

WHOOSH!
Barbeque-Nation
goes international

LIVE GRILL-ON-THE-TABLE!
Barbeque-Nation's
specialty

TRENDING!
Chat-bots storm
into our restaurants

**ACQUISITION
OF JOHNNY
ROCKETS!**
On the
growth rocket

BBQN Times!

India and the Middle East

www.barbequenation.com

Barbeque-Nation Hospitality Limited
Annual Report 2016-17



OUR FESTIVALS IN FY 2017

CONVERSATIONS AND THE ARITHMETIC BEHIND FOOD

THE RESTAURANT
craze is only just
beginning

COUNTING ON
our people – and
their performance



Barbeque-Nation welcomes Johnny Rockets!



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This is what makes us tick!

The Barbeque-Nation brand has become synonymous with 'a celebration place', offering great food, lively ambience, attentive service and an innovative menu, all put together with a high perceived value-for-money.

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Building for a mobile world!

The emergence and convergence of new technology is changing the world and, with it, how restaurants interact with their customers.

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Fast fingers, sustainable figures!

The Barbeque-Nation secret sauce is about understanding the fascinating science of consumer psychology. In doing so, we have perfected our art with the result that our patrons enjoy our experience and our stakeholders, the fruits of our growth.



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BarbequeNation

Managing Director's note

Uncovering some fascinating human truths on food and eating-out.



Food, particularly sourdough bread. I was reading somewhere that on a trip to New York, a woman spent 136 hours planning her sourdough expedition, talking to people on Facebook sourdough groups, calling up top chefs at hotels for recommendations and allocating quality time to making pilgrimage-like trips to Ivy League bread bakeries. She is not alone. In another place I came to know that a writer turns her favourite book-of-the-moment into an intimate itinerary, going to all the places mentioned in the book, eating at the restaurants and understanding and painstakingly archiving the local flavors and ingredients. Yet another person I read about in a magazine has taken food blogging to a serious level as he now explores and documents the emerging food-tech scenario in the country. I also came to know of a young techie who left his job in a storied technology company to start his own 'community kitchen' that is today running into such popularity that it has a three-month waiting period.

These are not isolated examples but the coming together of a new reality as we uncover some fascinating facts on food and eating-out.



Truth 1 Indians are really into food.

There are documentaries and blogs, Podcasts and television shows, websites and apps. All dedicated to food, flavours, cooking styles, ingredients, aromas... Why? Simply because there's an audience. I read about a lady who immerses herself in watching cookery shows on YouTube during her daily commute back home from work just to make the dish in her kitchen the next day!

Truth 2 There's now a 'cool' factor in caring about what one eats.

People are becoming health conscious and that's the new truth. Just look around. Fresh and natural is gaining centre stage and oily and deep-fried is being pushed to the backburner. An increasing number of people are watching their 'calories' on their smart-watches and apps and have become fairly well-versed with such products as whole wheat breads, Quinoa and the like.



Barbeque-Nation – Leading the charge

So what is the experience we provide our consumers when they walk into a Barbeque-Nation? Honestly, all of the above.

As one of India's largest casual dining brands, we have been able to retain our relevance among consumers for years and this could only be possible because of our ability to stay with the times. Today, our brand has come to stand for some enduring qualities that include appetizing food, cheerful ambience, polite and thoughtful service, menu innovation and high perceived value-for-money. We also stand to be the pioneers of the 'live-grill-on-the-table' table setting with an elaborate and unlimited menu at a fixed price.

During 2016-17, we extended our wings to open our first outlet outside India in the cosmopolitan global hub of Dubai. We are pleased with the response we have received, especially because the food scene in the city is well-established as well as international. We opened 13 new outlets during the year, populating our total restaurant base to 79 (as on 31 March 2017) and covering several Indian cities and towns.

Going into 2017-18, we have our plate full. We intend to take our brand international to other countries in the Indian sub-continent and also look at strategic expansions in India. One of the other serious initiatives we are considering is customising Barbeque-Nation Regular for tapping into the huge potential of sub- and semi-urban Indian markets through providing a dining experience that is world-class but housed in a smaller format vis-a-vis a typical urban Barbeque-Nation.

Ours is a business with a tremendous heritage, a high quality estate of premium restaurants, a clear growth strategy, experienced management team and an optimistic future that is anchored on the evolutionary casual dining scene in India.

Thank you for your encouragement and support.

Bon appétit!

Kayum Dhanani

Truth 3 If food is 'in', then casual dining is 'now'.

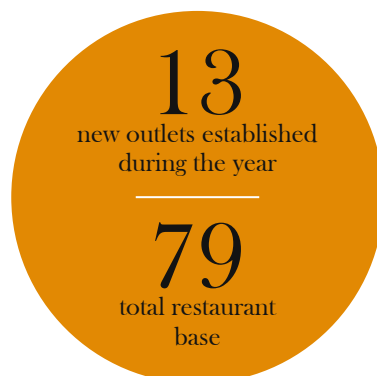
Let's face it – people don't have time as they juggle earning, socializing and spending time with family. As a result, when they visit a restaurant, they not only want quick and attentive service but also an indulgent experience. When they visit in large groups, they want satisfying food around stimulating conversations.

Truth 4 The 'story' behind the food is becoming as important as the food on the plate.

Consumers today want to understand the historical significance of food. They want to explore how food was contemporized to suit emerging palates. They are going on food walks and food trails all over the country to learn more about the interplay between food and culture. They want to be a part of food festivals as they spring up around the country.

Truth 5 The 'aesthetics' of food is becoming as important as its taste.

Most of us have a smart-phone integrated with social media. If we 'like' something, we want to take its picture and share it with the outside world. Here's where the role of chefs is coming into play big time. If food is well-presented and decorated on a plate, it is bound to find its way on social media and, as word spreads, it can pull more people into the restaurant. In an 'Instagram world', food placement and aesthetics can drive a real competitive advantage.



This is what makes us tick!

*Our feasts
are fun*

LIVELY DINING SCENES HAVE PUT
BRAND BARBEQUE - NATION RIGHT
ON THE CULINARY MAP!

Barbeque-Nation's overarching offering comprises quality food in an attractive ambience with outstanding service and a high perceived value-for-money.

Barbeque-Nation pioneered the concept of live grills embedded under dining tables, allowing customers to grill their own barbeque. This innovative 'DIY' (do-it-yourself) concept is also anchored on an elaborate unlimited menu at a fixed price.

At Barbeque-Nation, we also own the India master franchisee rights for American burger chain Johnny Rockets and within this format too we launched the innovative 'All-you-can-eat' concept that brought in strong footfalls even as we focused on growing awareness of this iconic American burger brand.

"Staying true to its philosophy of providing customers with an elevated casual dining experience, Barbeque-Nation has emerged as India's largest and one of the most popular casual dining brands."

Sameer Bhasin, Chief Executive Officer,
Barbeque-Nation Hospitality Limited



Building for a mobile world!

On Cloud 9

AT BARBEQUE - NATION, OUR
TECHNOLOGY INITIATIVES CAPITALIZE ON
THE WORLD BECOMING INCREASINGLY
MOBILE AND DIGITAL!



We know that our customers would want to book their tables beforehand so that they are seated immediately when they come. They would also like to read through the menu, pondering over their food and beverage choices, thereby making ordering easier. To cater to this emerging reality, the Barbeque-Nation app was launched recently. A real-time interface, the app enables our guests to book tables, obtain information and provide feedback. Today, a high percentage of our reservations are booked through the app, providing our customers with another means of access to us. The Barbeque-Nation app is available on the Android and iOS operating systems.

For making the dining experience more convenient for our customers, Barbeque-Nation introduced #SayHi, a chat-bot that helps patrons make enquiries and reserve tables directly from Facebook messenger. The chat-bot also lets users enquire about locations and pricing and answers queries about ongoing festivals and menu options. This enhances convenience in the sense that it helps customers reduce the time they spend on the telephone or on the Company's website.

"Bots are the next big revolution in the field of technology. They are set to change the way information is delivered and consumed and in terms of customer engagement and interaction. Barbeque-Nation is ahead in the sense that it is among the few casual dining brands in India to introduce a chat-bot facility for its customers!"

IT team, Barbeque-Nation Hospitality Limited



Barbeque Nation
 83% people like this including Anwar Pasha and 26 friends

Barbeque Nation

Had ever thought of having a table while chatting with us? Well, it's possible. Would you like to explore?

Yes No

On the growth rocket!

Acquisition of Johnny Rockets

In 2016-17, Barbeque-Nation acquired 100% stake in Prime Gourmet Private Limited that owns the franchisee rights for Johnny Rockets in India.

Johnny Rockets is an international restaurant chain offering high-quality all-American fare comprising cooked-to-order burgers, fries and delicious hand-spun shakes. Emerging as a dynamic lifestyle brand, Johnny Rockets offers warm and friendly service and lively music which together contribute to the chain's friendly, relaxed, casual and fun atmosphere. Today, Johnny Rockets has changed the way people perceive burgers, shakes and fries, combining the best elements from a century of American dining history to create an unparalleled experience and vibrant menu that is as much relevant today as it was in the past.

Brought to India by Prime Gourmet, Johnny Rockets India serves customers at different locations in Delhi-NCR (four outlets) and Bengaluru and Manipal (one outlet each) and is considered a boon for serious burger lovers who missed having a great burger.

The casual dining brand's key menu offerings include made-to-order burgers, fries and hand-spun shakes. Some products from the menu that guests have come to love comprise bacon cheese fries, chocolate madness shake, the original burger and smokehouse burger, among others.



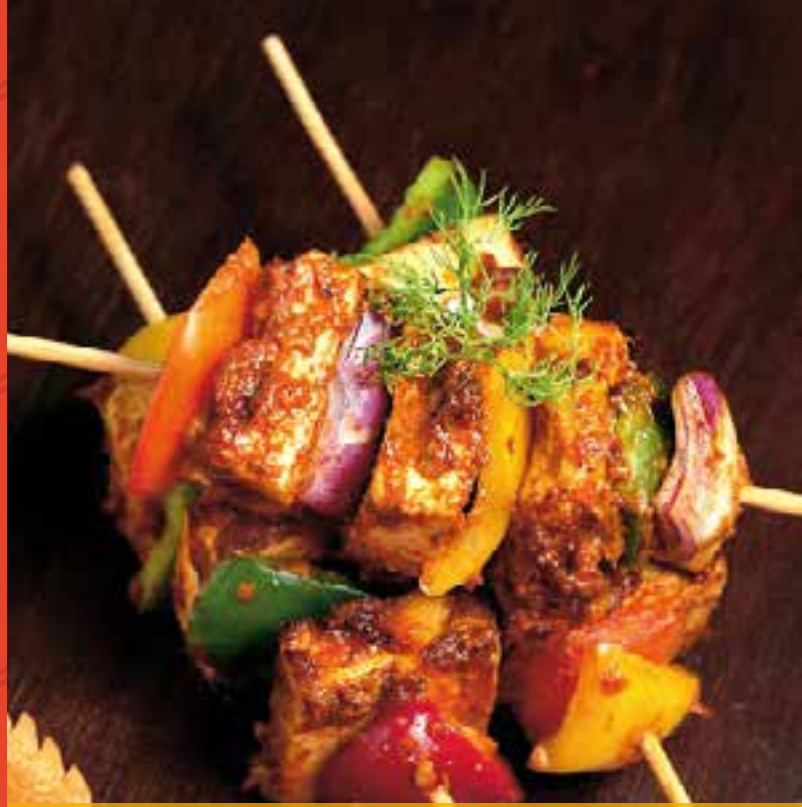
“At Barbeque-Nation, the core idea to associate with this classic American brand was to expand the menu offering – from conventional burgers and shakes to high-quality cooked-to-order products and also introduce a culture of food service that is accentuated with lively dance performances. With this association, we also believe that we are well-positioned to capitalise on the incipient demand for casual dining in India and to that extent, we have just started our journey on the growth rocket!”

Kayum Dhanani, Managing Director,
Barbeque-Nation Hospitality Limited



Conversations
and the arithmetic
behind food!

Note: All the dishes mentioned are served at select Barbeque-Nation outlets and all the figures pertain to those of financial year 2016-17.



“The Kashmiri tikki is yum, bro!”

22% Increase in revenue from operations



“The Mutton Gilafi Seekh is out of this world!”

33%
Increase in operating profit



“The Mangalorean fish curry reminds me of my mum’s preparation of this dish at home!”

21% Increase in covers sold



“The Aloo Capsicum Dry is mouthwatering!”

14% Increase in net profit



“Can I have a second helping of the Malwa Pudding please?!”

1% Increase in revenue per cover



“The Mixed Fruit Salad is so crunchy!”

324% Growth in cash and cash equivalent





Fast fingers. Sustainable figures!

Fast-tracking financial growth

What gives us most happiness is when our tables are full. When our tables are full, we know that we are providing our guests with something precious. Which is a fun environment where they can live the moment. And create memories that will be etched in their minds forever. Where our dining environments have the power to create enduring fun-filled memories, we know we are agents of positive change. Fostering human positivity is, eventually, fast-tracking our financial growth.

RESTAURANT BASE

+19.7%

Growth, 2016-17

66, 2015-16
79, 2016-17

REVENUES

+22%

Growth, 2016-17

₹399.8 crore, 2015-16
₹489.5 crore, 2016-17

COVERS SOLD

+21%

Growth, 2016-17

5.7 million, 2015-16
6.9 million, 2016-17

APC

+1%

APC, 2016-17

₹700, 2015-16
₹708, 2016-17

OPERATING PROFIT

+33%

Growth, 2016-17

₹53.2 crore, 2015-16
₹70.6 crore, 2016-17

NET PROFIT

+14%

Growth, 2016-17

₹12.8 crore, 2015-16
₹14.6 crore, 2016-17

EMPLOYEE SIZE

-4%

Growth, 2016-17

4,404, 2015-16
4,214, 2016-17



The restaurant craze is only just beginning! *Eating-out is in*

India is always known for its rich diversity and food is the most visible embodiment of this diversity. Resultantly, the combined Indian F&B (food and beverages) service market is valued at ₹204,438 crore, growing at a ~24% CAGR and expected to touch ₹380,000 crore by 2017. (Source: KPMG: India's Food Service Industry, November 2016)

Undoubtedly, India is one of the fastest-growing economies in the world. Driven by changing demographics, stable government, favourable economic policies and a positive sentiment, the country's GDP grew by 71% in 2016-17. With an economy that is galloping at a brisk pace, India offers a variety of advantages for the food services industry.

FOUR MAJOR BUCKETS OF GROWTH

1

Large share of young population

2

Increasing disposable incomes

3

Changing consumer lifestyles

4

Increasing urban women in the working population

1. Large share of young population

With a population of 1.3 billion and, demographically, 45% of the population below the age of 25 years, India has the world's largest youth population. Youth psychographic profiling has revealed that a significant share of the youth population has a liberal mindset, which encourages experimentation and greater consumption. Attractively, eating-out is often seen as a 'habit' among youngsters, rather than it being an 'occasion-driven' activity.

465
million

Projected youth population in India by 2021

2. Increasing disposable incomes

A growing economy has created more disposable income, which has strongly set the base for driving the food services industry. India's personal disposable income is expected to increase from ₹86.5 trillion in 2015 to ₹142.1 trillion by 2020, recording a 10.5% CAGR over the period. Moreover, the country's median household income is also expected to grow at a 7.3% CAGR between 2015-20.

3.5
trillion USD

India's projected GDP by FY2020



4. Increasing urban women in the working population

Although India's urban female 'Work Participation Rate' of ~15% is lower than the global average, this figure is trending higher every year, increasing by 5.6% annually (since 1991). According to the 2011 Government Census, the total number of women in the workforce has increased more than 3x to 28 million in 2011. With a larger number of women spending substantial time at work, time availability for meal preparation is becoming restricted with the result that eating-out has become a preferred alternative and option.

5.6%

Annual growth of India's urban female 'Work Participation Rate', one of the fastest-growing in the world

3. Changing consumer lifestyles

A rapidly growing young population, rising income levels, widening technology awareness and penetration, health consciousness and brand and style appreciation have all combined to create a shift in the consumers' food buying habits. Some of the other trends include increasing preference for and convenience of eating-out, exploring culinary experiences, busier lifestyles, continual menu innovations, availability of hygienic and healthier food varieties and technological disruption in food delivery.



Social media

The emerging potent tool for driving customer traffic based on shared culinary experiences and restaurant reviews.



"The Indian food services industry, which is dominated by the unorganised sector, is experiencing a gradual shift with the expansion in the market share of the organised players. The organised sector, valued at about ₹750 billion in 2016, is expected to capture over 41% of the Indian food service market by 2021. At Barbeque-Nation, we can measure this pulse in our covers sold which has grown from 3.9 million in 2013-14 to 4.2 million in 2014-15 to 5.7 million in 2015-16 to 6.9 million in 2016-17. We are hence at the forefront of this transformational shift!"

Marketing team, Barbeque-Nation Hospitality Limited



Our festivals in FY2017



Our menus are a celebration of the wonderfully reinvigorating power of food. We are bringing forth hearty, warm meals and taking the covers off beautifully simple dishes and salads overflowing with flavour, always sticking to our philosophy of fresh and seasonal. Paired with lighter reds, crisp whites and refreshing rosés, and with the burst of sunshine or the patter of the monsoons covering our gardens in a haze of regenerative beauty, nothing beats a visit to Barbeque-Nation any time of the year!

**JULY
2016**

Dilli Wali Khau Gali



So you love street food but find street-hopping a bit cumbersome? So how about getting all the street food under one roof? This was the concept behind Dilli Wali Khau Gali at Barbeque-Nation's Delhi/NCR outlets. Vegetarians could begin with such gastronomic delights as nadru kebab, tandoor malai khumb, zaituni shorba and the famous dhai ke kebab. Non-vegetarians could relish mutton dehlvi adraki seekh, nimoda tandoori jhinga, murg tikka and fatehpuri fried chicken, etc. The chole kulche, surkh fish tikka, atiya mahel ki hariyali subzi, gosht ki galawat with ulte tawe ke parathe were among the many main course dishes that flew off the serving table! The meal concluded with creamy and delicious galiyon ki firni and sweet and sticky jama masjid ke shahi tukde. Truly, the variety was interesting and exhausting and all one could do was to go on a guilt trip to this galli!



**DECEMBER
2016**

**Blockbuster
Barbeques
Festival**



One of the largest components of the Indian entertainment industry is films. Films are etched deep into the psyche of the average Indian and the Blockbuster Barbeques Festival sought to recreate a cinematic-gastronomic experience for diners. With cult dishes tagged with popular film names (Dabangg Biryani and Sultan Starters!), the restaurant interiors were decorated with cut-outs of show-reels, clap-boards, etc., complete with a photo-booth that comprised a stage with arch-lights. A number of food celebrities found the cuisine to be delectable and some of the popular dishes comprised prawn cocktail, chicken salami canapé, creamy cucumber delight, vegetarian kathal biryani, chicken dum biryani, machi anaari, kesar paneer and saffron firni, among others.

Counting on our people – and their performance

At Barbeque-Nation, we are focused on creating a winning culture. At our Company, we can only maintain a strong workforce if we nurture and develop our people.

We value our employees' diverse perspectives and encourage them to perform to their best. In this context, a range of training programmes were rolled-out that broadly included capacity building, etiquette training, managing guest relations and customer service, among others.

An important component of our Company is our GSI (Guest Service Index), anchored on our 'Customer First' policy. Under the GSI platform, all our guests are encouraged to furnish their contact details and as many as 20% of the previous day are tele-called and a detailed feedback is sought on various aspects of their experience with us. Based on their feedback, each store is assigned a GSI score, which is the single-most important parameter every store manager looks up to before the start of the evening.



“At our Company, we are unique in the sense that we take our guest relations and customer feedback very seriously. Keeping ourselves open to their opinions and responses helps us improve every day and one of the essential components by which we do so is by focusing on our human resources. We continually skill and re-skill our teams, which is essential for a customer-facing business and we believe our crew can really make a positive difference to the consumer's overall dining experience with their service, warmth, responsiveness and sense of empathy.”

HR team, Barbeque-Nation
Hospitality Limited





Industry review

Indian economic overview

THE INDIAN ECONOMY ENJOYS A SIGNIFICANT PRESENCE ON THE WORLD ECONOMIC PLATFORM. THE COUNTRY RANKS 7TH IN THE WORLD IN TERMS OF NOMINAL GDP AND THE 3RD IN PPP TERMS. IT IS ESTIMATED THAT BY FY2020, INDIA WILL BE IN THE TOP-5 GLOBAL ECONOMIES AND BY FY2050 IT WILL BE IN TOP-3 GLOBAL ECONOMIES. INDIA'S MEDIUM- TO LONG-TERM GROWTH WILL BE DETERMINED BY THE INTERPLAY OF THE STRUCTURAL FACTORS OF DEMOGRAPHICS, POLICY REFORM AND GLOBALISATION. IT IS EXPECTED THAT THE CONFLUENCE OF THESE THREE FACTORS WILL HELP RAISE POTENTIAL GROWTH.



Contribution of food services industry to Indian GDP

Year	Food services market size (USD bn)	Food services growth (%)	GDP growth (CAGR, %)	Percentage contribution to GDP (%)
2013	37	-	-	2.3%
2017 (E)	50	8%	7%	2.3%
2022 (P)	82	10%	8%	2.6%

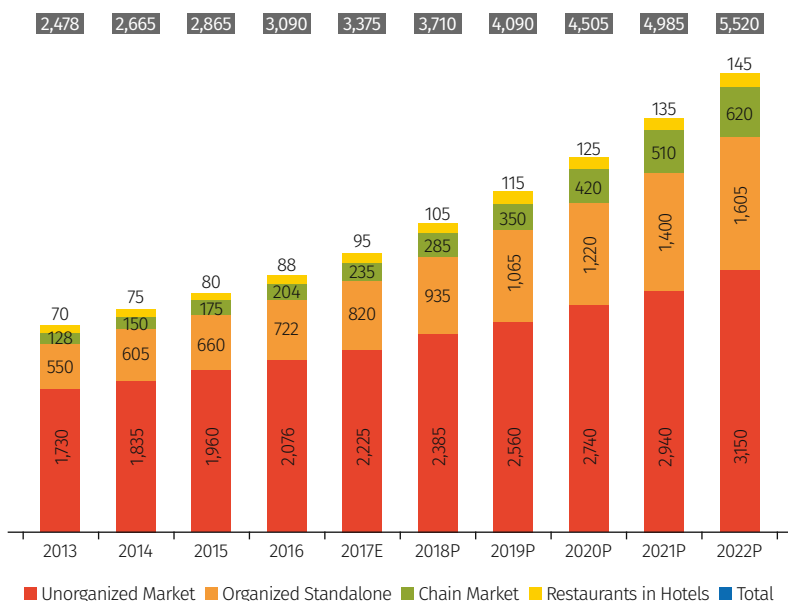
Source: Technopak analysis

Indian food services market

The size of the Indian food services market is estimated to be ₹3,375 bn and is projected to grow at a CAGR of 10% to reach ₹5,520 bn by FY2022. Within this, the unorganized market holds a share of 66%, which was ~70% in FY2013, indicating that the organized market is making strong inroads into the unorganized market. The organized market was estimated at ₹1,150 bn in FY2017 and is projected to grow at a CAGR of 16% to reach ₹2,370 bn by FY2022. Out of the total organized market in FY2017, around

₹95 bn is contributed by restaurants within hotels. The same is projected to grow to ₹145 bn by FY2022. The organized food services market (restaurant market) is further divided into organized standalone and chain food services market. The organized food services market has a share of 31% in the overall market and is poised to grow to 40% by FY2022. Further, the organized market can be segmented into: organized standalone and chain market. The standalone market is estimated to grow at a CAGR of 14% to reach ₹1,605 bn in FY2022

Food services market size (₹ bn)



Source: Technopak NRAI India Food Services Report 2016, Technopak analysis

Food services market growth (CAGR, %)

Year	CAGR FY2013-17	CAGR FY2017-22
Unorganised market	6%	7%
Organised standalone	11%	14%
Chain market	16%	21%
Restaurants in hotels	8%	9%

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis

Food services market share (%)

Year	Market share (FY 2013)	Market share (FY 2017)	Market share (FY 2022 P)
Unorganised market	70%	66%	57%
Organised standalone	22%	24%	29%
Chain market	5%	7%	11%
Restaurants in hotels	3%	3%	3%

Source: Technopak NRAI India Food Services Report 2016, Technopak analysis

from ₹820 bn in FY2017. In the organized standalone market, the casual dining space enjoys 62% market share and is projected to grow at a CAGR of 16% to reach ₹1,055 bn in FY2022 from ₹505 bn in FY2017.

The chain market in FY2017 was estimated to be ₹235 bn with a market share of 22% in the organized food services market and is poised to grow at a CAGR of 21% to reach ₹620 bn and will have a market share of 28% in FY2022. QSRs dominate the chain market with a share of 45%, followed by CDRs (casual dining restaurant) at 34% market share. The QSRs (quick service restaurant) are projected to grow at a CAGR of 24% from ₹105 bn in FY2017 to ₹305 bn by FY2022, whereas CDRs are poised to grow at a CAGR of 21% to reach ₹210 bn by FY2022 from ₹81 bn in FY2017.

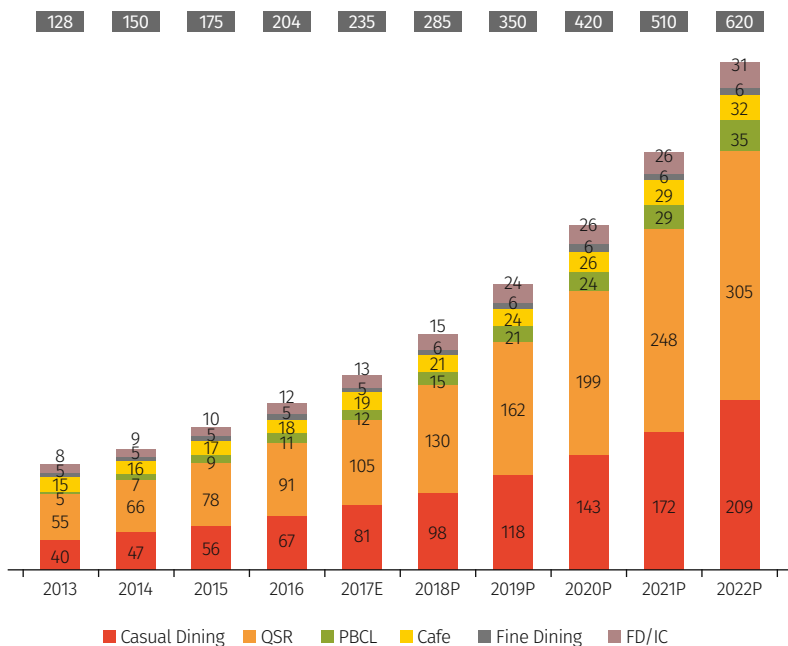
A high percentage of young and working population which is well-travelled have double incomes and is experimental along with being tech savvy, is eating-out more than their predecessors, driving the growth of the food services market. Moreover availability of organized retail space is helping in consistent growth of Indian and international brands across different formats.

Overall, the food services market is growing at a fast pace and is undergoing a transition with the emergence of new themes, concepts, cuisines, technology disruptions, etc. However, certain challenges such as unavailability of quality manpower, high attrition rates, high real estate costs, fragmented supply chains, over-licensing, etc. act as headwinds for industry growth.

Chain casual dining market

The chain casual dining market represents the second biggest share of the chain food services market in India after QSR. The size of the chain casual dining market is estimated at ₹81 bn in FY2017. It is projected to grow at a CAGR of ~21% to reach a size of ₹210 bn by FY2022. The share of chain CDR market witnessed a growth in the food services sector from 31% to 34% between FY2013 and FY2017. It has also seen an evolution of sorts in the preceding years and now there are a few players generating revenue of more than ₹5 bn in this category. Despite of the high competitive intensity, it is interesting to note that Barbeque-Nation enjoys the second highest revenue share (6%), which is nearly double to that of its outlet share (3%).

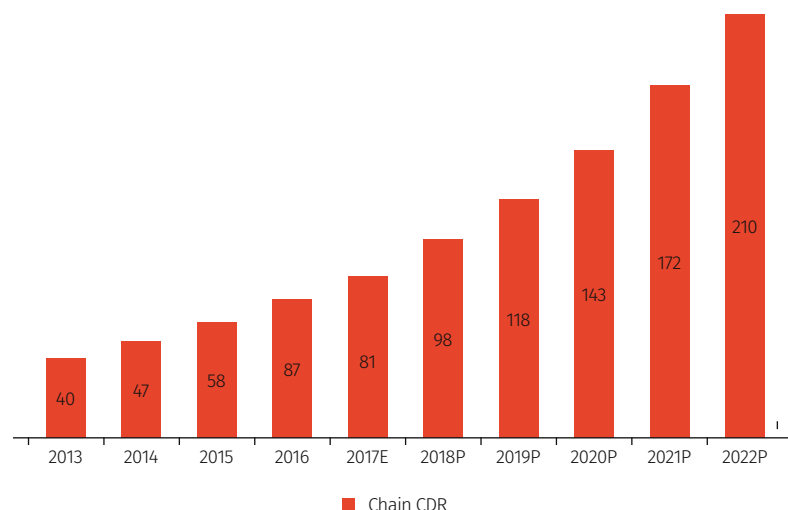
Chain market size (₹ bn)



PBCL represents Pubs, Bars, Cafes, Lounges

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis

Chain casual dining restaurant market size (₹ bn)



Source: Technopak NRAI India Food Services Report 2016, Technopak analysis

Increasing experimentation and rising spending capacity of the Indian consumer, especially in Tier-II and III cities, will strengthen the proliferation of CDRs in these cities. Also, brands are continuously innovating in terms of formats, themes and cuisines to attract and retain consumers. Moreover, Indian cuisine has also started to gain popularity in the international markets. Specifically, the Indian diaspora of around 26 mn spread across 200+ countries are also playing an important role in creating awareness about Indian cuisine. The GCC, due to its thriving economy, steady growth in per capita income and growth in multi-cultural young demographics is one of the most ideal grounds for the growth of food services players. The countries under GCC together formed a food services market of USD ~33 bn in CY2016. Of the GCC countries, the biggest market share lies with Saudi Arabia (52%), followed by the UAE (33%). Together, the UAE and Saudi Arabia constitute 85% of the GCC market.

Casual dining restaurant

A casual dining restaurant is a restaurant serving moderately to high priced food in an ambience oriented towards providing an affordable dining experience with table service along with some restaurants offering eclectic high quality interiors and high standards of service. The offerings bridge the gap between QSRs and fine dining restaurants.

Food trends

Food festivals: Contemporary food festivals in metro cities have emerged in the past 2-3 years that cater to numerous tastes and cuisines; 90% of these food festivals are organized in winters. While earlier festivals focused on regional cuisines such as Rajasthani, Gujarati, etc., food festivals in metro cities today focus on western and pan-Asian cuisines in addition to Indian food.

Unlimited food at a limited price and DIY: Recent years have witnessed the emergence and growth of fixed price menu concepts in the Indian food services space, especially in the CDR and FDR formats. The increased exposure to eating out has helped develop the market by enticing people to try new cuisines, concepts and recipes and eat out frequently to indulge the “foodie” in them. These formats are not limited to food experience but are going a step ahead in consumer engagement by “Do it yourself” concepts, where brands place “over-the-table barbeques” for consumers to cook their own food items. Barbeque-Nation is the pioneer in establishing a format built around “over-the-table barbeque” and is winning consumers since 2006. Today it is the largest chain offering such a

service and has 79 outlets (as on 31 March 2017).

Increasing demand for ‘modern Indian cuisine’: A new development is being crafted in Indian restaurant industry where consumers can experience modern Indian food prepared by using elements of molecular gastronomy.

Beverages – The game-changer: Beverages, both alcoholic and non-alcoholic, are a good source of boosting a restaurant’s bottomline. Also, an increasing trend towards higher beverage consumption is

witnessed among consumers who are continuously looking for new ingredients, flavours and techniques to enhance their experience. Cashing in on these trends and getting inspiration from their western counterparts, the Indian QSR and casual dining chains are revamping their beverage offerings and introducing exotic and differentiated beverages to consumers

Outlook

India, as compared to the other markets, has one of the lowest per capita spend on eating out.

This is primarily due to higher rural population and preference of eating at home than outside. Also, due to the lesser eating out options in smaller cities and towns, eating out frequency is lower, resulting in the country having the least per capita spend on food services as compared to other countries like USA, China and Brazil. However, in the coming years, eating out frequency is expected to increase with growing spending power, increased exposure to different culinary customs across the world, etc., resulting in higher experimentation by consumers.



Per capita spend on food services by urban population, CY 2015

Countries	Per capita spend (USD)
India*	110
USA	1,870
China	750
Brazil	745
South Africa	205
Turkey	260
Indonesia	145
UAE**	1,245
Saudi Arabia	530

Source: Technopak NRAI India Food Services Report 2016, Technopak analysis

* India data is for FY 2016

** Spend on food services driven by 14.3 million tourists

The share of food services in Indian GDP is expected to increase to 2.6% by FY2022 from 2.3% currently, on account of its growth at a faster pace compared to GDP growth. Also, growth of food services market is expected to outpace its growth till now, i.e. from 8% to 10%. It is rational to anticipate that the food services market will see growth in tandem with this economic growth and there is every indication that such expansion will be substantial. The key implications of this trend are summarized below:

- It is estimated that Indians spend 8-10% of their food expenditures outside the home in restaurants, cafeterias and other food establishments. This trend is expected to strengthen in the future
- Indian consumers are dining

out more frequently and younger Indians are shedding the biases of their elders against international franchisees and foreign food. With over one lakh outlets in the organized segment (20 or more seats) in India, there is plenty of room for growth in the industry

- With higher disposable incomes with the younger population who are well-travelled, brand-conscious and well-connected through social media, along with rise in the presence of branded retail chains, consumers in smaller cities (Tier-I and II) are also spending more on eating out and this trend is expected to further continue. National and international chains are looking at Tier-I and II cities as the emerging markets for growth and expansion

Sources: All the information in this chapter has been selectively extracted from “Indian Food Services Market, June 2017” report by Technopak



Last word

We've arrived!

Dubai. The city of dreams. The megapolis.
The global melting pot. The hub of international cuisine.
Among the world's finest dining capitals. Barbeque-Nation established its first international outlet in the Middle East in Dubai. Yes, we've arrived!

Directors' Report

Dear members,

Your Directors have pleasure in presenting their 11th Annual Report on the business and operations of the Company and the accounts for the financial year ended 31st March, 2017.

1. Financial summary / highlights

(₹ in lakhs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from operations	48,287.64	39,441.11
Other income	661.36	540.64
Total income	48,949.00	39,981.75
Operating expenses	41,885.21	34,659.69
EBITDA	7,063.79	5,322.06
Finance costs	1,397.63	971.82
Depreciation	3,220.31	2,308.01
Profit before exceptional items and tax	2,521.11	2,091.37
Exceptional items	292.87	-
Current tax expense	885.10	962.87
Deferred tax (income)	-116.10	-147.58
Net profit	1,459.24	1,276.08
Proposed dividend	325.26	240.33

Favourite Restaurants Private Limited, a wholly-owned subsidiary, merged with effect from the 1st day of January 2017. All the figures mentioned above are consolidated figures.

2. Company's affairs and business prospects

We are pleased to inform the members that 79 restaurants were operational as on 31st March, 2017. Further, your Company plans to open more restaurants to achieve the landmark number of 100 within the short span of a year. The Company has a wholly-owned subsidiary in Dubai by the name of Barbeque Nation Holdings Limited registered with Jebel Ali Free Zone Authority on 25th March, 2015 and this subsidiary has further invested in Barbeque Nation

Restaurant LLC on 6th September, 2016 which is a step-down subsidiary of your Company.

3. Extract of the Annual Return

As required pursuant to Section 92(3) of the Companies Act, 2013, and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is appended as a part of this Annual Report as Annexure-1.



4. During the year under review, your Board met 7 (seven) times as detailed below. The intervening gap between any two meetings was within the prescribed period, as per the Companies Act, 2013.

Number of meetings of the Board of Directors:

Date of meeting held	No. of Directors attended
5th April, 2016	3
12th May, 2016	3
28th June, 2016	6
30th August, 2016	4
9th November, 2016	3
15th December, 2016	5
28th February, 2017	5

5. Directors' Responsibility Statement

To the best of our knowledge and belief, and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and

- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. Declarations given by Independent Directors

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

7. Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as stated in Section 178(3) of the Companies Act, 2013

Your Company has an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on 31st March, 2017, the Board consisted of 7 members, one of whom is an Executive and two are Independent Directors, two are Nominee Directors of investors and two are non-Executive Directors. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-Section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as Annexure-2 to the Board's Report.

8. Details in respect of frauds reported by the auditors under Section 143(12) of the Companies Act, 2013, other than those reportable to the Central Government – Nil.

9. Particulars of loans, guarantees or investments under Section 186

Loans, guarantees or investments covered under Section 186 of the Companies Act, 2013, form part of the notes to the financial statements.

10. Particulars of contracts or arrangements with related parties referred to in Section 188(1)

Particulars of contracts or arrangements with related parties referred to in Section 188(1) are attached in the prescribed format, Form AOC-2, as Annexure-5.

11. Dividend

Your Board is pleased to recommend a dividend at the rate of 20% on the equity share capital of the Company. If approved by the members, the amount of dividend will be ₹1 per share.

12. Material changes and commitments

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

During the year, our wholly-owned subsidiary Favourite Restaurants Private Limited merged with Barbeque-Nation Hospitality Limited. The Regional Director, Hyderabad, approved the merger scheme U/s 233 of the Companies Act, 2013, on 22nd June, 2017, with effect from 1st January, 2017.

13. Employee Stock Option Scheme

Your Company has an Employee Stock Option Plan under 'ESOP Scheme 2015' which is administered by the Nomination and Remuneration Committee for the benefit of employees. During the financial year 2016-17, there has been no change in the Employee Stock Option Plan 2015 of the Company.

On 1st April, 2016, 1,06,764 options having face value of ₹10 each were granted to eligible employees of the Company under Employee Stock Option Plan 2015. On December 2016, the shares were sub-divided into face value of ₹5 each. Consequent to this sub-division, the aforementioned employee stock options got doubled.

Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the applicable disclosures as on 31st March, 2017 is tabulated below:

Options at the beginning of the period (1st April, 2016)	1,06,764
Options granted during the period	1,06,764
Price per share (₹)	₹10
Pricing policy	The exercise price shall not be less than the face value of the equity shares of the Company and shall not exceed fair market value of equity shares of the Company on the date of grant
Options vested	Nil
Options lapsed	33,854
Options available for exercise	Nil
Options exercised	Nil
Total number of shares arising as a result of exercise of options	Nil
Variations of terms of options	No variations
Money realized by exercise of options	Nil
Total number of options in force	72,910 ***

*** Pursuant to the sub-division of shares of ₹10 each into 2 equity shares of ₹5 each during the year, the ESOP options got multiplied by two. Hence the total number of options in force are 1,45,820 options.

14. Details of conservation of energy, technology absorption and foreign exchange earnings and outgo

Conservation of energy

The Company has been working effectively for the conservation of energy consumed across all the restaurants. The Company uses LED lights to ensure that energy consumption is at minimal levels across its operations. It has also installed timers for exhaust and fresh air system to save energy. The Company has not taken any steps for exploring alternative sources of energy as yet.

Technology absorption is not applicable to the Company.

Foreign exchange income:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of food and beverages	864.51	613.61

CIF value of imports and expenditure

(₹ in lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Import of capital items	44.86	190.74
Import of non-capital items (food and beverages)	599.35	768.64

15. A statement on the development and implementation of risk management policy

The business and financial risk of the Company are akin to any other company in the same line of business. The Company has a robust enterprise risk management framework to identify and evaluate business risks and

opportunities. This framework seeks to create transparency, minimise any adverse impact on business objectives and enhance competitive advantage. The business risk policy defines the risk management approach across the enterprise at various levels, including documentation and reporting. The model has different modes that help identify risk trends, exposure and potential impact analysis at a Company level and also separately for different business segments. The Company has identified various risks and also has mitigation plans for each risk identified.

16. Corporate Social Responsibility (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee comprising Mr. Tarun Khanna, Mr. T.N. Unni, Mr. Kayum Dhanani and Mrs. Suchitra Dhanani and is in the process of identifying more projects to spend the amount under Corporate Social Responsibility (CSR) provisions of Section 135 of the Companies Act, 2013. A report on the CSR initiatives by your Company is provided in Annexure-6.

17. Internal financial control

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

18. Directors, Key Managerial Personnel (KMP)

The composition of the Board of Directors, Key Managerial Personnel and changes in the composition of the Board of Directors and Key Managerial Personnel as on 31st March, 2017 is given below:

Sl. no.	Name	Designation	Date of appointment
1.	Kayum Razak Dhanani	Managing Director	30th November, 2012
2.	Suchitra Dhanani	Director	1st July, 2015
3.	Tarun Khanna	Nominee Director	12th April, 2013
4.	T.N. Unni	Independent Director	09th February, 2009
5.	Raof Razak Dhanani	Director	1st July, 2015
6.	Abhay Chintaman Chaudhari	Independent Director	28th February, 2017
7.	Rahul Agrawal	Nominee Director	1st July, 2015
8.	Nagamani C.Y.	Company Secretary	21st July, 2014

Mr. Saquib Salim Agboatwala resigned on 15th December, 2016. Mr. Abhay Chintaman Chaudhari was appointed as Additional Director on 28th February, 2017, Mr. Mohan Kumar R. and Mr. Sameer Bhasin were appointed as CFO and CEO, respectively, on 15th June, 2017.

19. Committees of the Board

As on 31st March, 2017, the Board had 3 committees: Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the committee	Composition	Highlights of duties, responsibilities and activities
Audit Committee	<ol style="list-style-type: none"> 1. T.N. Unni, Chairman 2. Tarun Khanna 3. Kayum Razak Dhanani 	<ol style="list-style-type: none"> a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible b) Recommending to the Board, the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee c) Review and monitor the auditor's independence and performance and the effectiveness of audit process d) Scrutiny of inter-corporate loans and investments e) Evaluation of internal financial controls and risk management systems
Nomination and Remuneration Committee	<ol style="list-style-type: none"> 1. T.N. Unni, Chairman 2. Tarun Khanna 	<ol style="list-style-type: none"> a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management b) To evaluate the performance of the Board members and submit necessary reports for further evaluation of the Board c) To recommend to the Board the remuneration payable to Directors, Key Managerial Personnel and senior management
Corporate Social Responsibility Committee	<ol style="list-style-type: none"> 1. T.N. Unni, Chairman 2. Tarun Khanna 3. Kayum Razak Dhanani 4. Suchitra Dhanani 	<ol style="list-style-type: none"> a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto, in accordance with Schedule VII of the Companies Act, 2013, and the rules made thereunder b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company d) Identifying and appointing the corporate social responsibility team of the Company, including corporate social responsibility manager, wherever required

20. Information required as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information required as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as hereunder:

Name	Age	Designation	Remuneration (₹)	Nature of employment	Qualification and experience	Date of commencement of employment	Previous employment	% of shares held in the Company	Whether relative of any Directors or manager
Sameer Bhasin	43 years	Chief Executive Officer	₹8,76,923 per month	On roll	Bachelor of Hotel Management	5th April, 2016	Paradise Food Court Pvt Ltd	Nil	No

21. Public deposits

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013, and the Companies (Acceptance of Deposit) Rules, 2014, during the financial year. Hence, details to be given under the Rule 8(5)(v) of the Companies (Accounts) Rule, 2014, are: Nil.

22. Holding, subsidiary and associate companies and joint ventures

Salient features of the financial statements of subsidiaries/ associate companies/joint ventures are given in the prescribed form, AOC-1, as Annexure-4.

- The Company is not a subsidiary of any company.
- The Company holds 100% of the total equity shares of Prime Gourmet Private Limited, New Delhi, India.
- The Company has a wholly-owned subsidiary in Dubai, viz., Barbeque Nation Holdings Limited, registered with Jebel Ali Authority.
- The Company has a step-down subsidiary in Dubai, viz., Barbeque Nation Restaurant LLC, whereas Barbeque Nation Holdings Limited holds 49% of the shareholding.

23. Statutory Auditors

Deloitte Haskins & Sells, Chartered Accountants, the Auditors of your Company, were appointed to hold office until the conclusion of the 12th Annual General Meeting, subject to ratification at every Annual General Meeting. Deloitte Haskins & Sells, Chartered Accountants, are eligible to continue as Auditors of the Company.

24. Internal Auditors

KPMG has been appointed as internal auditor as per

Section 138(1) of the Companies Act, 2013, read with corresponding rules, pursuant to the resolution passed in the Board meeting held on 15th December, 2016, for the period from 1st October, 2016 to 30th September, 2017. Prior to this period, Ernst & Young was the internal auditor. KPMG conducts quarterly internal audits of the Company and their findings have been reviewed regularly by the Audit Committee. Your Directors note with satisfaction that no material deviations from the prescribed policy and procedures have been observed.

25. Secretarial Auditors

CS S. Kannan and Associates (Practising Company Secretaries) has been appointed as Secretarial Auditors of the Company by the Board. The Secretarial Audit Report in the prescribed form, MR-3, is enclosed as Annexure-3.

Qualifications in Secretarial Audit Report and Board comments:

- As on 31st March, 2017, the Company has not appointed adequate number of Independent Directors as required under the Companies Act, 2013.

Board comment: As on the signing date of the Director's Report, the Company has appointed adequate number of Independent Directors as required under the Companies Act, 2013.

26. Corporate Governance

Your Company has voluntarily taken steps for implementation of directives of Corporate Governance to ensure integrity, fairness, transference, accountability and adoption of the highest standards of business ethics which are of benefit to all stakeholders.

27. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

The following is the summary of sexual harassment complaints received and disposed-off during the year.

No. of complaints received: Nil

No. of complaints disposed of: Nil

28. Acknowledgements

The Directors place on record their appreciation of cooperation and continued support extended by customers, shareholders, investors, partners, vendors, bankers, the Government and statutory authorities for the Company's growth. We also thank employees at all levels across the Group for their valuable contributions to our progress and look forward to their continued support in the future too.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 29th June, 2017

Kayum Razak Dhanani
Managing Director
DIN: 00987597

T.N. Unni
Director
DIN: 00079237



Annexure-1

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017
Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

1.	CIN	U55101KA2006PLC073031
2.	Registration date	13/10/2006
3.	Name of the Company	Barbeque-Nation Hospitality Limited
4.	Category/sub-category of the Company	Indian non-government company
5.	Address of the registered office and contact details	Sy No. 62, Site No. 13, 6th Cross, NS Palya, BTM Layout, Bengaluru, Karnataka
6.	Whether listed company	No
7.	Name, address and contact details of the registrar and transfer agent, if any	Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sl. no.	Name and description of main products/services	NIC code of the product/service	Date of appointment
1.	Restaurants	563	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. no.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associates	% of shares held	Applicable section
1.	Prime Gourmet Private Limited	U74140DL2012PTC241588	Subsidiary	100%	2(87) (ii)
2.	Barbeque Nation Holdings Limited, Dubai	NA	Wholly-owned subsidiary	100%	2(87) (ii)
3.	Barbeque Nation Restaurant LLC	NA	Step-down subsidiary	49% *	2(87)

*Step-down subsidiary

IV. SHAREHOLDING PATTERN (Equity share capital breakup as a percentage of total equity)

(i) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year [As on 31st March, 2016]				No. of shares held at the end of the year [As on 31st March, 2017]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters / Promoter Group									
(1) Indian									
a) Individual/HUF	4,97,894	0	4,97,894	3.74	13,95,790	0	13,95,790	5.16	1.42
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	63,10,558	0	63,10,558	47.40	1,26,21,116	0	1,26,21,116	46.70	0.7
e) Banks/FIs									
f) Any other									
Sub-total (A)(1)	68,08,452	0	68,08,452	51.14	1,40,16,906	0	1,40,16,906	51.86	2.12
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FIs	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
A = A(1) + A(2)	68,08,452	0	68,08,452	51.14	1,40,16,906	0	1,40,16,906	51.86	2.12
B. Public shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FIs	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-									

Category of shareholders***	No. of shares held at the beginning of the year [As on 31st March, 2016]				No. of shares held at the end of the year [As on 31st March, 2017]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	49,10,683	0	49,10,683	36.89	98,21,366	0	98,21,366	36.34	0.55
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	1	5	6	0	53,262	10	53,272	0.20	0.20

Category of shareholders***	No. of shares held at the beginning of the year [As on 31st March, 2016]				No. of shares held at the end of the year [As on 31st March, 2017]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	9,95,780	4,97,890	14,93,670	11.22	19,91,560	9,42,518	29,34,078	10.85	0.37
c)Others (specify)									
i)AAJV Investment Trust	99,196	0	99,196	0.75	1,98,392	0	1,98,392	0.73	0.02
Sub-total (B)(2):-	60,05,660	4,97,895	65,03,555	48.86	1,20,64,580	9,42,528	1,30,07,108	48.12	1.14
Total public shareholding (B) = (B)(1) + (B)(2)	60,05,660	4,97,895	65,03,555	48.86	1,20,64,580	9,42,528	1,30,07,108	48.12	1.14
C. Shares held by custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand total (A+B+C)	1,28,14,112	4,97,895	1,33,12,007	100	2,60,81,486	9,42,528	2,70,24,014	100	3.26

*** The Company does not have public shareholding. This category contains only non-promoters' group. Since the format does not provide a specific column for non-promoters, it has been disclosed in the public shareholding column.

(ii) Shareholding of promoters

Sl. no.	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Kayum Dhanani	4,97,894	3.74	Nil	13,95,788	5.16	Nil	1.42
2.	Sayaji Housekeeping Services Limited	63,10,558	47.41	Nil	1,26,21,116	46.70	Nil	0.71
3.	Suchitra Dhanani	01	0.00	Nil	02	0.00	Nil	0.00

(iii) Change in promoters' shareholding (please specify if there is no change)

Sl. no.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Name of Promoter	At the beginning of the year		4,97,894	3.74
	Kayum Dhanani	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (Eg: allotment/transfer/ bonus/ sweat equity etc):		On 12th May, 2016, increased during the year by allotment of 2,00,000 shares of ₹10 at a premium of ₹610 each on preferential basis	
				On 15th December, 2016, shares of ₹10 each sub-divided into 2 equity shares of ₹5 each	
		At the end of the year		13,95,788	5.16

Sl. no.	Particulars		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	Name of Promoter	At the beginning of the year	63,10,558	47.41	63,10,558	47.41
	Sayaji Housekeeping Services Limited	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (Eg: allotment/transfer/ bonus/ sweat equity etc):	On 15th December, 2016, shares of ₹10 each sub-divided into 2 equity shares of ₹5 each		1,26,21,116	46.70
		At the end of the year			1,26,21,116	46.70
3.	Name of Promoter	At the beginning of the year	01	0.00	01	0.00
	Suchitra Dhanani	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (Eg: allotment/transfer/ bonus/ sweat equity etc):	On 15th December, 2016, shares of ₹10 each sub-divided into 2 equity shares of ₹5 each		2	0.00
		At the end of the year			2	0.00

(iv) Shareholding pattern of top-ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. no.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Increase during the year	Cumulative shareholding during the year		At the end of the year	
		No. of shares	% of total shares of the Company		No. of shares allotted	No. of shares	% of total shares of the Company	No. of shares
1.	Tamara Private Limited	32,22,970	24.21	0	64,45,940	23.85	64,45,940	23.85
2.	Pace Private Limited	33,75,426	12.49	0	33,75,426	12.49	33,75,426	12.49
3.	Azhar Dhanani	2,48,945	1.87	0	4,97,890	1.84	4,97,890	1.84
4.	Zuber Dhanani	2,48,945	1.87	0	4,97,890	1.84	2,48,945	1.84
5.	Saba Dhanani	2,48,945	1.87	0	4,97,890	1.84	4,97,890	1.84
6.	Sadiya Dhanani	2,48,945	1.87	0	4,97,890	1.84	4,97,890	1.84
7.	Sanya Dhanani	2,48,945	1.87	0	4,97,890	1.84	4,97,890	1.84
8.	Zoya Dhanani	2,48,945	1.87	0	4,44,628	1.65	4,44,628	1.65
9.	AAJV Investment Trust	99,196	0.75	0	1,98,392	0.73	1,98,392	0.73
10.	Madhu Jain	0	0	0	53,262	0.20	53,262	0.20

v. Shareholding of Directors and Key Managerial Personnel

Sl. no.	Shareholding of each Director and Key Managerial Personnel:	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Kayum Razak Dhanani				
	At the beginning of the year	4,97,894	3.74	4,97,894	3.74
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	2,00,000 (On 12th May, 2016, increased during the year by allotment of 2,00,000 shares of ₹10 at a premium of ₹610 each on preferential basis)			
	At the end of the year	6,97,984 (On 15th December, 2016, shares of ₹10 each sub-divided into 2 equity shares of ₹5 each)	5.16	13,95,788	5.16
2.	Suchitra Dhanani				
	At the beginning of the year	01	0.00	01	0.00
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)	02 (On 15th December, 2016, shares of ₹10 each sub-divided into 2 equity shares of ₹5 each)			
	At the end of the year	02	0.00	02	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹ lakhs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	3,688.30	0	0	3,688.30
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	20.76	0	0	20.76
Total (i+ii+iii)	3,709.06	0	0	3,709.06
Change in indebtedness during the financial year				
* Addition	1,688.06	0	0	1,688.06
* Reduction		0	0	
Net change	1,688.06	0	0	1,688.06
Indebtedness at the end of the financial year				
i) Principal amount	5,379.46	0	0	5,379.46
ii) Interest due but not paid				
iii) Interest accrued but not due	17.66	0	0	17.66
Total (i+ii+iii)	5,397.12	0	0	5,397.12

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

B. Remuneration to other Directors:

(Amount in Rupees)

Sl. no.	Particulars of remuneration	Name of Director	Name of Director	Name of Director	Total amount
1	Independent Directors	T.N. Unni	Abhay Chintaman Chaudhari		
	Fee for attending Board committee meetings	90,000	25,000	-	
	Commission	0	0	-	
	Others, please specify	0	0	-	
	Total (1)	90,000	25,000	-	1,15,000
2	Other Non-Executive Directors	Suchitra Dhanani	Raof Razak Dhanani	Saqib Salim Agboatwala	
	Fee for attending Board committee meetings	30,000	80,000	-	
	Commission			-	
	Others, please specify			-	
	Total (2)	30,000	80,000	-	1,10,000
	Total (B)=(1+2)	1,20,000	1,05,000	-	2,25,000
	Total managerial remuneration			-	0 *
	Overall ceiling				14,59,230

*Sitting fees do not form part of managerial remuneration as per Section 197(5) of the Companies Act, 2013

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rupees)

Sl. no.	Particulars of remuneration	CS	CFO *	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9,76,696	43,96,862	53,73,558
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock options (ESOP)	1,942	15,484	Nil
3.	Sweat equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5.	Others (equity share of ₹10 each)	Nil	Nil	Nil
	Total	9,76,696	43,96,862	53,73,558

*CFO's remuneration up to 31st December, 2016

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

A report on the penalties/punishment/compounding of offences by your Company is provided in Annexure-6.

For and on behalf of the Board of Directors

Place: Bengaluru

Date: 29th June, 2017

Kayum Razak Dhanani

Managing Director

DIN: 00987597

T.N. Unni

Director

DIN: 00079237



Annexure-2

NOMINATION AND REMUNERATION POLICY

Policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as stated in Section 178(3) of the Companies Act, 2013

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns its recruitment plans for the strategic growth of the Company. The Nomination and Remuneration Policy is provided herewith, pursuant to Section 178(4) of the Companies Act, 2013.

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company has already constituted a Nomination and Remuneration Committee comprising three non-Executive Independent Directors as required under Companies Act, 2013.

A policy is required to be formulated in compliance with Section 178 of the Companies Act, 2013, read along with the applicable rules.

II. OBJECTIVES

The key objectives of the Committee:

- a) To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and senior management.
- b) To evaluate the performance of the Board members and submit necessary reports for further evaluation by the Board.
- c) To recommend to the Board the remuneration payable to Directors, Key Managerial Personnel and senior management.

III. DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Barbeque-Nation Hospitality Limited."
- "Employee Stock Option" means the option given to Directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, officers

or employees, the benefit or right to purchase, or to subscribe to, the shares of the Company at a future date at a pre-determined price.

- "Independent Director" means a Director referred to in Section 149(6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means:
 - (i) Chief Executive Officer or the Managing Director or the Manager,
 - (ii) Whole-time Director,
 - (iii) Company Secretary,
 - (iv) Chief Financial Officer and
 - (v) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- "Policy" or "This Policy" means "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of the management one level below the Executive Directors, including all functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and

motivate Directors of the quality required to run the Company successfully.

- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay, reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
 - To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and non-Executive) and persons who may be appointed in senior management, key managerial positions and to determine their remuneration.
 - To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry.
 - To carry out evaluation of the performance of Directors, as well as key managerial and senior management personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
 - To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
 - To lay down criteria for appointment, removal of directors, key managerial and senior management personnel and evaluation of their performance.
- f) To recommend to the Board, policy relating to remuneration for Directors, key managerial personnel and senior management.
 - g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - h) To devise a policy on Board diversity.
 - i) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
 - j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia is the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and senior management.

VII. MEMBERSHIP

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-Executive Directors and at least half shall be independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, and applicable statutory requirements.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer shareholder queries.



- e) The meeting of the Committee shall be held at such regular intervals as may be required.

IX. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

X. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall, for all purposes, be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XI. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at the senior management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of 70 years. Provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 years.

Term/Tenure

- a) Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

- b) Independent Director

An Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable act, rules and regulations, the Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or senior management subject to the provisions and compliance of the said act, rules and regulations.

Retirement

The Director, KMP and senior management shall retire as per the applicable provisions of the Companies Act, 2013, and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, senior management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

General

The remuneration/compensation/commission, etc. to Managerial Person, KMP and senior management personnel

will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission, etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in case of the Managerial Person.

Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if any Director is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managerial Person, KMP and senior management:

Fixed pay

Managerial Person, KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites, including employer's contribution to PF, pension scheme, medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum remuneration

If, in any financial year, the Company has no or inadequate profits, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013, and if it is not able to comply with such provisions, with the prior approval of the Central Government.

Provisions for excess remuneration

If any Managerial Person draws or receives, directly or

indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to non-Executive/Independent Director

Remuneration/Commission

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Sitting fees

The non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government and approved by the Board from time to time.

Limit of remuneration/commission

Remuneration/Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Stock options

An Independent Director shall not be entitled to any stock options of the Company.

XIII. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded in the minutes and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent meeting.

XIV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary to the interests of the Company, will be made if there are specific reasons to do so subject to the approval of the Board.

Annexure-3

SECRETARIAL AUDIT REPORT Form No. MR-3

For the financial year ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013, and rule No. 9 of the Companies
(Appointment and remuneration of Managerial Personnel) Rules, 2014]

To

The members

Barbeque-Nation Hospitality Limited

No. 62, 6th Cross

N S Palya, BTM Layout

Bengaluru 560076

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Barbeque-Nation Hospitality Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder
3. The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder
4. Foreign Exchange Management Act, 1999, and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
5. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952

7. Employees State Insurance Act, 1948
8. Environment Protection Act, 1986, and other applicable environmental laws
9. Indian Contract Act, 1872
10. Income Tax Act, 1961, and other related laws
11. Indian Stamp Act, 1999
12. Payment of Bonus Act, 1965
13. Payment of Gratuity Act, 1972, and such other applicable labour laws
14. The Information Technology Act, 2000
15. Prevention of Food Adulteration Act, 1954
16. Food Safety and Standards Act, 2006
17. Sales Tax Act, 1956
18. The Contract Labour (Regulation and Abolition) Act, 1970
19. The Bombay Smoke-Nuisances Act, 1912
20. Foreign Exchange under FEMA, 1999
21. Indian Copyright Act, 1957
22. Municipal Council Act under respective States wherever applicable

I have relied on the representation made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other applicable acts, laws, rules and regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India to the extend applicable as on the date of my audit
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under the review and as on 31st March, 2017, while the Company has largely complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above, it has not appointed adequate number of Independent Directors as required under the Companies Act, 2013.

I further report that:

- (i) The Board of Directors of the Company is duly constituted with Executive Directors, non-Executive Directors including Women Director.

- (ii) Adequate notice is given to all Directors to schedule the Board and other Committee meetings. Agenda and detailed notes on the agenda are sent to Directors well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting.
- (iii) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) During the audit period, the members of the Company, in pursuance to section 180(1)(c) of the Companies Act, 2013, have approved increased borrowing limits to ₹145 crores at the Extra Ordinary General Meeting held on 2nd November, 2016.
- (vi) During the period under review, the Company had made an application to the Regional Director, Hyderabad, for merger of its wholly-owned subsidiary company, Favourite Restaurant Private Limited, with itself. The Scheme of Merger was approved by the Regional Director wide his order dated 22nd June, 2017. The merger is effective from 1st January, 2017.
- (vii) During the audit period, there were no instances of:
 - a) Public/Rights/Preferential issue of shares/debentures/sweat equity
 - b) Redemption buyback of securities
 - c) Foreign technical collaborations

This report has to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

For S. KANNAN AND ASSOCIATES

S. Kannan
(Proprietor)

Place: Bengaluru

FCS No.: 6261 / C P No.: 13016

Date: 29th June, 2017

Firm No.: S2017KR473100



Annexure-A

To
The members
Barbeque-Nation Hospitality Limited
No. 62, 6th Cross
N S Palya, BTM Layout
Bengaluru 560076

Our report of even date is to be read along with this letter.

- a. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- d. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- e. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

- f. We further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor compliance with applicable general laws like labour laws, environment laws and data protection policy.
- g. We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws, the correctness and appropriateness of financial records and books of accounts of the Company have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For S. KANNAN AND ASSOCIATES

S. Kannan
(Proprietor)

Place: Bengaluru

Date: 29th June, 2017

FCS No.: 6261 / C P No.: 13016

Firm No.: S2017KR473100

Annexure-4

Form AOC-1 Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Information in respect of each subsidiary to be presented with amounts in respective currencies)

Sl. no.	Name of the subsidiary	Prime Gourmet Private Limited	Barbeque Nation Holdings Limited, Dubai	Barbeque Nation Restaurant LLC
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	2nd November, 2016 to 31st March, 2017
2.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR (Amount in Lakhs)	AED Exchange rate: Closing rate - 17.659 P&L - 17.338	AED Exchange rate: Closing rate - 17.659 P&L - 17.338
3.	Share capital	1,942.77	10,00,000	3,00,000
4.	Reserves and surplus	-888.16	-1,25,243	-4,97,768
5.	Total assets	1,209.34	53,41,593	69,94,870
6.	Total liabilities	1,209.34	53,41,593	69,94,870
7.	Investments	N/A	1,47,000	N/A
8.	Turnover	1,315.60	32,235	28,25,907
9.	Profit before taxation	-579.50	-1,25,243	-4,97,768
10.	Provision for taxation	-	N/A	N/A
11.	Profit after taxation	-579.50	-1,25,243	-4,97,768
12.	Proposed dividend	N/A	N/A	N/A
13.	% of shareholding	100%	100%	49%

Part "B": Associates and joint ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013, related to associate companies and joint ventures: Not applicable

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 29th June, 2017

Kayum Razak Dhanani
Managing Director
DIN: 00987597

T.N. Unni
Director
DIN: 00079237

Annexure-5

Form No. AOC-2

(Pursuant to Clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013, including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

- Name(s) of the related party and nature of relationship
- Duration of the contracts/arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- Amount paid as advances, if any
- Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

There are no transactions which are not at arm's length basis

2. Details of material contracts or arrangements or transactions at arm's length basis

Sl. no.	Name	Nature of contracts	Duration of the contracts	Amount (₹ lakh)	Terms and conditions	Date of the Board approval, if any	Amount paid as advance, if any
1.	Sara Suole Private Limited	(To) Rent and maintenance	Till March 2017	49.64	As per lease agreement	28th June, 2016	Nil
		Purchase of consumables	Till March 2017	40.31	As per the purchase agreement	NA	Nil
2.	Sayaji Hotels Limited	(From) Royalty income	April to March 2017	161.08	As per royalty agreement 10% of revenue sharing	NA	Nil
3.	Sayaji Hotels Limited	(To) Rent and maintenance	Till March 2017	166.75	As per leave and license agreement	1st December, 2015	Nil
4.	Sara Suole Private Limited	(To) security deposit paid	Till March 2017	1.80	As per lease agreement	28th June, 2016	Nil
5.	Sayaji Hotels Limited	Services received	Till March 2017	10.52	As per the agreement	28th June, 2016	Nil

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 29th June, 2017

Kayum Razak Dhanani
Managing Director
DIN: 00987597

T.N. Unni
Director
DIN: 00079237

Annexure-6

ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken	Barbeque Nation shall lay down its focus on the following CSR activities in line with statutes governing CSR and for the benefit of the public. <ul style="list-style-type: none">(i) Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water(ii) Promoting education, including special education, and employability-enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old-age homes, day-care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water(v) Protection of national heritage, art and culture, including restoration of buildings, sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts(vi) Measures for the benefit of armed forces veterans, war widows and their dependents(vii) Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports(viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of scheduled castes, scheduled tribes, other backward classes, minorities and women(ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the central government(x) Rural development projects(xi) Any other CSR activities as per the Companies Act, 2013, and approved by the Board from time to time
2.	The composition of the CSR committee	<ul style="list-style-type: none">1. T.N. Unni (Chairman)2. Tarun Khanna3. Kayum Razak Dhanani4. Suchitra Dhanani



3.	Average net profit of the company for the last three financial years	₹2,413.82 lakhs
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above)	₹48.28 lakhs
5.	Details of CSR expenditure during the financial year	The Company spent ₹7 lakhs under corporate social responsibility in the year 2016-17 and is also in the process of identifying more such activities
6.	Details of amount unspent	₹41.28 lakhs
7.	Reason for unspent amount	Suitable implementing agencies not found

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 29th June, 2017

Kayum Razak Dhanani
Managing Director
DIN: 00987597

T.N. Unni
Director
DIN: 00079237

Manner in which the amount was spent during the financial year is detailed below:

Sl no.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or program-wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent		
			(1) Local area or other	(2) Specify the State and district where projects or programs were undertaken		Direct expenditure on projects or programs	Overheads		Directly	Through implementing agency	Total (₹)
1.	Christel House India	Promoting education	Local Area	Bengaluru-Karnataka	Donated ₹2 lakhs to Christel House India, registered under Section 25 of the Companies Act, 1956, provides education to underprivileged children	₹2.00 Lakhs	-	-	-	Christel House India, incorporated under Section 25 of Companies Act, 1956	₹2 lakhs
2.	Indore Cancer Foundation Charitable Trust	Promoting health and education in rural and urban areas	Others	Indore-Madhya Pradesh	Donated ₹5 lakhs to Indore Cancer Foundation Charitable Trust, registered on 13th June, 1990, under the Madhya Pradesh Public Trust Act, 1951, provides public education relating to cancer in rural areas	₹5.00 Lakhs	-	-	-	Indore Cancer Foundation Charitable Trust, registered on 13th June, 1990, under Madhya Pradesh Public Trust Act, 1951	₹5 lakhs

Place: Bengaluru
Date: 29th June, 2017

For and on behalf of the Board of Directors

Kayum Razak Dhanani
Managing Director
DIN: 00987597

T.N. Unni
Director
DIN: 00079237

Details of Penalties/Punishment/Compounding of Offences

Manner in which the amount was spent during the financial year is detailed below:

Sl. no.	Name of the company	Name of the concerned Authority	Date of Order	Name of the Act and section under which penalised/punished	Details of penalty/punishment (in ₹)	Details of appeal (if any) including present status	Brief description and facts of the case
1.	Barbeque-Nation Hospitality Limited	Commercial Tax Department, Delhi	20th January, 2016	Section 86 (14) of Delhi Value Added Tax Act, 2004	₹50,000	Filed the appeal vide Reference No147322 dt. 29th January, 2016	Non-declaration of sales made to Embassies in the return dt. 1st January, 2015 to 31st March, 2015
2.	Barbeque-Nation Hospitality Limited	Commercial Tax Department, Delhi	6th June, 2014	Section 748 (5) of Delhi Value Added Tax Act, 2004	₹10,000	Filed the appeal vide Ref No. 22686 dt. 23rd July, 2014	Mismatch of 2A-2B Notice of Default Assessment of Tax & Interest FY. 2012-13
3.	Barbeque-Nation Hospitality Limited	Commercial Tax Department, Delhi	6th July, 2014	Section 748 (5) of Delhi Value Added Tax Act, 2004	₹10,000	Filed the appeal vide Ref No. 22509 dt. 23rd July, 2014	Mismatch of 2A-2B Notice of Default Assessment of Tax & Interest FY. 2012-13
4.	Barbeque-Nation Hospitality Limited	Sales Tax Department, Gujarat	12th April, 2016	Penalty according to Gujarat VAT, Act, 2003	₹2,261,890	Demanded order copies for penalty and tax value. But till now no further revert from the dept.	Vat not paid on Service Tax, SBC and KKC under composite scheme
5.	Barbeque-Nation Hospitality Limited	Food Department, Gujarat	30th November, 2016	Section 51 of FSSAI, 2006	₹50,000	Penalties paid off	Breach of Section 26 of FSSAI Act, 2006, and penalty imposed according to Section 51 of FSSAI, 2006

For and on behalf of the Board of Directors

Kayum Razak Dhanani
Managing Director
DIN: 00987597

T.N. Unni
Director
DIN: 00079237

Place: Bengaluru
Date: 29th June, 2017

Independent Auditor's Report

TO THE MEMBERS OF
BARBEQUE-NATION HOSPITALITY LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our



knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for

which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. However, as stated in note 43 the standalone financial statements amounts aggregating to ₹0.61 Lakhs have been utilized for other than permitted transactions and the Company received amounts aggregating to ₹39.47 Lakhs from transactions which are not permitted as represented to us by the Management. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS,**
Chartered Accountants
Firm Registration No. 008072S

S. Sundaresan
Partner

BENGALURU, June 29, 2017

Membership No.025776

Annexure “A” to the Independent Auditor’s Report

(Referred to in clause (f) of paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of BARBEQUE-NATION HOSPITALITY LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all

material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS,**
Chartered Accountants
Firm Registration No. 008072S

S. Sundaresan
Partner

BENGALURU, June 29, 2017

Membership No.025776

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty or Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount disputed (₹ in Lakhs)
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Hyderabad	2009-10 to 2015-16	38.15
Rajasthan Value Added Tax Act, 2003	Value Added Tax	Commercial Tax Officer, Jaipur	2010-11 to October 2014	2.38
Punjab Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Chandigarh	2011-2014	13.69



Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount disputed (₹ in Lakhs)
Maharashtra Value Added Tax, 2002	Value Added Tax	Commercial Tax Officer, Maharashtra	2011-2014	9.11
Gujarat Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Gujarat	January 2013 to December 2016	26.72
Rajasthan Value Added Tax Act, 2003	Value Added Tax	Commercial Tax Officer, Jaipur	2014-16	0.96

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions or from government. The Company also has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration during the year and hence reporting under clause (xii) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment or private placement of shares during the year under review.
- In respect of the above issue, we further report that:
- the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS,**
Chartered Accountants
Firm Registration No. 008072S

S. Sundaresan
Partner

BENGALURU, June 29, 2017

Membership No.025776

Standalone Balance Sheet as at 31 March, 2017

(₹ in lakhs)

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

See accompanying notes forming part of the standalone financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place : Bengaluru
Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

Mohankumar R
Chief Financial Officer

Place : Bengaluru
Date : June 29, 2017

T.N Unni
Director
Din No:- 00079237

Nagamani C Y
Company Secretary



Standalone Statement of Profit and Loss for the year ended 31 March, 2017

(₹ in lakhs)

Particulars	Note No.	For the year ended 31-Mar-17	For the year ended 31-Mar-16
1 Revenue from operations	23	48,949.00	39,981.75
2 Expenses			
(a) Cost of food and beverages consumed	24	17,422.50	14,740.36
(b) Employee benefits expenses	25	8,761.55	6,670.78
(c) Occupancy cost and other operating expenses	26	15,701.18	13,248.55
Total expenses		41,885.22	34,659.69
3 Earnings before exceptional items, finance costs, other income, tax, depreciation and amortisation (EBITDA) (1 - 2)		7,063.78	5,322.06
4 Finance costs	27	1,397.63	971.82
5 Depreciation and amortisation expense	12 (c)	3,220.31	2,308.01
6 Other income	28	75.25	49.14
7 Profit before exceptional items and tax (3 - 4 - 5 + 6)		2,521.09	2,091.37
8 Exceptional items	29	292.87	-
9 Profit before tax (7 - 8)		2,228.22	2,091.37
10 Tax expense / (benefit):			
(a) Current tax expense		885.09	962.87
(b) Deferred tax		(116.10)	(147.58)
Net tax expense / (benefit)		768.99	815.29
11 Profit for the year (9 - 10)		1,459.23	1,276.08
12 Earnings per share (₹)	41		
- Basic		5.41	4.79
- Diluted		5.41	4.79

See accompanying notes forming part of the standalone financial statements

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

S. Sundaresan

Partner

Place : Bengaluru

Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani

Managing Director

Din No:- 00987597

Mohankumar R

Chief Financial Officer

Place : Bengaluru

Date : June 29, 2017

T.N Unni

Director

Din No:- 00079237

Nagamani C Y

Company Secretary

Standalone Cash Flow Statement for the year ended 31 March, 2017

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
A. Cash flow from operating activities		
Profit / (loss) before tax	2,228.23	2,091.37
Adjustments for:		
- Depreciation and amortisation	3,433.12	2,308.01
- Net loss relating to relocation of restaurant units during the year	80.06	-
- Interest expense	745.52	448.72
- Interest income	(42.98)	(21.77)
- Dividend income	-	(0.35)
- Profit on sale of investments in mutual funds	(32.28)	(27.02)
- Expense on employee stock option scheme	96.22	-
- Expense on phantom option scheme	33.29	-
- Provision for doubtful receivables and advances	74.63	57.00
Operating profit before working capital changes	6,615.81	4,855.96
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
- Inventories	(286.16)	134.01
- Trade receivables	78.21	(183.58)
- Short-term loans and advances	(12.04)	57.72
- Other current assets	(164.88)	-
- Long-term loans and advances	(303.60)	(622.99)
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	878.29	1,595.02
- Other current liabilities	165.99	69.02
- Short-term provisions	(39.64)	106.87
- Other long-term liabilities	(19.79)	(15.02)
- Long-term provisions	117.52	27.18
Cash generated from operations	7,029.70	6,024.19
Net income tax (paid) / refunds	(867.93)	(1,016.12)
Net cash flow from / (used in) operating activities (A)	6,161.77	5,008.07
B. Cash flow from investing activities		
- Capital expenditure on fixed assets, including capital advances	(6,343.74)	(6,527.48)
- Proceeds from sale of fixed assets	43.53	-
- Investment in subsidiary	(2,253.16)	(329.45)
- Loan given to subsidiary	(228.35)	(296.10)
- Receipt towards repayment of loan from subsidiary	57.28	62.87
- Realisation of inter-corporate deposits	-	250.00
- Deposits placed for margin money	(139.34)	(55.67)
- Interest received	54.04	148.43
- Dividend income	-	0.35
- Profit from sale of mutual funds	32.28	27.02
Net cash flow from / (used in) investing activities (B)	(8,777.46)	(6,720.03)



(₹ in lakhs)

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

See accompanying notes forming part of the standalone financial statements

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

S. Sundaresan

Partner

Place : Bengaluru

Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani

Managing Director

Din No:- 00987597

Mohankumar R

Chief Financial Officer

Place : Bengaluru

Date : June 29, 2017

T.N Unni

Director

Din No:- 00079237

Nagamani C Y

Company Secretary

Notes forming part of the standalone financial statements

Note 1 Corporate information

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

Note 2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Inventories

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following category of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:



Notes forming part of the standalone financial statements

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

Leasehold land is amortised over the duration of the lease.

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

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

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

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

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

2.7 Revenue recognition

Revenue from sale of food and beverages is recognized when it is earned and no uncertainty exists as to its realization or collection. Sales are net of Sales tax, Service tax and other Taxes. Sales tax under the composition scheme is also excluded. Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted/displayed.

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

Government incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under Serve From India Scheme. In respect of gift vouchers, the income is recognised when the vouchers are redeemed by the customers or on completion of the validity period.

2.8 Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment. Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

2.9 Fixed Assets (Tangible / Intangible)

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

Notes forming part of the standalone financial statements

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

Capital work-in-progress:

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

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

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

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

2.11 Investments

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

2.12 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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



Notes forming part of the standalone financial statements

service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

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

Long-term employee benefits

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

2.13 Employee share based payments

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

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

2.14 Borrowing costs

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

2.15 Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a

Notes forming part of the standalone financial statements

liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16 Earnings per share

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

2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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

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

2.18 Impairment of assets

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

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



Notes forming part of the standalone financial statements

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

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

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

2.19 Provisions and contingencies

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

2.20 Share issue expenses

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

2.21 Service tax input credit

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

2.22 Operating Cycle

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

Notes forming part of the standalone financial statements

Note 3 SHARE CAPITAL

(₹ in lakhs)

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

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

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

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

(b) The Company has only one class of equity shares having a par value of ₹5/- each. Each holder of equity shares is entitled to one vote per share. Dividends proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the repayment of capital will be in the proportion to the number of equity shares held by the shareholders.

(c) Pursuant to the approval by Board of Directors in their meeting dated April 5, 2016, 200,000 equity shares of ₹10 each have been issued to Mr. Kayum Razak Dhanani, the Managing Director of the Company at a premium of ₹610 per share.

(d) Details of shares held by each shareholder holding more than 5% shares:



Notes forming part of the standalone financial statements

Note 3 SHARE CAPITAL (contd.)

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

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

Note 4 RESERVES AND SURPLUS

(₹ in lakhs)

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

Notes forming part of the standalone financial statements

Note 5 LONG-TERM BORROWINGS

(₹ in lakhs)

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

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

(₹ in lakhs)

Terms of repayment and security	As at 31-Mar-17	As at 31-Mar-16
Term loans from banks		
(i) SBI Term loan 1 :		
Non -Current portion	-	470.00
Current maturities of long-term debt	470.00	480.00
Repayment terms:		
Repayable in 55 defined monthly instalments from September 2013 to March 2018 and carries an interest rate of 10.60% p.a		
Security :		
Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)		
(ii) SBI Term loan 2 :		
Non -Current portion	-	420.00
Current maturities of long-term debt	420.00	420.00
Repayment terms:		
Repayable in 63 defined monthly instalments from January 2013 to March 2018 and carries an interest rate of 10.60% p.a		
Security :		
Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)		
(iii) Axis Term loan 1:		
Non -Current portion	1,596.74	1,853.83
Current maturities of long-term debt	600.00	416.17
Repayment terms:		
Repayable in 60 monthly instalments from May 2016 to April 2021 and carries an interest rate of Base rate + 0.85% p.a		
Security :		
1) Paripassu charge on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) Paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) Paripassu charge over the Brand of the Company		

Notes forming part of the standalone financial statements

Note 5 LONG-TERM BORROWINGS (contd.)

(₹ in lakhs)

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

Notes forming part of the standalone financial statements

Note 6 OTHER LONG-TERM LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Rent equalisation liability	30.45	50.24
Total	30.45	50.24

Note 7 LONG-TERM PROVISIONS

(₹ in lakhs)

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

Note 8 SHORT-TERM BORROWINGS

(₹ in lakhs)

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

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

Note 9 TRADE PAYABLES

(₹ in lakhs)

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

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



Notes forming part of the standalone financial statements

Note 10 OTHER CURRENT LIABILITIES

(₹ in lakhs)

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

Note 11 SHORT-TERM PROVISIONS

(₹ in lakhs)

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

Notes forming part of the standalone financial statements

Note 12 FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 01-Apr-16	Additions during the year (Refer note 30)	Deletions	Balance as at 31-Mar-17	Added on account of merger during the year (Refer note 30)	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31-Mar-17	Balance as at 31-Mar-16
(a) Tangible assets (owned)									
Lease hold improvements	7,178.47	1,496.12	369.25	8,480.83	36.22	846.51	340.11	3,628.16	4,092.93
	(5,669.06)	(1,509.41)	-	(7,178.47)	-	(594.45)	-	(3,085.54)	(3,177.97)
Furniture and fixtures	5,435.42	1,429.10	27.64	7,045.69	47.13	650.52	16.85	1,946.36	4,169.86
	(3,792.65)	(1,642.77)	-	(5,435.42)	-	(478.64)	-	(1,265.56)	(3,005.73)
Plant & machinery	3,055.02	1,090.91	20.83	4,090.57	2.77	254.20	33.50	740.30	2,538.19
	(2,025.40)	(1,029.62)	-	(3,055.02)	-	(187.37)	-	(516.83)	(1,695.94)
Service equipments	4,332.23	951.78	129.23	5,361.45	47.73	1,009.92	43.90	2,533.05	2,812.93
	(2,907.21)	(1,425.02)	-	(4,332.23)	-	(691.78)	-	(1,519.30)	(2,079.69)
Computer equipments	544.30	145.44	15.22	696.56	9.71	144.93	7.17	440.55	251.22
	(353.54)	(190.76)	-	(544.30)	-	(105.23)	-	(293.08)	(165.69)
Vehicles	26.45	5.80	0.34	43.36	2.21	3.63	0.34	17.03	14.92
	(22.62)	(3.83)	-	(26.45)	-	(3.11)	-	(11.53)	(14.20)
Total	20,571.89	5,119.15	533.61	25,718.46	145.77	2,909.71	441.87	9,305.45	13,880.05
	(14,770.48)	(5,801.41)	-	(20,571.89)	-	(2,060.58)	-	(6,691.84)	(10,139.22)
(b) Intangible assets (others)									
Liquor licenses	159.41	-	-	159.41	-	33.96	-	119.24	40.17
	(159.41)	-	-	(159.41)	-	(16.92)	-	(85.28)	(91.05)
Software and licenses	150.20	45.95	0.29	201.29	3.20	26.27	-	111.84	67.83
	(92.32)	(57.88)	-	(150.20)	-	(38.11)	-	(82.37)	(48.06)
Brand name	270.46	-	24.21	294.67	4.79	213.40	-	218.19	270.46
	(270.46)	-	-	(270.46)	-	-	-	-	(270.46)
Goodwill	2,492.81	-	-	2,492.81	-	249.78	-	845.98	1,896.61
	(1,345.96)	(1,146.85)	-	(2,492.81)	-	(192.40)	-	(596.20)	(1,896.61)
Total	3,072.88	45.95	0.29	3,148.18	7.99	523.41	-	1,295.25	2,309.03
	(1,868.15)	(1,204.73)	-	(3,072.88)	-	(247.43)	-	(763.85)	(1,351.73)
Grand Total (i)+(ii)	23,644.77	5,165.10	533.90	28,866.64	153.76	3,433.12	441.87	10,600.70	16,189.08
	(16,638.63)	(7,006.14)	-	(23,644.77)	-	(2,308.01)	-	(7,455.69)	(11,490.95)

Figures in brackets relates to previous year.

* Additions to Goodwill during the previous year: During September 2015, the Company acquired a restaurant unit in Pune from Sayaji Hotels Limited for a consideration of ₹1,238 Lakhs. Excess of consideration paid over the net assets acquired of ₹911.15 Lakhs was accounted as a goodwill and is being amortised over a period of 10 years from the date of such acquisition.

Notes forming part of the standalone financial statements

Note 12 FIXED ASSETS (contd.)

(c) Particulars of depreciation and amortisation expense

(₹ in lakhs)

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

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

Note 13 NON CURRENT INVESTMENTS

(₹ in lakhs)

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

(a) The Company subscribed for 13,000,000 equity shares of ₹10 each of Prime Gourmet Private Limited (PGPL) at face value on August 29, 2016. Pursuant to this investment of ₹1,300 Lakhs, the Company acquired 78.64% stake in PGPL. Subsequently, the Company acquired remaining stake in PGPL for ₹477.26 Lakhs during November 2016. Further, the Company made additional investments in PGPL amounting ₹289.77 Lakhs.

(b) On March 25, 2015, the company incorporated a wholly owned subsidiary, Barbeque Nation Holdings Limited as an Offshore Company with a Limited Liability in Dubai. The Company invested AED 1 Million (₹186.05 Lakhs) in shares of Barbeque Nation Holdings Limited, Dubai (BNHL, Dubai) during December 2016. BNHL, Dubai has in turn invested AED 147,000 for 49% stake in Barbeque Nation Restaurant LLC, Dubai (BNR LLC). Although BNHL, Dubai holds less than half of the share capital in BNR LLC, the BNR LLC is considered subsidiary of BNHL, Dubai pursuant to its control of the composition of board of directors of BNR LLC.

Note 14 DEFERRED TAX ASSET

(₹ in lakhs)

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

Notes forming part of the standalone financial statements

Note 15 LONG-TERM LOANS AND ADVANCES

(₹ in lakhs)

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

Long-term loans and advances include amounts due from:

(₹ in lakhs)

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

Note 16 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

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

Note 17 CURRENT INVESTMENT

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Investment in mutual funds		
(Quoted, at lower of cost and fair value)		
Kotak Equity Arbitrage Fund - Monthly dividend plan	-	300.00
Units : Nil (Previous year - 12104.76)		
SBI Magnum Insta Cash Fund - Direct Plan - Growth	278.61	-
Units : 7754.09 (Previous year - Nil)		
Total	278.61	300.00
Aggregate value of quoted investment in mutual funds	278.61	300.00
Aggregate net asset value of investment in mutual funds	278.94	300.49

Note: Current investments are in the nature of "Cash and cash equivalents" (as defined in AS 3 Cash Flow Statements) and hence considered as part of Cash and cash equivalents in the Cash Flow Statements.



Notes forming part of the standalone financial statements

Note 18 INVENTORIES

(₹ in lakhs)

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

Note 19 TRADE RECEIVABLES

(₹ in lakhs)

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

Trade receivables include amounts due from:

(₹ in lakhs)

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

Note 20 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

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

Notes forming part of the standalone financial statements

Note 21 SHORT-TERM LOANS AND ADVANCES

(₹ in lakhs)

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

Note 22 OTHER CURRENT ASSETS

(₹ in lakhs)

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

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

Other current assets include amounts due from:

(₹ in lakhs)

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



Notes forming part of the standalone financial statements

Note 23 REVENUE FROM OPERATIONS

(₹ in lakhs)

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

Note (i): Other operating revenue comprises

(₹ in lakhs)

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

Note 24 COST OF FOOD AND BEVERAGES CONSUMED

(₹ in lakhs)

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

Note 25 EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Salaries and wages	7,443.38	5,605.93
Contributions to provident fund (Refer note 36)	436.29	368.38
Gratuity expenses (Refer note 36)	71.62	54.14
Expense on employee stock option scheme (Refer note 37.1)	96.22	-
Staff welfare expenses	714.04	642.33
Total	8,761.55	6,670.78

Notes forming part of the standalone financial statements

Note 26 OCCUPANCY COST AND OTHER EXPENSES

(₹ in lakhs)

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

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

(₹ in lakhs)

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



Notes forming part of the standalone financial statements

Note 27 FINANCE COSTS

(₹ in lakhs)

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

Note 28 OTHER INCOME

(₹ in lakhs)

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

Note 29 EXCEPTIONAL ITEMS

(₹ in lakhs)

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

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

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

Notes forming part of the standalone financial statements

Note 30 MERGER OF FAVORITE RESTAURANTS PRIVATE LIMITED, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, WITH THE COMPANY

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

Accounting treatment in accordance with the terms of the Scheme:

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

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

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

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

Notes forming part of the standalone financial statements

Note 31 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

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

Note 32 DETAILS ON DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

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

Details of unhedged foreign currency exposure are given below:

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

Note 33 CIF VALUE OF IMPORTS & EXPENDITURE

(₹ in lakhs)

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

Note 34 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

(₹ in lakhs)

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

Notes forming part of the standalone financial statements

Note 35 EARNINGS IN FOREIGN CURRENCY

(₹ in lakhs)

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

Note 36 EMPLOYEE BENEFITS

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

(₹ in lakhs)

Particulars	31-Mar-17	31-Mar-16
I. Components of Employer Expense		
Current service cost	56.68	49.22
Interest cost	15.28	11.13
Expected return on plan assets	(1.32)	(1.22)
Actuarial losses / (gain)	0.98	(4.99)
Total expense recognized in Statement of Profit and Loss	71.62	54.14
II. Actual contributions and benefit payments		
Actual benefit payments	-	-
Actual contributions	-	-
III. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	267.58	194.62
Fair value of plan assets	17.89	16.55
Net asset / (liability) recognised in the Balance Sheet	249.69	178.07
- Current	38.95	53.06
- Non-current	210.74	125.01
IV. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	194.62	139.15
Current service cost	56.68	49.22
Interest cost	15.28	11.13
Actuarial (gains) / losses	1.00	(4.88)
Benefits paid	-	-
Present value of DBO at the end of the year	267.58	194.62
V. Change in fair value of assets during the year		
Plan assets at beginning of the year	16.55	15.22
Expected return on plan assets	1.32	1.22

Notes forming part of the standalone financial statements

Note 36 EMPLOYEE BENEFITS (contd.)

Particulars	₹ in lakhs	
	31-Mar-17	31-Mar-16
Actual company contributions	-	-
Actuarial gain / (loss) on Plan Assets	0.02	0.11
Plan assets at the end of the year	17.89	16.55
VI. Experience Adjustment		
Defined benefit obligation	267.58	194.62
Fair value of plan assets	17.89	16.55
Funded status [Surplus / (Deficit)]	249.69	178.07
Experience gain / (loss) adjustments on plan liabilities	9.19	(4.88)
Experience gain / (loss) adjustments on plan assets	0.02	0.11
VII. Principal Assumptions used in actuarial valuation		
Discount rate	6.50%	7.85%
Expected rate of return on plan assets	8%	9%
Salary escalation	10%	10%
Attrition rate	40%	40%
Retirement Age	58 years	58 years
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Note

37.1 Employee Stock Option Scheme

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

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

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

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

Date of grant	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16
Fair market value of option at grant date (₹)	464.88	415.96	369.28	325.73	285.88	217.92	189.64
Fair market value of shares per option at grant date (₹)	620.00	620.00	620.00	620.00	620.00	620.00	620.00
Exercise price (₹)	186.00	248.00	310.00	372.00	434.00	558.00	620.00

Notes forming part of the standalone financial statements

Note 37.1 Employee Stock Option Scheme (contd.)

(c) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	Options (Numbers)	Weighted average exercise price per option (₹)
Options outstanding at the beginning of the financial year 2016-17:	-	-
Granted during the year 2016-17:	106,764	311.00
Lapsed during the year 2016-17:	33,854	363.00
Options outstanding at the end of the financial year 2016-17:	72,910	287.00
Options available for grant as at 31-Mar-17: 193,330		

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

Grant date	1-Apr-16
Risk Free Interest Rate	6.60%
Expected Life	3.5 years
Expected Annual Volatility of Shares	33.33%
Expected Dividend Yield	0.24%

37.2 Phantom Stock Options Scheme

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

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

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

Note 38 RELATED PARTY TRANSACTIONS

(a) Details of related parties:

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

Notes forming part of the standalone financial statements

Note 38 RELATED PARTY TRANSACTIONS (contd.)

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

(₹ in lakhs)

Particulars	Subsidiary Company	Investing party for which the Company is an Associate	KMP/ Relatives of KMP	Entity in which KMP / Relatives of KMP can exercise significant influence
Nature of transaction				
Purchase of Fixed Assets				
from Sayaji Hotels Limited	-	-	-	-
	(-)	(1,238.00)	(-)	(-)
Purchase of consumables - from Sara Soule Private Limited	-	-	-	40.31
	(-)	(-)	(-)	(-)
Rent and maintenance charges to				
- Sara Soule Private Limited	-	-	-	49.64
	(-)	(-)	(-)	(25.27)
- Sayaji Hotels Limited	-	166.75	-	-
	(-)	(51.00)	(-)	(-)
Security deposit paid - to Sara Soule Private Limited	-	-	-	1.80
	(-)	(-)	(-)	(-)
Royalty & Service Charge On Liquor - From Sayaji Hotels Limited	-	161.08	-	-
	(-)	(124.05)	(-)	(-)
Services Received from Sayaji Hotels Limited	-	10.52	-	-
	(-)	(-)	(-)	(-)
Investment in equity shares in				
- Prime Gourmet Private Limited	289.77	-	-	-
(excluding the initial investments of ₹1,300 Lakhs as a result of which the entity became subsidiary of the Company)	N/A	(-)	(-)	(-)
- Barbeque Nation Holdings Limited	186.05	-	-	-
	N/A	(-)	(-)	(-)
Money received towards issue of equity shares to Mr. Kayum Dhanani	-	-	1,240.00	-
	(-)	(-)	(-)	(-)
Loan granted to Favorite Restaurants Private Limited	228.35	-	-	-
	(296.10)	(-)	(-)	(-)
Receipt towards repayment of loan - from Favorite Restaurants Private Limited	57.28	-	-	-
	(62.87)	(-)	(-)	(-)
Receipt towards interest on loan granted- from Favorite Restaurants Private Limited	8.77	-	-	-
	(-)	(-)	(-)	(-)

Notes forming part of the standalone financial statements

Note 38 RELATED PARTY TRANSACTIONS (contd.)

(₹ in lakhs)

Particulars	Subsidiary Company	Investing party for which the Company is an Associate	KMP/ Relatives of KMP	Entity in which KMP / Relatives of KMP can exercise significant influence
Interest income on loan granted to Favorite Restaurants Private Limited	30.50	-	-	-
	(8.77)	(-)	(-)	(-)
Purchase of goods and reimbursement of expenses - from Favorite Restaurants Private Limited	12.25	-	-	-
	(10.30)	(-)	(-)	(-)
Reimbursement of expenses on behalf of:				
- Prime Gourmet Private Limited	4.61	-	-	-
	N/A	(-)	(-)	(-)
- Barbeque Nation Holdings Limited	160.27	-	-	-
	N/A	(-)	(-)	(-)
Nature of outstanding balances				
Trade receivables				
Favorite Restaurants Private Limited	N/A	-	-	-
	(2.52)	(-)	(-)	(-)
Trade payables				
Sara Soule Private Limited	-	-	-	39.68
	(-)	(-)	(-)	(15.54)
Sayaji Hotels Limited	-	66.92	-	-
	(-)	(1,194.46)	(-)	(-)
Other receivables				
Prime Gourmet Private Limited	4.61	-	-	-
	(-)	(-)	(-)	(-)
Barbeque Nation Holdings Ltd	160.27	-	-	-
	(-)	(-)	(-)	(-)
Security deposits				
Sara Soule Private Limited	-	-	-	2.30
	(-)	(-)	(-)	(0.50)
Loan to subsidiary				
Favorite Restaurants Private Limited	N/A	-	-	-
	(233.23)	(-)	(-)	(-)
Interest accrued on loan				
Favorite Restaurants Private Limited	N/A	-	-	-
	(7.90)	(-)	(-)	(-)

Figures in bracket relate to the previous year.



Notes forming part of the standalone financial statements

Note 39

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

Note 40 DISCLOSURES IN RESPECT OF OPERATING LEASES

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

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

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

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

Note 41 EARNINGS PER SHARE

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

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

Note 42

The directors propose that a dividend of ₹1 per share be paid for equity shareholders out of current year's profit. This equity dividend is subject to approval by shareholders at the Annual General Meeting. Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to the Company with effect from April 1, 2016, dividend declared after the balance sheet date but before the financial statements are approved for issue, is not to be recognised as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements.

Accordingly, this dividend for the current year has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹270.24 Lakhs. The payment of this dividend is estimated to result in payment of dividend distribution tax of ₹55.02 lacs @ 20.36% on the amount of dividends payable.

Notes forming part of the standalone financial statements

Note 43

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

(₹ in lakhs)

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

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

Note 44 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Particulars	31-Mar-17
(a) Gross amount required to be spent by the company during the year ended March 31, 2017	48.28

(b) Amount spent during the year on:

(₹ in lakhs)

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

Note 45

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

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place : Bengaluru
Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

Mohankumar R
Chief Financial Officer

Place : Bengaluru
Date : June 29, 2017

T.N Unni
Director
Din No:- 00079237

Nagamani C Y
Company Secretary



Independent Auditor's Report

TO THE MEMBERS OF
BARBEQUE-NATION HOSPITALITY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BARBEQUE-NATION HOSPITALITY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on

financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹2,417.31 Lakhs as at March 31, 2017, total revenues of ₹1,399.49 Lakhs and net cash outflows amounting to ₹1,213.90 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on subsidiaries referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company and its subsidiary companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

Financial Report
Consolidated Statement



(iv) The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. However, as stated in note 39 of the consolidated financial statements, amounts aggregating to ₹0.61 Lakhs have been utilized for other than permitted transactions and the Company received amounts aggregating to ₹39.47 Lakhs from transactions which are not permitted, as represented to us by the Management. Based on audit procedures performed and the representations provided to us by the management we report that the

disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and the other auditors by the Management of the respective Group entities

For **DELOITTE HASKINS & SELLS,**
Chartered Accountants
Firm Registration No. 008072S

S. Sundaresan
Partner

BENGALURU, June 29, 2017

Membership No.025776

Annexure “A” to the Independent Auditor’s Report

(Referred to in clause (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of BARBEQUE-NATION HOSPITALITY LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary company which are companies incorporated in India, as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

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



recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its

subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **DELOITTE HASKINS & SELLS,**
Chartered Accountants
Firm Registration No. 008072S

S. Sundaresan
Partner

BENGALURU, June 29, 2017

Membership No.025776

Consolidated Balance Sheet as at 31 March, 2017

(₹ in lakhs)

Particulars	Note No.	As at 31-Mar-17	As at 31-Mar-16
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,351.20	1,331.20
(b) Reserves and surplus	4	13,347.55	11,130.41
		14,698.75	12,461.61
2 Minority interest		-	0.06
3 Non-current liabilities			
(a) Long-term borrowings	5	5,821.80	3,587.38
(b) Other long-term liabilities	6	30.45	50.24
(c) Long-term provisions	7	403.60	242.39
		6,255.85	3,880.01
4 Current liabilities			
(a) Short-term borrowings	8	344.49	100.92
(b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises		4,179.03	3,174.68
(c) Other current liabilities	10	3,413.07	3,275.09
(d) Short-term provisions	11	670.27	902.22
		8,606.86	7,452.91
Total		29,561.46	23,794.59
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	17,685.98	14,201.10
(ii) Intangible assets	12	2,080.30	2,333.85
(iii) Capital work-in-progress		1,504.20	1,422.57
		21,270.48	17,957.52
(b) Goodwill on consolidation		672.99	0.35
(c) Deferred tax assets (net)	13	391.34	276.02
(d) Long-term loans and advances	14	2,896.02	2,399.76
(e) Other non-current assets	15	250.80	121.71
		25,481.63	20,755.36
2 Current assets			
(a) Current Investment	16	278.61	300.00
(b) Inventories	17	1,607.22	1,242.36
(c) Trade receivables	18	407.20	512.50
(d) Cash and cash equivalents	19	527.01	108.49
(e) Short-term loans and advances	20	1,197.87	864.72
(f) Other current assets	21	61.92	11.16
		4,079.83	3,039.23
Total		29,561.46	23,794.59

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place : Bengaluru
Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

Mohankumar R
Chief Financial Officer

Place : Bengaluru
Date : June 29, 2017

T.N Unni
Director
Din No:- 00079237

Nagamani C Y
Company Secretary



Consolidated Statement of Profit and Loss for the year ended 31 March, 2017

(₹ in lakhs)

Particulars	Note No.	For the year ended 31-Mar-17	For the year ended 31-Mar-16
1 Revenue from operations	22	50,348.48	40,305.18
2 Expenses			
(a) Cost of food and beverages consumed	23	17,973.45	14,930.11
(b) Employee benefits expenses	24	9,189.23	6,956.26
(c) Occupancy cost and other operating expenses	25	16,496.89	13,528.72
Total expenses		43,659.57	35,415.09
3 Earnings before exceptional items, finance costs, other income, tax, depreciation and amortisation (EBITDA) (1 - 2)		6,688.91	4,890.09
4 Finance costs	26	1,439.94	971.90
5 Depreciation and amortisation expense	12 (c)	3,324.14	2,540.43
6 Other income	27	44.75	38.41
7 Profit before exceptional items and tax (3 - 4 - 5 + 6)		1,969.58	1,416.17
8 Exceptional items	28	327.87	-
9 Profit before tax (7 - 8)		1,641.71	1,416.17
10 Tax expense / (benefit):			
(a) Current tax expense		885.10	969.12
(b) Deferred tax		(115.32)	(158.82)
Net tax expense / (benefit)		769.78	810.30
11 Profit after tax before minority interest (9 - 10)		871.93	605.87
12 Share of Loss attributable to Minority interest		(30.67)	(0.43)
13 Profit for the year attributable to the shareholders of the Company (11 - 12)		902.60	606.30
14 Earnings per share (₹)	35		
- Basic		3.35	2.24
- Diluted		3.35	2.24

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place : Bengaluru
Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

Mohankumar R
Chief Financial Officer

Place : Bengaluru
Date : June 29, 2017

T.N Unni
Director
Din No:- 00079237

Nagamani C Y
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March, 2017

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
A. Cash flow from operating activities		
Profit / (loss) before tax	1,641.71	1,416.17
Adjustments for:		
- Depreciation and amortisation	3,536.95	2,540.43
- Net loss relating to relocation of restaurant units during the year	115.06	-
- Interest expense	752.01	448.72
- Interest income	(12.47)	(11.04)
- Dividend income	-	(0.35)
- Profit on sale of investments in mutual funds	(32.28)	(27.02)
- Expense on employee stock option scheme	96.22	-
- Expense on phantom option scheme	33.29	-
- Provision for doubtful receivables and advances	74.63	57.00
- Net unrealised exchange (gain) / loss	(14.03)	-
Operating profit before working capital changes	6,191.09	4,423.91
Changes in working capital:		
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
- Inventories	(319.04)	128.67
- Trade receivables	85.16	(216.19)
- Short-term loans and advances	(322.89)	43.62
- Long-term loans and advances	(364.21)	(621.81)
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	773.25	1,634.97
- Other current liabilities	149.84	74.29
- Short-term provisions	(8.18)	112.34
- Other long-term liabilities	(19.79)	(15.02)
- Long-term provisions	123.04	30.24
Cash generated from operations	6,288.27	5,595.02
Net income tax (paid) / refunds	(868.56)	(1,021.50)
Net cash flow from / (used in) operating activities (A)	5,419.71	4,573.52
B. Cash flow from investing activities		
- Capital expenditure on fixed assets, including capital advances	(7,054.95)	(6,641.70)
- Proceeds from sale of fixed assets	50.57	-
- Acquisition of subsidiary	(1,777.25)	-
- Realisation of inter-corporate deposits	-	250.00
- Deposits placed for margin money	(129.09)	(65.92)
- Interest received	15.63	145.60
- Dividend income	-	0.35
- Profit from sale of mutual funds	32.28	27.02
Net cash flow from / (used in) investing activities (B)	(8,862.81)	(6,284.65)



(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
C. Cash flow from financing activities		
- Proceeds from issue of equity shares	1,240.00	-
- Expenses towards proposed Initial Public Offering	(53.92)	-
- Proceeds from long-term borrowings	4,615.68	3,255.12
- Repayment of long-term borrowings	(1,646.94)	(1,289.99)
- Net increase / (decrease) in working capital borrowings	(647.70)	100.92
- Dividend paid	(199.68)	(199.68)
- Tax on dividend	(40.65)	(40.65)
- Finance cost	(751.72)	(430.43)
Net cash flow from financing activities (C)	2,515.07	1,395.29
Net increase in cash and cash equivalents (A+B+C)	(928.03)	(315.84)
Cash and cash equivalents at the beginning of the year	408.49	724.33
Add: Cash and bank balances on acquisition of subsidiaries during the year [Refer Note 29(a)]	1,325.16	-
Cash and cash equivalents at the end of the year	805.62	408.49
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	527.01	108.49
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements.	278.61	300.00
Cash and cash equivalents at the end of the year	805.62	408.49

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

S. Sundaresan

Partner

Place : Bengaluru

Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani

Managing Director

Din No:- 00987597

Mohankumar R

Chief Financial Officer

Place : Bengaluru

Date : June 29, 2017

T.N Unni

Director

Din No:- 00079237

Nagamani C Y

Company Secretary

Notes forming part of the consolidated financial statements

Note 1 Corporate information

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

Refer to note 2.2 (vi) below for information on subsidiaries.

Note 2 Significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act") as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for a change in accounting policy for amortisation of brands as more fully described in Note 28.1

2.2 Principles of consolidation

The consolidated financial statements relate to Barbeque-Nation Hospitality Limited and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2017. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such financial statements and these consolidated financial statements.
- ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- iv) Minority Interest in the net assets of the subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- v) Goodwill arising on consolidation is not amortised but tested for impairment.



Notes forming part of the consolidated financial statements

- vi) Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sl. No	Name of the entity	Country of Incorporation	% of ownership held by the Company as at	
			31-Mar-17	31-Mar-16
a	Favorite Restaurants Private Limited (Refer note below)	India	-	100%
b	Prime Gourmet Private Limited (Refer note 29 (a))	India	100%	-
c	Barbeque Nation Holdings Limited (Refer note 29 (b))	Dubai	100%	-
d	Barbeque Nation Restaurant LLC (Refer note 29 (b))	Dubai	49%	-

Note: In accordance with the terms of the Scheme of Amalgamation (the Scheme) of Favorite Restaurants Private Limited (FRPL) with the Holding Company, FRPL ceases to be subsidiary of the Holding Company pursuant to its merger with effect from January 1, 2017, being the appointed date of the Scheme. Accordingly, nine months ended results have been considered for consolidation.

2.3 Use of estimates

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

2.4 Inventories

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

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

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

2.6 Cash flow statement

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

2.7 Depreciation and amortisation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following category of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Notes forming part of the consolidated financial statements

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

Leasehold land is amortised over the duration of the lease.

Assets costing less than ₹5,000/- are fully depreciated in the year of purchase. Depreciation on fixed assets added/discharged during the year is provided on pro-rata basis.

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

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

The acquired brands are amortised over 10 years pursuant to change in accounting policy of the Group, more fully described in Note 28.1

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

2.8 Revenue recognition

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

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

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

Government incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under Serve From India Scheme. In respect of gift vouchers, the income is recognised when the vouchers are redeemed by the customers or on completion of the validity period.

2.9 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.10 Fixed Assets (Tangible / Intangible)

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



Notes forming part of the consolidated financial statements

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

Capital work-in-progress:

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

2.11 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

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

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

2.12 Investments

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

2.13 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme

Notes forming part of the consolidated financial statements

assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

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

Long-term employee benefits

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

2.14 Employee share based payments

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

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

2.15 Borrowing costs

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

2.16 Leases

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



Notes forming part of the consolidated financial statements

2.17 Earnings per share

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

2.18 Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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

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

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

2.19 Impairment of assets

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

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

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

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

Notes forming part of the consolidated financial statements

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

2.20 Provisions and contingencies

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

2.21 Share issue expenses

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

2.22 Service tax input credit

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

2.23 Operating Cycle

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



Notes forming part of the consolidated financial statements

Note 3 SHARE CAPITAL

(₹ in lakhs)

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

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

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

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

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

Notes forming part of the consolidated financial statements

Note 3 SHARE CAPITAL (contd.)

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

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

Note 4 RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
(a) Securities premium account		
Opening balance	7,428.01	7,428.01
Add: Premium on shares issued during the year [Refer Note 3 (c)]	1,220.00	-
Closing balance	8,648.01	7,428.01
(b) Share options outstanding account		
Opening balance	-	-
Add: Amounts recorded on grant of employee stock options during the year (Refer Note 36.1)	288.67	-
	288.67	-
Less : Deferred stock compensation expense	(192.45)	-
Closing balance	96.22	-
(c) Foreign currency translation reserve		
Opening balance	-	-
Add: Addition during the year	(1.68)	-
Closing balance	(1.68)	-
(d) Surplus in Statement of Profit and Loss		
Opening balance	3,702.40	3,336.43
Add: Profit for the year	902.60	606.30
Less: Proposed dividend on equity shares (Previous Year: ₹1.50/- per share) (Refer Note 40)	-	(199.68)
Tax on proposed dividend (Refer note 40)	-	(40.65)
Closing balance	4,605.00	3,702.40
Total	13,347.55	11,130.41

Notes forming part of the consolidated financial statements

Note 5 LONG-TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Secured:		
- Term loan from banks (Refer notes below)	5,821.80	3,587.38
Total	5,821.80	3,587.38

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

(₹ in lakhs)

Terms of repayment and security	As at 31-Mar-17	As at 31-Mar-16
Term loans from banks		
(i) SBI Term loan 1 :		
Non -Current portion	-	470.00
Current maturities of long-term debt	470.00	480.00
Repayment terms:		
Repayable in 55 defined monthly instalments from September 2013 to March 2018 and carries an interest rate of 10.60% p.a		
Security :		
Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)		
(ii) SBI Term loan 2 :		
Non -Current portion	-	420.00
Current maturities of long-term debt	420.00	420.00
Repayment terms:		
Repayable in 63 defined monthly instalments from January 2013 to March 2018 and carries an interest rate of 10.60% p.a		
Security :		
Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)		
(iii) Axis Term loan 1:		
Non -Current portion	1,596.74	1,853.83
Current maturities of long-term debt	600.00	416.17
Repayment terms:		
Repayable in 60 monthly instalments from May 2016 to April 2021 and carries an interest rate of Base rate + 0.85% p.a		
Security :		
1) Paripassu charge on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) Paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) Paripassu charge over the Brand of the Company		

Notes forming part of the consolidated financial statements

Note 5 LONG-TERM BORROWINGS (contd.)

(₹ in lakhs)

Terms of repayment and security	As at 31-Mar-17	As at 31-Mar-16
(iv) Axis Term loan 2:		
Non -Current portion	623.49	843.55
Current maturities of long-term debt	201.47	188.97
Repayment terms:		
USD loan - Repayable in 60 defined monthly installments from May 2016 to April 2021 and carries an interest rate of 6 months LIBOR + 450 base points		
Security :		
1) Paripassu charge on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) Paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) Paripassu charge over the Brand of the Company		
(v) RBL Term loan :		
Non -Current portion	2,166.67	-
Current maturities of long-term debt	666.67	-
Repayment terms:		
Repayable in 54 equal monthly installments from January 2017 to June 2021 and carries interest rate at 10.65% p.a.		
Security :		
1) Paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) Paripassu charge over the Brand of the Company		
(vi) YES Bank Term loan :		
Non -Current portion	850.00	-
Current maturities of long-term debt	150.00	-
Repayment terms:		
Repayable in 20 equal quarterly installments from July 2017 to April 2022 and carries an interest at yearly MCLR + 155 base points p.a later, rate to be reset annually.		
Security :		
1) Paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) Paripassu charge over the Brand of the Company		
(vii) Axis Term loan in USD :		
Non -Current portion	584.90	-
Current maturities of long-term debt	30.78	-
Repayment terms:		
11 unequal half yearly installments after a moratorium of 12 months.		

Notes forming part of the consolidated financial statements

Note 5 LONG-TERM BORROWINGS (contd.)

(₹ in lakhs)

Terms of repayment and security	As at 31-Mar-17	As at 31-Mar-16
Security :		
1) Paripassu first charge by way of hypothecation on the entire fixed assets (including lease holds improvements excluding vehicles) present and future of the company along with term lender.		
2) Paripassu charge over the Brand of the Company		
Total	8,360.72	5,092.52
Non-current portion	5,821.80	3,587.38
Current maturities of long-term debt	2,538.92	1,505.14

Note 6 OTHER LONG-TERM LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Rent equalisation liability	30.45	50.24
Total	30.45	50.24

Note 7 LONG-TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Provision for employee benefits:		
- Gratuity (Refer Note 32)	214.77	125.01
- Compensated absence	155.54	117.38
Provision for phantom stock options (Refer note 36.2)	33.29	-
Total	403.60	242.39

Note 8 SHORT-TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Secured loans from bank:		
- Working capital loans (Refer note below for details of security)	142.56	100.92
Unsecured loan from others repayable on demand	201.93	-
Total	344.49	100.92

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

Notes forming part of the consolidated financial statements

Note 9 TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Other than Acceptances		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises	4,179.03	3,174.68
Total	4,179.03	3,174.68

Note: There are no micro enterprises and small enterprises, to whom the group entities owe dues, which are outstanding as at the Balance Sheet date. The information regarding micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the respective components.

Note 10 OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
(a) Current maturities of long-term debt (For details of terms and security, refer note 5 above)	2,538.92	1,505.14
(b) Interest accrued but not due on borrowings	21.05	20.76
(c) Other payables:		
- Statutory remittances	505.98	367.57
- Payables on purchase of fixed assets	226.86	1,344.23
- Advances from customers	120.26	37.39
Total	3,413.07	3,275.09

Note 11 SHORT-TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Provision for employee benefits:		
- Gratuity (Refer note 32)	38.96	53.06
- Compensated absence	198.07	192.13
Provision - others:		
- Provision for Income Tax (net of advance income tax)	433.24	416.70
- Provision for proposed equity dividend (Refer note 40)	-	199.68
- Provision for tax on proposed equity dividend (Refer note 40)	-	40.65
Total	670.27	902.22

Notes forming part of the consolidated financial statements

Note 12 FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK					
	Balance as at 01-Apr-16	Additions	Acquisition during the year (Refer note 29)	Deletions	Foreign currency translation adjustment	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Acquisition during the year (Refer note 29)	Depr- ciation / amortisation expense for the year	Eliminated on disposal of assets	Foreign currency translation adjustment	Balance as at 31-Mar-17	Balance as at 31 March, 2016	
(a) Tangible assets (owned)														
Lease hold improvements	7,353.95 (5,798.36)	1,844.67 (1,555.59)	379.31	402.75	6.41	9,181.59 (7,353.95)	3,261.02 (2,494.09)	83.63	786.55 (786.93)	344.46	0.29	3,787.03 (3,261.02)	5,394.56 (4,092.93)	4,092.93 (3,304.27)
Furniture and fixtures	5,644.23 (3,927.72)	1,595.99 (1,716.51)	104.39	28.52	3.00	7,319.09 (5,644.23)	1,293.02 (790.29)	33.56	694.53 (502.73)	1719	0.25	2,004.17 (1,293.02)	5,314.92 (4,351.21)	4,351.21 (3,137.43)
Plant & machinery	3,075.85 (2,046.23)	1,095.31 (1,029.62)	429.11	77.62	-	4,522.65 (3,075.85)	518.56 (329.75)	93.22	283.51 (188.81)	33.77	-	861.52 (518.56)	3,661.13 (2,557.29)	2,557.29 (1,716.48)
Service equipments	4,461.46 (3,002.82)	1,128.18 (1,458.64)	-	51.79	3.27	5,541.12 (4,461.46)	1,547.56 (831.31)	-	1,038.51 (716.25)	43.90	0.17	2,542.34 (1,547.56)	2,998.78 (2,913.90)	2,913.90 (2,171.51)
Computer equipments	559.52 (365.62)	165.82 (193.90)	49.29	8.40	0.26	766.49 (559.52)	298.89 (188.83)	23.28	160.60 (110.06)	7.17	0.04	475.64 (298.89)	290.85 (260.63)	260.63 (176.79)
Vehicles	3790 (26.65)	5.80 (11.25)	-	0.34	-	43.36 (37.90)	12.76 (8.54)	-	5.20 (4.22)	0.34	-	17.62 (12.76)	25.74 (25.14)	25.14 (18.11)
Total	21,132.91 (15,167.40)	5,835.77 (5,965.51)	962.10	569.42	12.94	27,374.30 (21,132.91)	6,931.81 (4,642.81)	233.69	2,968.90 (2,289.00)	446.83	0.75	9,688.32 (6,931.81)	17,685.98 (14,201.10)	14,201.10 (10,524.59)
(b) Intangible assets (others)														
Liquor licenses	159.62 (159.62)	-	398.97	11.99	-	546.60 (159.62)	85.28 (68.36)	130.94	73.84 (16.92)	0.80	-	289.26 (85.28)	257.34 (74.34)	74.34 (91.26)
Software and licenses	155.63 (95.18)	56.38 (60.45)	1.57	0.29	0.19	213.48 (155.63)	84.20 (44.49)	0.16	29.22 (39.71)	-	0.03	113.61 (84.20)	99.87 (71.43)	71.43 (50.69)
Brand name	294.46 (294.46)	-	-	-	-	294.46 (294.46)	2.99 (0.59)	-	215.21 (2.40)	-	-	218.20 (2.99)	76.26 (291.47)	291.47 (293.87)
Goodwill	2,492.81 (1,345.96)	-	-	-	-	2,492.81 (2,492.81)	596.20 (403.80)	-	249.78 (192.40)	-	-	845.98 (596.20)	1,646.83 (1,896.61)	1,896.61 (942.16)
Total	3,102.52 (1,895.22)	56.38 (1,207.30)	400.54	12.28	0.19	3,547.35 (3,102.52)	768.67 (517.24)	131.10	568.05 (251.43)	0.80	0.03	1,467.05 (768.67)	2,080.30 (2,333.85)	2,333.85 (1,377.98)
Grand Total (i)+(ii)	24,235.43 (17,062.62)	5,892.15 (7,172.81)	1,362.64	581.70	13.13	30,921.65 (24,235.43)	7,700.48 (5,160.05)	364.79	3,536.95 (2,540.43)	447.63	0.78	11,155.37 (7,700.48)	19,766.28 (16,534.95)	16,534.95 (11,902.57)

Figures in brackets relates to previous year.

* Additions to Goodwill during the previous year: During September 2015, the Company acquired a restaurant unit in Pune from Sayaji Hotels Limited for a consideration of ₹1,238 Lakhs. Excess of consideration paid over the net assets acquired of ₹911.5 Lakhs was accounted as a goodwill and is being amortised over a period of 10 years from the date of such acquisition.

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Notes forming part of the consolidated financial statements

Note 12 FIXED ASSETS (contd.)

(c) Particulars of depreciation and amortisation expense

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Depreciation expense for the year on tangible assets	2,968.90	2,289.00
Amortisation expense for the year on intangible assets	568.05	251.43
Total of depreciation and amortisation expense	3,536.95	2,540.43
Less: Amortisation expense considered under exceptional items - Refer Note 28.1	(212.81)	-
Depreciation and amortisation expense (Net)	3,324.14	2,540.43

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

Note 13 DEFERRED TAX ASSET

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Tax effect of items constituting deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	333.38	256.23
On difference between book balance and tax balance of fixed assets	57.96	19.79
Total	391.34	276.02

Note 14 LONG-TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Unsecured, considered good:		
- Capital advances	38.38	90.94
- Security deposits	2,754.76	2,293.29
- Deposit with Related Parties	2.30	0.50
- VAT paid under protest	100.58	15.03
Total	2,896.02	2,399.76

Note 15 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balances held as margin money or security	250.80	121.71
Total	250.80	121.71

Notes forming part of the consolidated financial statements

Note 16 CURRENT INVESTMENT

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Investment in mutual funds (Quoted, at lower of cost and fair value)		
Kotak Equity Arbitrage Fund - Monthly dividend plan Units : Nil (Previous year - 12,104.76)	-	300.00
SBI Magnum Insta Cash Fund - Direct Plan - Growth Units : 7,754.09 (Previous year - Nil)	278.61	-
Total	278.61	300.00
Aggregate value of quoted investment in mutual funds	278.61	300.00
Aggregate net asset value of investment in mutual funds	278.94	300.49

Note: Current investments are in the nature of "Cash and cash equivalents" (as defined in AS 3 Cash Flow Statements) and hence considered as part of Cash and cash equivalents in the Cash Flow Statements.

Note 17 INVENTORIES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
(At lower of cost and net realisable value)		
- Food & beverages	1,197.44	991.21
- Stores & consumables	409.78	251.15
Total	1,607.22	1,242.36

Note 18 TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
- Unsecured, considered good	8.03	14.59
- Doubtful	24.82	7.00
	32.85	21.59
- Less: Provision for doubtful trade receivables	(24.82)	(7.00)
	8.03	14.59
Other trade receivables:		
- Unsecured, considered good	399.17	497.91
- Doubtful	-	-
	399.17	497.91
- Less: Provision for doubtful trade receivables	-	-
	399.17	497.91
Total	407.20	512.50

Notes forming part of the consolidated financial statements

Note 19 CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
(a) Cash on hand	78.95	45.82
(b) Balances with banks:		
- In current accounts	438.06	62.67
- In deposit accounts	10.00	-
Total	527.01	108.49
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	527.01	108.49

Note 20 SHORT-TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Unsecured, considered good, unless otherwise stated		
Loans and advances to employees	59.05	26.70
Prepaid expenses	715.34	331.37
Advances paid for supply of materials / rendering of services		
Unsecured, considered good	319.10	439.07
Doubtful	99.59	50.00
	418.69	489.07
Less: Provision for other doubtful loans and advances	(99.59)	(50.00)
	319.10	439.07
Balance with Government Authorities		
- CENVAT credit receivable	104.38	20.25
- Incentives receivables	-	47.33
Total	1,197.87	864.72

Note 21 OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Interest accrued on Fixed Deposits	8.00	11.16
Unamortised share issue expenses (Refer note below)	53.92	-
Total	61.92	11.16

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



Notes forming part of the consolidated financial statements

Note 22 REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Sale of food & beverages	49,664.95	39,764.54
Other operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	683.53	540.64
Total	50,348.48	40,305.18

Note (i): Other operating revenue comprises

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Revenue from displays and sponsorships	291.37	268.88
Share of profits and income from royalty	320.36	213.46
Government incentives	27.38	36.67
Sale of scrap	22.24	21.63
Others	22.18	-
Total	683.53	540.64

Note 23 COST OF FOOD AND BEVERAGES CONSUMED

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Opening stock	991.21	768.04
Add: Stock of Prime Gourmet Private Limited acquired during the year	42.84	-
Add: Purchases	18,136.84	15,153.28
	19,170.89	15,921.32
Less: Closing stock	(1,197.44)	(991.21)
Total	17,973.45	14,930.11

Note 24 EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Salaries and wages	7,844.11	5,865.02
Contributions to provident fund (Refer note 32)	458.02	385.17
Gratuity expenses (Refer note 32)	71.62	54.14
Expense on employee stock option scheme (Refer note 36.1)	96.22	-
Staff welfare expenses	719.26	651.93
Total	9,189.23	6,956.26

Notes forming part of the consolidated financial statements

Note 25 OCCUPANCY COST AND OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Consumption of stores & operating supplies	856.27	962.04
Power and fuel	3,965.98	3,307.56
Rent including lease rentals (Refer Note 34)	5,438.02	3,715.60
Repairs and maintenance:		
- Buildings	124.51	402.10
- Machinery	232.10	195.86
- Others	239.19	201.27
House keeping services	1,362.26	1,133.57
Water charges	258.93	216.64
Insurance	53.09	48.49
Rates and taxes	584.64	371.42
Communication	268.55	193.84
Travelling and conveyance	302.16	299.49
Printing and stationery	239.12	248.55
Laundry expenses	105.07	92.11
Security service charges	214.89	205.93
Recruitment expenses	25.48	46.65
Business promotion	1,005.19	986.44
Vehicle hiring charges	120.50	107.90
Royalty fee	54.28	-
Legal and professional	430.85	359.43
Expense on phantom option scheme (Refer note 36.2)	33.29	-
Payments to auditors (Refer note below)	28.95	22.07
Parking Charges	70.37	73.44
Corporate social responsibility	7.00	8.00
Provision for doubtful receivables and advances	74.63	57.00
Foreign Exchange Loss (net)	12.72	13.29
Loss on sale of fixed assets(net)	-	-
Miscellaneous expenses	388.85	260.03
Total	16,496.89	13,528.72

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

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
For audit of Standalone financial statements and quarterly reviews	22.00	18.00
For statutory audit of subsidiaries (paid to other auditor)	2.45	0.30
For audit of Consolidated Financial Statements	3.00	2.00
Reimbursement of expenses	1.50	1.77
Total	28.95	22.07

Notes forming part of the consolidated financial statements

Note 26 FINANCE COSTS

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Interest expense on:		
- Borrowings	752.01	435.62
- Interest on delayed payment of income tax	-	13.10
Receivable discounting charges	574.97	452.11
Other bank charges	112.96	71.07
Total	1,439.94	971.90

Note 27 OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Interest income		
- on fixed deposits with banks	12.47	7.88
- on inter-corporate deposits	-	3.16
Dividend Income	-	0.35
Profit on sale of mutual funds	32.28	27.02
Total	44.75	38.41

Note 28 EXCEPTIONAL ITEMS

(₹ in lakhs)

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Amortisation of brands on account of change in accounting policy (Refer note 28.1 below)	212.81	-
Net loss relating to restaurant unit closed during the year (Refer note 28.2 below)	115.06	-
Total	327.87	-

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

28.2 Pursuant to relocation of the restaurant outlets of the Company in Janakapuri, New Delhi and Banjara Hills, Hyderabad and closure of restaurant outlet of subsidiary PGPL in Gurgaon cyber hub during the year, net losses incurred on account of disposal of certain fixed assets amounting ₹83.50 Lakhs and write-down of leasehold assets amounting ₹31.56 Lakhs due to termination of lease contracts have been considered under exceptional items.

Notes forming part of the consolidated financial statements

Note 29 NEW SUBSIDIARIES DURING THE YEAR:

- (a) The Company acquired 78.64% stake in Prime Gourmet Private Limited (PGPL) on August 29, 2016, pursuant to its investment in 13,000,000 equity shares of ₹10 each of PGPL at a face value. The Group has consolidated this subsidiary in these consolidated financial statements with effect from September 1, 2016 for convenience as the transactions between August 29, 2016 and August 31, 2016 were not material. The effect of this acquisition on the financial position and results as included in the consolidated financial statements is given below:

Particulars	₹ in Lakhs	₹ in Lakhs
Particulars of assets and liabilities as on September 1, 2016		
Fixed assets		
Tangible assets	728.40	
Intangible assets	269.43	
Long-term loans and advances	216.17	
Inventories	45.82	
Trade receivables	4.68	
Cash & cash equivalents	1,325.16	
Short-term loans and advances	60.07	
Total assets		2,649.73
Long-term borrowings	299.46	
Long-term provisions	4.88	
Short-Term Borrowings	891.27	
Trade payables	231.39	
Other current liabilities	87.78	
Short-term provisions	0.02	
Total liabilities		1,514.80
Net assets considered in the consolidated financial statements		1,134.93
Share of minority interest as at September 1, 2016		242.37
Goodwill on acquisition		407.44

Subsequently, the Company acquired remaining stake in PGPL for ₹477.26 Lakhs on November 24, 2016, thereby resulting in an additional goodwill of ₹265.55 Lakhs

Results of PGPL during September 1, 2016 to March 31, 2017 as considered in these consolidated financial statements:	₹ in Lakhs
Revenue from operations	695.26
Other Income	0.93
Total Revenue	696.19
Cost of Material Consumed	264.49
Employee Benefit Expenses	178.30
Occupancy cost and other operating expenses	446.80
Total Expenses	889.59
Earning/(outgoing) before exceptional items, finance cost, tax, depreciation and amortisation (EBIDTA)	(193.40)



Notes forming part of the consolidated financial statements

Note 29 NEW SUBSIDIARIES DURING THE YEAR: (contd.)

Results of PGPL during September 1, 2016 to March 31, 2017 as considered in these consolidated financial statements:	₹ in Lakhs
Finance costs	28.39
Depreciation and amortization expenses	113.31
Profit/(loss) before exceptional items and tax	(335.10)
Exceptional Items	35.00
Profit/(loss) before tax	(370.10)
Tax expense	-
Loss for the period considered in these consolidated financial statements	(370.10)

- (b) On March 25, 2015, the company incorporated a wholly owned subsidiary, Barbeque Nation Holdings Limited as an Offshore Company with a Limited Liability in Dubai. The Company invested AED 1,000,000 (₹186.05 Lakhs) in shares of Barbeque Nation Holdings Limited, Dubai (BNHL, Dubai) during December 2016. BNHL, Dubai has further invested AED 147,000 for 49% stake in Barbeque Nation Restaurant LLC, Dubai (BNR LLC). Although BNHL, Dubai holds less than half of the voting power in BNR LLC, the BNR LLC is considered subsidiary of BNHL, Dubai pursuant to its control of the composition of board of directors of BNR LLC.

In accordance with the terms of agreement between BNHL and minority holders of BNR LLC, minority interest in BNR LLC is not entitled to claim or demand any rights, titles or interest in the assets of or any amount as dividend or in lieu of profit from BNR LLC, its affiliates or associates. Accordingly, there is no minority interest involved.

BNR LLC started its operations with effect from November 2, 2016. The results of this entity and BNHL, as considered in these consolidated financial statements is given below:

Particulars	₹ in Lakhs
Revenue from operations	489.96
Total Revenue	489.96
Cost of Material Consumed	159.68
Employee Benefit Expenses	116.83
Occupancy cost and other operating expenses	266.49
Total Expenses	543.00
Earnings before finance cost, tax, depreciation and amortisation (EBIDTA)	(53.04)
Finance costs	13.61
Depreciation and amortization expenses	41.72
Profit/(loss) before tax	(108.37)
Tax expense	-
Loss for the period considered in these consolidated financial statements	(108.37)

Notes forming part of the consolidated financial statements

Note 30 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

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

Note 31 DETAILS ON DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

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

Details of unhedged foreign currency exposure are given below:

Particulars	As at 31-Mar-17	As at 31-Mar-16
Long-term borrowings in foreign currency:		
Amount in USD	1,272,342	1,556,640
Amount ₹ in Lakhs	824.99	1,032.60

Note 32 EMPLOYEE BENEFITS

a) Defined Contribution Plan

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹458.02 Lakhs (Previous year ₹385.17 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

b) Defined Benefit Plan

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

Particulars	31-Mar-17	31-Mar-16
	(₹ in lakhs)	
I. Components of Employer Expense		
Current service cost	56.68	49.22
Interest cost	15.28	11.13
Expected return on plan assets	(1.32)	(1.22)
Actuarial losses / (gain)	0.98	(4.99)
Total expense recognized in Statement of Profit and Loss	71.62	54.14
II. Actual contributions and benefit payments		
Actual benefit payments	-	-
Actual contributions	-	-
III. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	271.62	194.62

Notes forming part of the consolidated financial statements

Note 32 EMPLOYEE BENEFITS (contd.)

(₹ in lakhs)

Particulars	31-Mar-17	31-Mar-16
Fair value of plan assets	17.89	16.55
Funded status [Surplus / (Deficit)]	253.73	178.07
Unrecognised actuarial (gains) / losses	-	-
Net asset / (liability) recognised in the Balance Sheet	253.73	178.07
- Current	38.96	53.06
- Non-current	214.77	125.01
IV. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	194.63	139.15
Current service cost	56.68	49.22
Interest cost	15.28	11.13
Acquisitions	4.03	-
Actuarial (gains) / losses	1.00	(4.88)
Past service cost	-	-
Benefits paid	-	-
Present value of DBO at the end of the year	271.62	194.62
V. Change in fair value of assets during the year		
Plan assets at beginning of the year	16.55	15.22
Expected return on plan assets	1.32	1.22
Actual company contributions	-	-
Actuarial gain / (loss) on Plan Assets	0.02	0.11
Plan assets at the end of the year	17.89	16.55
VI. Experience Adjustment		
Defined benefit obligation	271.62	194.62
Fair value of plan assets	17.89	16.55
Funded status [Surplus / (Deficit)]	253.73	178.07
Experience gain / (loss) adjustments on plan liabilities	9.19	(52.69)
Experience gain / (loss) adjustments on plan assets	0.02	0.11
VII. Principal Assumptions used in actuarial valuation		
Discount rate	6.50%	7.85%
Expected rate of return on plan assets	8%	9%
Salary escalation	10%	10%
Attrition rate	40%	40%
Retirement Age	58 years	58 years
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

c) Actuarial assumptions for long-term compensated absences

(₹ in lakhs)

Particulars	31-Mar-17	31-Mar-16
Discount rate	6.50%	7.85%
Expected return on plan assets	Nil	Nil
Salary escalation	10.00%	10.00%
Attrition	40.00%	40.00%

Notes forming part of the consolidated financial statements

Note 33

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

Note 34 DISCLOSURES IN RESPECT OF OPERATING LEASES

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

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

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

Particulars	(₹ in lakhs)	
	As at 31-Mar-17	As at 31-Mar-16
Payable not later than one year	2,066.97	1,195.88
Payable later than one year but not later than five years	1,158.70	1,502.36
Payable later than five years	-	-
Lease payments recognized in the Statement of Profit and Loss during the year		
in respect of non-cancellable lease term	1,597.89	1,930.87
in respect of cancellable lease term	3,840.13	1,784.73
Total	5,438.02	3,715.60

Note 35 EARNINGS PER SHARE

Particulars	31-Mar-17	31-Mar-16
Basic and diluted earnings per share (EPS)		
Net profit for the year attributable to the equity shareholders (₹ in Lakhs)	902.60	606.30
Weighted average number of equity shares	26,979,082	27,024,014
Basic and diluted EPS (₹)	3.35	2.24

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

Note

36.1 Employee Stock Option Scheme

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

Notes forming part of the consolidated financial statements

Note 36.1 Employee Stock Option Scheme (contd.)

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

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

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

Date of grant	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16	1-Apr-16
Fair market value of option at grant date (₹)	464.88	415.96	369.28	325.73	285.88	217.92	189.64
Fair market value of shares per option at grant date (₹)	620.00	620.00	620.00	620.00	620.00	620.00	620.00
Exercise price (₹)	186.00	248.00	310.00	372.00	434.00	558.00	620.00

(c) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	Options (Numbers)	Weighted average exercise price per option (₹)
Options outstanding at the beginning of the financial year 2016-17:	-	-
Granted during the year 2016-17:	106,764	311.00
Lapsed during the year 2016-17:	33,854	363.00
Options outstanding at the end of the financial year 2016-17:	72,910	287.00
Options available for grant as at 31-Mar-17: 193,330		

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

Grant date	1-Apr-16
Risk Free Interest Rate	6.60%
Expected Life	3.5 years
Expected Annual Volatility of Shares	33.33%
Expected Dividend Yield	0.24%

36.2 Phantom Stock Options Scheme

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

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

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

Notes forming part of the consolidated financial statements

Note 37 RELATED PARTY TRANSACTIONS

(a) Details of related parties:

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

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

(₹ in lakhs)

Particulars	Investing party for which the Company is an Associate	KMP/ Relatives of KMP	Entity in which KMP / Relatives of KMP can exercise significant influence
Nature of transaction			
Purchase of Fixed Assets			
from Sayaji Hotels Limited	-	-	-
	(1,238.00)	(-)	(-)
Purchase of consumables - from Sara Soule Private Limited	-	-	40.31
	(-)	(-)	(-)
Rent and maintenance charges to			
- Sara Soule Private Limited	-	-	49.64
	(-)	(-)	(25.27)
- Sayaji Hotels Limited	166.75	-	-
	(51.00)	(-)	(-)
Security deposit paid - to Sara Soule Private Limited	-	-	1.80
	(-)	(-)	(-)
Royalty & Service Charge On Liquor - From Sayaji Hotels Limited	161.08	-	-
	(124.05)	(-)	(-)
Money received towards issue of equity shares to Mr. Kayum Dhanani	-	1,240.00	-
	(-)	(-)	(-)
Services Received from Sayaji Hotels Limited	10.52	-	-
	(-)	(-)	(-)
Nature of outstanding balances			
Trade receivables			
Sara Soule Private Limited	-	-	39.68
	(-)	(-)	(15.54)



Notes forming part of the consolidated financial statements

Note 37 RELATED PARTY TRANSACTIONS (contd.)

(₹ in lakhs)

Particulars	Investing party for which the Company is an Associate	KMP/ Relatives of KMP	Entity in which KMP / Relatives of KMP can exercise significant influence
Sayaji Hotels Limited	66.92	-	-
	(1,194.46)	(-)	(-)
Security deposits			
Sara Soule Private Limited	-	-	2.30
	(-)	(-)	(0.50)

Figures in bracket relate to the previous year.

Note 38 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

(i) Net assets as at 31-Mar-17, i.e., total assets minus total liabilities

Particulars	As % of consolidated net assets	Amount ₹ in Lakhs
Parent - Barbeque-Nation Hospitality Limited	93%	15,187.49
Indian Subsidiary - Prime Gourmet Private Limited	6%	1,054.61
Foreign Subsidiary - Barbeque Nation Holdings Limited	-5%	(757.98)
Foreign Subsidiary - Barbeque Nation Restaurant LLC	5%	855.33
	100%	16,339.45
Adjustments arising out of consolidation		(1,640.70)
Total		14,698.75

(ii) Share of profit or loss for the year ended 31-Mar-17

Particulars	As % of consolidated net assets	Amount ₹ in Lakhs
Parent - Barbeque-Nation Hospitality Limited (after consolidation adjustments)	180%	1,573.41
Indian Subsidiary - Prime Gourmet Private Limited	-42%	(370.10)
Indian Subsidiary - Favorite Restaurants Private Limited	-26%	(223.01)
Foreign Subsidiary - Barbeque Nation Holdings Limited	-2%	(21.71)
Foreign Subsidiary - Barbeque Nation Restaurant LLC	-10%	(86.66)
	100%	871.93
Share of profit/ (loss) for minority interest		(30.67)
Total		902.60

Notes forming part of the consolidated financial statements

Note 39

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

(₹ in lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	28.47	70.26	98.73
(+) Permitted receipts	-	1,148.92	1,148.92
(+) Non-permitted receipts	39.47	-	39.47
(-) Permitted payments	-	132.18	132.18
(-) Non-permitted payments	0.61	-	0.61
(-) Amount deposited in Banks	67.33	999.96	1,067.29
Closing cash in hand as on December 30, 2016	-	87.04	87.04

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

Note 40

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

Note 41

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

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place : Bengaluru
Date : June 29, 2017

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

Mohankumar R
Chief Financial Officer

Place : Bengaluru
Date : June 29, 2017

T.N Unni
Director
Din No:- 00079237

Nagamani C Y
Company Secretary

Take a long sip!

INDULGE IN THE FINEST BEVERAGES THAT ARE
COOLING, REFRESHING AND REINVIGORATING
AT BARBEQUE-NATION!



Food for thought!

“One cannot think well, love well, sleep well, if one has not dined well.”

– Virginia Woolf

“Pull up a chair. Take a taste. Come join us. Life is so endlessly delicious.”

– Ruth Reichl

“There is no love sincerer than the love of food.”

– George Bernard Shaw

“A fit, healthy body—that is the best fashion statement.”

– Jess C. Scott

“Food brings people together on many different levels. It’s nourishment of the soul and body; it’s truly love.”

– Giada De Laurentiis

“Food is culture, habit, craving and identity.”

– Jonathan Safran Foer

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