

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 Restaurant LLC, Dubai, ('Company' or 'Barbeque LLC') as at and for the period ended 31 March 2017, 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 period ended 31 March 2017 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 period ended 31 March 2017 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 "Hemant M Kumar".

Hemant M Kumar
Partner
Membership No. 216251

Bengaluru, 06 February 2020
UDIN: 20216251AAAABJ6784

Encl: INR Financial Information and Standalone audited financials of Barbeque Nation Restaurant LLC, Dubai as at and for the period ended 31 March 2017.

Barbeque Nation Restaurant LLC
Special Purpose Standalone Balance Sheet as at 31 March 2017
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Note No.	31-Mar-17
ASSETS		
Non-current assets		
Property, plant and equipment	3	67,019,589
Capital work-in-progress	4	845,346
Intangible assets	5	915,183
Financial assets		
Loans	6	7,867,793
Other non-current assets	7	-
Total Non-current assets [A]		76,647,911
Current assets		
Inventories	8	7,396,874
Financial assets		
Cash and cash equivalents	9	7,414,068
Other current assets	10	32,023,687
Total current assets [B]		46,834,629
Total assets [A+B]		123,482,540
EQUITY AND LIABILITIES		
Equity		
Equity share capital	11	5,295,990
Other equity	12	(8,787,246)
Equity attributable to owners of the Company [C]		(3,491,256)
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	13	88,621,049
Provision	14	443,045
Total Non-current liabilities [D]		89,064,094
Current liabilities		
Financial Liabilities		
Trade payables	15	14,645,459
Other financial liabilities	16	23,264,243
Total current liabilities [E]		37,909,702
Total liabilities [F= [D+E]]		126,973,796
Total equity and liabilities [F+C]		123,482,540

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



Barbeque Nation Restaurant LLC

Special Purpose Standalone Statement of Profit and Loss for the period ended 31 March 2017

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

Particulars for the period ended	Note No.	31-Mar-17
REVENUE		
Revenue from operations	17	51,630,066
Other income	18	-
Total (A)		51,630,066
Expenses		
Cost of revenue		31,863,431
Employee benefits expenses	19	10,382,132
Other operating expenses	20	13,495,057
Total (B)		55,740,620
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		(4,110,554)
Finance costs (D)	21	588,942
Depreciation expense (E)	3	4,395,807
Profit before tax and exceptional items (F) = (C-D-E)		(9,095,303)
Exceptional items (G)		-
Profit before tax (H) = (F-G)		(9,095,303)
Tax expense / (benefit):		
Current tax		-
Deferred tax		-
Net tax expense / (benefit) (I)		-
Net Profit for the period (J) = (H-I)		(9,095,303)
Other Comprehensive Income / (Losses) (K)		
Items that will not be reclassified to Statement of profit and loss		
Remeasurements of the defined benefit plans		-
Income tax on the above		-
Total comprehensive income for the period (J + K)		(9,095,303)

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



Barbeque Nation Restaurant LLC
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	5,295,990	-	-	5,295,990
Loss for the year	-	-	(9,095,303)	(9,095,303)
Exchange	-	308,057	-	308,057
As at 31 March 2017	5,295,990	308,057	(9,095,303)	(3,491,256)

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



Barbeque Nation Restaurant L.L.CSpecial Purpose Standalone Statement of Cashflow for the period period 31 March 2017
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars for the period ended	31-Mar-17
Cashflows from operating activities	
Loss for the period	(9,095,303)
Adjustments for:	
Depreciation	4,395,807
Interest expenses	588,942
Loss on disposal / write-off of property, plant and equipments	-
Payable written back	-
Operating loss before working capital changes	(4,110,554)
Changes in inventories	(7,655,387)
Changes in other receivables and prepayments	(41,285,643)
Changes in accruals and other payables	36,098,511
Net cash used in operating activities	(16,953,073)
Cashflows from investing activities	
Purchase of property, plant and equipments (including capital work-in-progress) (net)	(75,428,217)
Net cash used in investing activities	(75,428,217)
Cashflow from financing activities	
Proceeds from issue of shares	5,481,079
Proceeds from loan from shareholders	94,903,221
Process from long-term borrowings from banks (net)	-
Interest paid	(588,942)
Net cash flow from financing activities	99,795,358
Net changes in cash and cash equivalents	7,414,068
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	7,414,068

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



Barbeque Nation Restaurant LLC

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 Restaurant LLC (Company) is a limited liability company registered in the Emirate of Dubai, under commercial license no. 753555, issued on 2 March 2016, in accordance with the provision of U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended). Accordingly, these financial statements are prepared for period 03 March 2016 to 31 March 2017.

The Company is registered and engaged in restaurant business. The restaurant at Al Barsha, Dubai, U.A.E. commenced operations during the year. The Company also has a branch in Karama, Dubai, U.A.E. licensed to carry out restaurant business vide commercial licence 77705 8 issued on 27 February 2017.

2 Basis of preparation

(a) Statement of compliance

The audited financial statements of the Company as at and for the period ended 31 March 2017 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-17
- assets and liabilities	17.65
- income and expenses	18.27

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

Refer the audited financial statement of the Company as on and for the period ended 31 March 2017 for accounting policy and other details.



Barbeque Nation Restaurant I.L.C

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 as at	Leasehold improvements	Kitchen equipments	Furniture, fixtures, & office equipments	Computer	Vehicle	Total
Cost:						
As at 01 April 2016	-	-	-	-	-	-
Additions	36,455,771	18,588,184	17,085,254	1,476,950	-	73,606,159
Deletions	-	-	-	-	-	-
Transalation adjustment	(1,231,065)	(627,699)	(576,947)	(49,875)	-	(2,485,586)
Balance as at 31 March 2017	35,224,706	17,960,485	16,508,307	1,427,075	-	71,120,573
Depreciation						
As at 01 April 2016	-	-	-	-	-	-
Charge for the period	1,669,171	961,235	1,413,625	195,346	-	4,239,377
Reversal relating to deletion	-	-	-	-	-	-
Transalation adjustment	(56,366)	(32,460)	(47,736)	(1,831)	-	(138,393)
Balance as at 31 March 2017	1,612,805	928,775	1,365,889	193,515	-	4,100,984
Net book value						
As at 31 March 2017	33,611,901	17,031,710	15,142,418	1,233,560	-	67,019,589

4 Capital work-in-progress

Particulars	31-Mar-17
Capital work-in-progress	845,346
Total	845,346

5 Intangible assets

Particulars	Software
Cost:	
As at 01 April 2016	-
Additions	1,098,664
Deletions	-
Transalation adjustment	(37,100)
Balance as at 31 March 2017	1,061,564
Depreciation	
As at 01 April 2016	-
Charge for the period	151,497
Reversal relating to deletion	-
Transalation adjustment	(5,116)
Balance as at 31 March 2017	146,381
Net book value	
As at 31 March 2017	915,183



Barbeque Nation Restaurant LLC

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

Note**No.**

6	Loans		
	Particulars as at		31-Mar-17
	Non-current		
	Security deposit		7,867,793
	Total		7,867,793
7	Other non-current assets		
	Particulars as at		31-Mar-17
	Capital advance		-
	Total		-
8	Inventories		
	Particulars as at		31-Mar-17
	Food and beverages		1,906,574
	Crockery and cutlery		5,107,223
	Other consumables items		383,077
	Total		7,396,874
9	Cash and cash equivalents		
	Particulars as at		31-Mar-17
	Cash-in-hand		278,763
	In current account		7,135,305
	Total		7,414,068
10	Other current assets		
	Particulars as at		31-Mar-17
	Prepaid expenses		24,500,591
	Advance to suppliers		4,787,999
	Employee advance		7,662
	Due from related parties		2,700,955
	Other receivables		26,480
	Total		32,023,687
11	Equity share capital		
	Particulars as at		31-Mar-17
	Authorised capital		
	300,000 shares of AED 100 each		5,295,990
	Issued, subscribed and paid-up capital		
	300,000 shares of AED 100 each		5,295,990
	Total		5,295,990



Barbeque Nation Restaurant LLC

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

Note
No.

12 Other equity		31-Mar-17
Particulars as at		
Retained earnings		
Opening balance		-
Total comprehensive loss for the period		(9,095,303)
Foreign currency translation		308,057
Closing balance		(8,787,246)
13 Borrowings		
Particulars as at		31-Mar-17
Non-current		
Long-term loan from banks		-
Long-term loan from related parties		88,621,049
Total		88,621,049
Current maturities of long-term debt		74,651
Total		88,695,700
14 Provision		
Particulars as at		31-Mar-17
Non-current		
Provision for gratuity		443,045
Total		443,045
15 Trade payables		
Particulars as at		31-Mar-17
Trade payables		14,645,459
Total		14,645,459
16 Other financial liabilities		
Particulars as at		31-Mar-17
Current maturities of long-term borrowings		23,264,243
Interest accrued but not due on borrowings		-
Total		23,264,243



Barbeque Nation Restaurant LLC

Notes forming part of special purpose standalone financial statements

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

Note

No.

17 Revenue from operations

Particulars for the period ended		31-Mar-17
Sale of food & beverages		51,630,066
Total		51,630,066

18 Other income

Particulars for the period ended		31-Mar-17
Payable written back		-
Foreign exchange gain		-
Total		-

19 Employee benefits expenses

Particulars for the period ended		31-Mar-17
Salaries and wages		10,382,132
Total		10,382,132

20 Other expenses

Particulars for the period ended		31-Mar-17
Lease rent		11,155,366
Royalty expenses		-
Management fees		-
Other expenses		2,339,691
Total		13,495,057

21 Finance costs

Particulars for the period ended		31-Mar-17
Interest on term-loan		-
Interest on loan from related parties		588,942
Total		588,942

22 Contingent liability and capital commitment

Particulars for the period ended		31-Mar-17
Contingent liability		-
Capital commitment		-

23 Lease commitments

Particulars for the period ended		31-Mar-17
The un-expired portion of the lease rent are as under:		
Upto one year		36,654,482
More than one year and upto five years		163,662,350
More than five years		157,761,505
Total		358,078,337



Barbeque Nation Restaurant LLC

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

Note**No.****24 Related party transactions****A List of related parties**

Ultimated holding company	Barbeque-Nation Hospitality Limited, India
Holding company	Barbeque Nation Mena Holding Limited, U.A.E

B Transactions with related parties**Particulars for the period ended****Included under other expenses**

Interest on loan from related parties

Holding company	31-Mar-17
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588,942	588,942
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C Balances with related parties as at

Loan from shareholder (non-current)

Loan from shareholder (current)

Accruals and other payables

Holding company	31-Mar-17
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88,621,049	88,621,049
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3,077,412	3,077,412
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**BARBEQUE NATION
RESTAURANT LLC**

Financial Statements

31 March 2017

Registered Address:

P.O. Box 390347
Dubai, U.A.E.

BARBEQUE NATION RESTAURANT LLC

Financial Statements

31 March 2017

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BARBEQUE NATION RESTAURANT LLC

Director's Report

The director submits his report and accounts for the first financial period ended 31 March 2017.

Results

The loss for the period amounted to AED 497,768/-.

Review of the business

The company is registered and engaged in restaurant business. The restaurant at Al Barsha, Dubai, U.A.E. commenced its operations on 2 November 2016.

Events since the end of the period

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

Shareholders and their interests

The shareholders at 31 March 2017 and their interests as at that date in the share capital of the company were as follows:

<u>Name of the shareholders</u>	<u>Nationality/ country of incorporation</u>	<u>No. of shares</u>	<u>AED</u>
Mr. Sulaiman Mohamed Khalifa Alsuwaidi	U.A.E.	153	153,000
Barbeque Nation Holdings Limited ^a	U.A.E.	147	147,000
		<u>300</u>	<u>300,000</u>

^a During the period, Mr. Abdul Gani Sarfaraz Yusuf Dhanani transferred his entire 147 shares to Barbeque Nation Holdings Limited effective 6 September 2016.

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. Mansoor Mohmed Ismail Memon
 Director



Independent Auditors' Report to the Shareholders of BARBEQUE NATION RESTAURANT LLC

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of **BARBEQUE NATION RESTAURANT LLC** (the "Company"), which comprises of the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 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 2017 and its financial performance and its cash flows for the period 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.

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.

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.



Independent Auditors' Report to the Shareholders of BARBEQUE NATION RESTAURANT LLC

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

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, misrepresentations, or the override of internal control.
- 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.



Independent Auditors' Report to the Shareholders of BARBEQUE NATION RESTAURANT LLC

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

- 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.

Report on Other Legal and Regulatory Requirements

We further confirm that we have obtained all information and explanations necessary for our audit that proper books of account have been kept by the company, an inventory was duly carried out and the contents of the directors' report relating to these financial statements are in agreement with the books of account. To the best of our knowledge and belief no violations of the U.A.E. Commercial Companies Law No. 2 of 2015 or the Articles of Association of the company have occurred during the year, which would have had a material effect on the business of the company or on its financial position.


For KSI Shah & Associates
Dubai, U.A.E.

Signed by:
Sonal P. Shah (Registration No. 123)

13 May 2017



BARBEQUE NATION RESTAURANT LLC

Statement of Financial Position

At 31 March 2017

	<i>Notes</i>	<i>2017 AED</i>
ASSETS		
Non-current assets		
Property, plant and equipment	6	3,796,434
Capital work in progress	7	47,886
Intangible assets	8	<u>51,842</u>
		<u>3,896,162</u>
Current assets		
Inventories	9	419,008
Other receivables	10	871,842
Prepayments		1,387,876
Cash and bank balances	11	<u>419,982</u>
		<u>3,098,708</u>
TOTAL ASSETS		<u>6,994,870</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	12	300,000
Accumulated (loss)		<u>(497,768)</u>
Total equity		<u>(197,768)</u>
Non-current liabilities		
Staff end of service gratuity		25,097
Due to the shareholder	16	<u>5,020,084</u>
		<u>5,045,181</u>
Current liabilities		
Trade and other payables	13	1,973,132
Due to the shareholder	16	<u>174,325</u>
		<u>2,147,457</u>
TOTAL EQUITY AND LIABILITIES		<u>6,994,870</u>

The accompanying notes 1 to 22 form an integral part of these financial statements.

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

Approved by the director on 13th May 2017.

For BARBEQUE NATION RESTAURANT LLC

Mr. Mansoor Mohamed Ismail Memon
Director



BARBEQUE NATION RESTAURANT LLC

Statement of Comprehensive Income for the period ended 31 March 2017

	<i>Notes</i>	<i>2 Mar. 2016 to 31 Mar. 2017 AED</i>
Revenue		2,825,907
Cost of revenue	14	<u>(3,144,178)</u>
Gross loss		(318,271)
Expenses	15	<u>(147,262)</u>
Loss from operations		(465,533)
Finance cost	16	<u>(32,235)</u>
Loss for the period		(497,768)
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>(497,768)</u>

The accompanying notes 1 to 22 form an integral part of these financial statements.



BARBEQUE NATION RESTAURANT LLC

Statement of Changes in Equity for the period ended 31 March 2017

	<i>Share capital AED</i>	<i>Accumulated (loss) AED</i>	<i>Total AED</i>
Introduced during the period	300,000	-	300,000
Loss for the period	-	(497,768)	(497,768)
As at 31 March 2017	<u>300,000</u>	<u>(497,768)</u>	<u>(197,768)</u>

The accompanying notes 1 to 22 form an integral part of these financial statements.



BARBEQUE NATION RESTAURANT LLC

Statement of Cash Flows for the period ended 31 March 2017

	<i>Notes</i>	2 Mar. 2016 to 31 Mar. 2017 <i>AED</i>
<u>Cash flows from operating activity</u>		
(Loss) for the period		(497,768)
Adjustments for:		
Depreciation		232,307
Provision for staff end of service gratuity		25,097
Operating (loss) before working capital		(240,364)
Inventories		(419,008)
Other receivables and prepayments		(2,259,718)
Trade and other payables		1,973,132
Net cash (used in) operating activities		<u>(945,958)</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment		(4,028,741)
Payments for capital work in progress		(47,886)
Payments for intangible assets		(51,842)
Net cash (used in) investing activities		<u>(4,128,469)</u>
<u>Cash flows from financing activities</u>		
Share capital introduced during the period		300,000
Funds introduced by the shareholder		5,194,409
Net cash from financing activities		<u>5,494,409</u>
Cash and cash equivalents at end of the period	11	<u>419,982</u>

The accompanying notes 1 to 22 form an integral part of these financial statements.



BARBEQUE NATION RESTAURANT LLC

(Registered in Emirates of Dubai)

(Register number 1216679)

Notes to the Financial Statements

for the period ended 31 March 2017

1. Legal status and principal activity

- a) **BARBEQUE NATION RESTAURANT LLC** ("The Company") is a limited liability company registered in the Emirate of Dubai, under commercial license no. 753555, issued on 2 March 2016, in accordance with the provision of U.A.E. Federal Commercial Companies Law No.8 of 1984 (as amended). Accordingly, these financial statements are prepared for period of 13 months.
- b) The company is registered and engaged in restaurant business. The restaurant at Al Barsha, Dubai, U.A.E. commenced its operations on 2 November 2016.
- c) The company also has a branch in Karama, Dubai, U.A.E. licensed to carry out restaurant business vide commercial license no. 777058 issued on 27 February 2017. The restaurant interior fit out is under process as of period end.

2. Basis of preparation

a) 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 2016 and the applicable requirements of the Company Commercial Law number 8 of 1984.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value 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.

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.



Notes to the Financial Statements
for the period ended 31 March 2017

c) **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 property, plant, equipment, intangible assets 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 income statement 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.

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

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 sheet 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 property, plant and equipment

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.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements

for the period ended 31 March 2017

Estimated useful life of property, plant and equipment

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

Carrying value of intangible assets

Carrying values of the intangible assets are assessed for premiums as commanded by the market forces on a periodic basis. Based on such assessments the premiums are reduced to their estimated market valuation.

Inventory provision

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant and equipment, intangible assets and all financial assets other than loans and receivables (see above) 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 affects.

4. Adoption of new and revised 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:

- IFRS 14 Regulatory Deferral Accounts
- Disclosure Initiative (Amendments to IAS 1)



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the period ended 31 March 2017

New and revised International Financial Reporting Standards (contd.):

- Clarification on acceptable methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Investment Entities: Applying the Consolidation Exception (Amendment to IFRS 10, IFRS 12 and IAS 28)
- Accounting for acquisitions of Interest in Joint operations (Amendments to IFRS 11)
- Amendments to IAS 19 Employee Benefits
- Equity method in Separate Financial Statements (Amendments to IAS 27)
- Annual Improvements to IFRSs 2012-2014 Cycle

During the current year, 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 financial statements.

Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

IAS 7 – Disclosure initiatives – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

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.

IFRS 16 – Leases – 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.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the period ended 31 March 2017

5. Significant accounting policies

a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated by equal annual installments over their estimated useful lives as follows:

Restaurant improvements	9 years
Kitchen equipment	8 years
Furniture and fixture	5 years
Computers	3 years

Depreciation on addition is calculated on a pro-rata basis from the month of addition of the assets.

b) Intangible asset

Intangible assets, representing amount paid for software, are measured on initial recognition at cost.

Intangible assets with indefinite useful lives are stated at cost less impairment, if any and are not amortized. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount. Such impairment losses are reported in the statement of comprehensive income.

Amount paid for software are amortised over a period of 3 years.

c) 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.

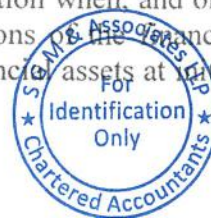
Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

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.



BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the period ended 31 March 2017***Initial Recognition and Measurement (contd.):**

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 period, 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.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the concern 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.

d) Inventories

Inventories representing foodstuff, beverages, crockery and cutlery, consumables and other related items are valued at cost.

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.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the period ended 31 March 2017

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.

g) 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 balance sheet date.

Resulting gain or loss is taken to the Statement of comprehensive income.

h) Trade and other payables

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

i) Provisions

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 period, 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) Staff end of service gratuity

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the period ended 31 March 2017

k) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the income statement on a straight line basis over the period of lease.

l) Revenue recognition

Revenue comprises of the amounts invoiced from serving of foodstuff and related services falling within the company's ordinary activities, after deduction of discount.

m) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in 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. Property, plant and equipment

	<i>Restaurant improvements^a AED</i>	<i>Kitchen equipment AED</i>	<i>Furniture and fixtures AED</i>	<i>Computers AED</i>	<i>Total AED</i>
Cost					
Additions during the period	<u>1,995,361</u>	<u>1,017,401</u>	<u>935,140</u>	<u>80,839</u>	<u>4,028,741</u>
As at 31.03.2017	<u>1,995,361</u>	<u>1,017,401</u>	<u>935,140</u>	<u>80,839</u>	<u>4,028,741</u>
Depreciation					
Charge for the period	<u>91,360</u>	<u>52,612</u>	<u>77,373</u>	<u>10,962</u>	<u>232,307</u>
As at 31.03.2017	<u>91,360</u>	<u>52,612</u>	<u>77,373</u>	<u>10,962</u>	<u>232,307</u>
Net book value					
As at 31.03.2017	<u>1,904,001</u>	<u>964,789</u>	<u>857,767</u>	<u>69,877</u>	<u>3,796,434</u>

Note:

^a Restaurant premise is located at Al Barsha, Dubai, U.A.E. on lease period of 9 years and 170 days
For lease commitments, refer note 21.

2017
AED

7. Capital work in progress^a

Payments made during the period	<u>47,886</u>
Closing balance	<u>47,886</u>

^a Represents the amount paid for new restaurant branch related expenses. New restaurant branch is located at Karama, Dubai, U.A.E. on lease period of 9 years and 3 months for capital and lease commitments, refer notes 20 and 21.



BARBEQUE NATION RESTAURANT LLC

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Notes to the Financial Statements
for the period ended 31 March 2017

	2017
	<u>AED</u>
8. Intangible assets	
Computer software	
Cost	
Payments made during the period	60,134
Closing balance	<u>60,134</u>
Amortisation	
Amortised during the period	8,292
Closing balance	<u>8,292</u>
Net book value	<u>51,842</u>
9. Inventories	
Food and beverages ^a	108,001
Crockery and cutlery	289,307
Other consumables items	<u>21,700</u>
	<u>419,008</u>
 <i>^a Includes items costing AED 54,228/- lying at cold storage warehouse in Dubai, U.A.E.</i>	
10. Other receivables	
Deposits	445,684
Advance to suppliers	271,224
Staff advances	434
Due from a shareholder	153,000
Other receivables	<u>1,500</u>
	<u>871,842</u>
11. Cash and bank balances	
Cash in hand	15,791
Bank balances in:	
Current accounts	<u>404,191</u>
	<u>419,982</u>
12. Share capital	
Authorized, issued and paid up share capital: 300 shares of AED 100 each	<u>300,000</u>



BARBEQUE NATION RESTAURANT LLC

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Notes to the Financial Statements
for the period ended 31 March 2017

2017
AED

13. Trade and other payables

Trade payables	317,292
Payables for capital goods	300,940
Short term loans ^a	1,143,516
Accruals	211,384
	<u>1,973,132</u>

^a Represents unsecured and interest free loans repayable on demand.

2 Mar. 2016
to
31 Mar. 2017
AED

14. Cost of revenue

Materials consumed	1,040,676
Staff salaries and benefits	568,253
Rent	610,575
Other operating expenses	703,329
Depreciation (refer note 15)	221,345
	<u>3,144,178</u>

15. Expenses

Other administrative expense	128,008
Amortisation of intangible assets	8,292
Depreciation (refer below)	10,962
	<u>147,262</u>
Total depreciation	232,307
Taken to cost of revenue (refer note 14)	(221,345)
Taken to expenses (as above)	<u>10,962</u>

16. Related party transactions

For the purpose of this 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) Shareholder:

1. Barbeque Nation Holdings Limited, U.A.E.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the period ended 31 March 2017

Related party transactions (contd.):

The nature of significant related party transactions and the amounts involved during the year are as under:

	<i>Shareholder</i> 2 Mar. 2016 to 31 Mar. 2017 <u>AED</u>
Finance cost	32,235

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

	<i>Shareholder</i> <i>Total</i> 2017 <i>AED</i>
Included under non-current liabilities:	
Due to the shareholder ^a	5,020,084
Included under current liabilities:	
Due to the shareholder ^a	174,325

^a Represents amount advanced by the shareholder, Barbeque Nation Holdings Limited, which was received from Axis Bank, India towards secured and interest bearing loan with fixed repayment schedule.

17. 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 concentration of credit risk comprise principally of bank balances and other receivables.

There is no significant concentration of credit risk from trade receivables situated within or outside U.A.E. and outside the industry in which the entities operates.

Bank balances

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



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the period ended 31 March 2017

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 interest rate risk, exchange rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Financial instruments affected by market risk include financial assets in the form of loans and receivables only. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Since loan from the shareholder is at fixed rate of interest, interest rate risk is minimum.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which U.A.E. Dirham is fixed.

a) 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 owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

18. 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 bank balances and financial liabilities comprising of trade and other payables and due to the shareholder approximate to their carrying values.

19. Contingent liability

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

20. Capital commitments

Improvement to a restaurant in Karama, Dubai,
U.A.E. (refer note 7)

2017
AED

896,758



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the period ended 31 March 2017

21. Lease commitments

The un-expired portion of the lease rent as at 31st March 2017 are as under –

	<i>2017</i>
	<i>AED</i>
Lease commitments (leasehold premise at Al Barsha and Karama, Dubai) (refer notes 6 and 7)	
Up to one year	2,076,353
More than one year and up to five years	9,270,921
More than five years	8,936,658
	<u>20,283,932</u>

22. Comparative figures

This being the first financial period of company's operations, there are no comparative figures.

