agreement with the related party and are accounted on accrual basis.

Interest income

Interest income is accounted on accrual basis.

k) Borrowing costs

Finance expense comprises interest expense on bank borrowings and shareholder's loan is recognised in Statement of comprehensive income.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

l) Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting exchange gains/losses are taken to the statement of comprehensive income.

m) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash on hand, bank current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

6. Fixed assets	<i>Office equipment</i> <u>AED</u>	<i>Vehicles^{a,b}</i> <u>AED</u>	<i>Total</i> <u>AED</u>
Cost			
Additions during the year	<u>6,726</u>	<u>95,999</u>	<u>102,725</u>
As at 31.03.2018	<u>6,726</u>	<u>95,999</u>	<u>102,725</u>
Depreciation			
Charge for the year	<u>394</u>	<u>2,696</u>	<u>3,090</u>
As at 31.03.2018	<u>394</u>	<u>2,696</u>	<u>3,090</u>
Net book value			
As at 31.03.2018	<u>6,332</u>	<u>93,303</u>	<u>99,635</u>

^a Includes vehicle costing AED 95,999/- (previous year Nil) having net book value of AED 93,303/- (previous year Nil) is registered in the name of a related party (Barbeque Nation Restaurant LLC)

^b Includes vehicle costing AED 95,999/- (previous year Nil) having net book value of AED 93,303/- (previous year Nil) is under installment plan liability (refer note 13).

7. Capital work in progress^a	2018 <u>AED</u>	2017 <u>AED</u>
Payments made during the year/period	<u>27,560</u>	—
Closing balance	<u>27,560</u>	—

^a Represents the amount paid for interior fitout of rented premise at Unit no 1404, Mazaya Business Avenue A1, Jumeirah Lakes Towers, Dubai, U.A.E. For capital commitments, refer note 22.



Notes to the Financial Statements
for the year ended 31 March 2018

	2018 <u>AED</u>	2017 <u>AED</u>
8. Investment in subsidiary companies		
Barbeque Nation Restaurant LLC, Dubai, U.A.E. ^a	147,000	147,000
Barbeque Nation (Malaysia) SDN BHD ^b	<u>942,000</u>	<u>-</u>
	<u>1,089,000</u>	<u>147,000</u>
^a Represents investment in Barbeque Nation Restaurant LLC, incorporated in Dubai, U.A.E. - 49 % interest in share capital (147 shares of AED 1,000 each).		
^b Represents investment in Barbeque Nation (Malaysia) SDN. BHD. incorporated in Malaysia. - 100 % interest in share capital (500,000 shares of MYR 1 each - converted @ 1 AED = 0.9418 MYR issued on 24.01.18) and (500,000 shares of MYR 1 each - converted @ 1 AED = 0.9422 MYR issued on 13.03.2018)		
In the opinion of the management, there is no impairment in the above investments and hence the fair value approximates their book value as at the reporting date.		
9. Long term loan to subsidiary Companies		
Barbeque Nation Restaurant LLC, Dubai, U.A.E. ^a		
Total loan outstanding	25,848,841	5,194,409
Payable within next 12 months (current portion)	<u>(1,506,229)</u>	<u>(174,325)</u>
Payable after next 12 months (non-current portion)	24,342,612	5,020,084
Barbeque Nation (Malaysia) SDN BHD ^b	<u>368,190</u>	<u>-</u>
	<u>24,710,802</u>	<u>5,020,084</u>
^a Represents secured and interest bearing loan with fixed repayment schedule taken from Axis Bank, India and Yes Bank India and given to a subsidiary company, Barbeque Nation Restaurant LLC, Dubai, U.A.E. (refer note 15).		
^b Represents unsecured and interest free loan with no repayment terms given to a subsidiary company, Barbeque Nation (Malaysia) SDN BHD, Malaysia.		
10. Bank balances		
In current accounts	<u>3,580,936</u>	<u>184</u>
11. Share capital		
10,000 shares of AED 100/- each	<u>1,000,000</u>	<u>1,000,000</u>
12. Non-current liabilities		
Shareholder's current account ^a	1,839,938	961,161
Shareholder's loan account ^b	<u>6,923,492</u>	<u>-</u>
	8,763,430	961,161
Long term portion of term loan (refer note 13)	20,155,946	3,312,175
Long term portion of vehicle loan (refer note 13)	48,044	-
Staff end of service benefits	<u>24,970</u>	<u>-</u>
	<u>28,992,390</u>	<u>4,273,336</u>

^a Represents amount payable to the shareholder without any fixed interest and repayment terms (refer note 17).

^b Represents unsecured and interest bearing loan at 0.25% over the lending rate received from the shareholder, Barbeque Nation Holding Limited, without fixed repayment terms (refer notes 17, 18).



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

	2018 <u>AED</u>	2017 <u>AED</u>
13. Bank borrowings		
Term loans		
Total amounts outstanding	21,662,175	3,486,500
Payable after next twelve months (refer note 12)	<u>(20,155,946)</u>	<u>(3,312,175)</u>
	<u>1,506,229</u>	<u>174,325</u>
Vehicle loan		
Total amount outstanding	73,111	-
Payable after next twelve months (refer note 12)	<u>(48,044)</u>	<u>-</u>
Payable within next twelve months	<u>25,067</u>	<u>-</u>
	<u>1,531,296</u>	<u>174,325</u>

Bank borrowings and other banking facilities are secured against:

- 1) Irrevocable and unconditional corporate guarantee of the shareholder.
- 2) First paripassu charge on all current assets, movable fixed assets (present and future) of Barbeque Nation Hospitality Ltd, India. (Shareholder)
- 3) First paripassu charge on Barbeque Nation India Brand and other intangible assets.

In addition, there are various conditions and financial covenants attached to the bank facilities, which are in the normal course of business.

	2018 <u>AED</u>	2017 <u>AED</u>
14. Accruals and other payables		
Interest payable on term loan	35,323	17,424
Interest payable to the shareholder (refer note 17)	460,184	-
Accruals	<u>300,064</u>	<u>1,751</u>
	<u>795,571</u>	<u>19,175</u>
	Year ended 31 March 2018 <u>AED</u>	25 Mar. 2015 to 31 Mar. 2017 <u>AED</u>
15. Revenue		
Interest income from long term loan given ^a (refer note 17)	961,364	32,225
Management fees (refer note 17)	165,000	-
Royalty ^a (refer note 17)	460,031	-
Commission ^a (refer note 17)	<u>162,697</u>	<u>-</u>
	<u>1,749,092</u>	<u>32,225</u>

^a Charged on actual expense incurred (refer note 16).



BARBEQUE NATION HOLDINGS LIMITED

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Notes to the Financial Statements for the year ended 31 March 2018

	Year ended 31 March 2018 <u>AED</u>	25 Mar. 2015 to 31 Mar. 2017 <u>AED</u>
16. Expenses		
Staff salaries and benefits	846,307	-
Rent	25,000	-
Other administrative expenses	370,626	125,243
Royalty expenses (refer note 17)	460,031	-
Commission (refer note 17)	162,697	-
Depreciation (refer note 6)	3,090	-
	<u>1,867,751</u>	<u>125,243</u>

17. Related party transactions

For the purpose of these financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other entities.

The relationship of related parties is as under –

- a) Sole shareholder
 - Barbeque Nation Hospitality Limited, India
- b) Subsidiary companies
 - Barbeque Nation Restaurant LLC, U.A.E.
 - Barbeque Nation (Malaysia) SDN BHD MALAYSIA.

The nature and amount of related party transactions during the year are as under:

	Sole shareholder AED	Subsidiary company AED	Total Year ended 31 March 2018 AED	Subsidiary company 25 Mar. 2015 to 31 Mar. 2017 AED
Revenue				
Interest income from long term loan given	-	961,364	961,364	32,235
Management fees	-	165,000	165,000	-
Royalty	-	460,031	460,031	-
Commission	-	162,697	162,697	-
Expenses				
Royalty	460,031	-	460,031	-
Commission	162,697	-	162,697	-
Finance costs to the shareholder	460,184	-	460,184	-



Notes to the Financial Statements
for the year ended 31 March 2018

Related party transactions (contd.)

At the reporting date, balances with related parties were as follows:

	<i>Shareholder AED</i>	<i>Subsidiary companies AED</i>	<i>Total 2018 AED</i>	<i>Total 2017 AED</i>
Under non-current assets				
Investment in subsidiaries	-	1,089,000	1,089,000	147,000
Long term loan to subsidiaries	-	24,710,802	24,710,802	5,020,084
Under current assets				
Short term loan to a subsidiary	-	1,506,229	1,506,229	174,325
Under non-current liabilities				
Shareholder's current account	1,839,938	-	1,839,938	961,161
Shareholder's loan account	6,923,492	-	6,923,492	-
Under current liability				
Interest payable to shareholder	460,184	-	460,184	-

<i>Year ended 31 March 2018 AED</i>	<i>25 Mar. 2015 to 31 Mar. 2017 AED</i>
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18. Finance charges

Interest on term loans	501,179	32,235
Interest on vehicle loan	1,056	-
Interest on shareholder's loan (refer note 17)	<u>460,184</u>	-
	<u>962,419</u>	<u>32,235</u>

19. Financial instrument risks

The company has exposure to the following risks from use of its financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of other receivables and bank balances.

Trade and other receivables

There is no significant exposure from trade and other receivables within and outside U.A.E. and outside the industry in which the company operates.

Bank balances

The company's bank balances in current accounts are placed with high credit quality financial institutions.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The company has given loan to a related party and obtained loan from the shareholder at fixed rate of interest. Bank borrowings is at fixed and floating rates of interest prevailing in international market.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant, of the company's profit for the year (through the impact on floating rate borrowings).

	Changes in basis points 2018 (bps)	Sensitivity of interest expenses 2018 U.S.S	Changes in basis points 2017 (bps)	Sensitivity of interest expenses 2017 U.S.S
Interest rates	+/-40	13,248	+/- 50	17,433
6M LIBOR	+/-48	88,080	-	-

There is no material impact on equity for a change in interest rate.

Exchange rate risk

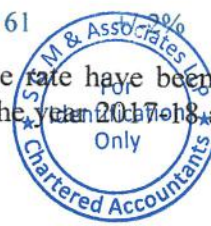
Except for the following amounts there are no significant exchange rate risks as substantially all financial assets and financial liabilities are determined in U.A.E. Dirhams or US Dollars to which the Dirham is fixed:

	2018 Equivalent AED	2017 Equivalent AED
Foreign currency liability:		
Indian rupees	1,839,938	961,161

The following table illustrates the sensitivity of profit for a reasonable change in foreign exchange rates, with all other variables held constant at 31 March 2018.

Particulars	2018			2017		
	Balance AED	Change in currency rate in %	Effect on income statement AED	Balance AED	Change in currency rate in %	Effect on income statement AED
Foreign currency liabilities						
INR						
currency	1,839,938	+/-4%	75,767	961,161	+/-19,233	

A change in currency rates are considered for the exchange rate have been determined based on the average market volatility in exchange rates in the year 2017-18 and 2016-17 over period of 12 months.



BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2018

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the directors and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

20. Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of other receivables and prepayment, short term loan and bank balances and financial liabilities comprising of bank borrowings and accruals and other payables approximate to their carrying values.

21. Contingent liability

There was no contingent liability of a significant amount outstanding as at the reporting date.

	<i>2018</i>	<i>2017</i>
	<i>AED</i>	<i>AED</i>
22. Capital commitment		
Improvement to rented office premise at Jumeirah Lakes Towers, Dubai, U.A.E. (refer note 7)	<u>46,277</u>	<u>-</u>

23. Comparative figures

- a) Previous period's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.
- b) Previous period's figures (25 March 2015 to 31 March 2016) have not been separately disclosed as operations commenced from 1 April 2016.

