Barbeque-Nation Hospitality Limited
Annual Report 2017-18

OPEN FOR EXPERIENTIAL DINING!

OPEN FOR GREAT FOOD!

OPEN FOR ATTENTIVE SERVICE!

OPEN TO INNOVATION!

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Barbeque Nation is a pioneer in promoting 'DIY' (do-it-yourself) cuisine with the concept of 'live on-the-table grill' setting, providing a unique experiential dining option to customers.

Offering a pre-fixed menu at a fixed price, the Barbeque Nation menu is drawn from Mediterranean, American, Oriental, Asian and the Indian sub-continent, offering a blend of various cuisines in both vegetarian and non-vegetarian choices.

Barbeque Nation operated 102 outlets in 20 States and 2 Union Territories of India and 2 in Dubai, as on 31 March 2018.

As a global casual dining chain, the Company employs 5,891 people and generated revenue from operations of ₹5,711.66 mn in 2017-18.

"Barbeque Nation is one of the fastest-growing restaurant chain in the food services sector in India, offering customers with an extraordinary dining experience with its 'live grill-on-the-table' setting, extensive spread and attentive customer service."

KAYUM DHANANI, MANAGING DIRECTOR

102	2	24
Restaurants in India	Restaurants in Dubai	New restaurants launched in India and Dubai (1) in FY18

Dear friends,

Barbeque Nation emerged stronger during the year 2017-18 against the backdrop of a sluggish consumption environment. We consolidated our portfolio encompassing both the newly-established outlets as well as our mature restaurants, making us a pan-India casual dining chain with a restaurant count of 102 in the country at the close of the year.

The Company has successively moved through three phases: start-up, maturity and brand acceptance and now the shift to multi-geographic and digital transformation.

Our success is founded on a relevant casual dining model, an expertise in food shared by all teams and a passion in providing great service to our customers. It is also the result of the Company's collective strength in setting the strategic direction and the individual agility of each outlet in localising the menu, while providing a uniform high-quality experience that has come to be expected of us today.

Under this context, Barbeque Nation asserts its role as a force to reckon with in casual dining, emerging as one of the fastest-growing companies in the sector with a trailing five-year revenue CAGR of 22.42% (based on standalone financials) and fostering a desire to constantly make improvements every day. The Company's mission is simple and strong: To provide customers with a memorable and fun-filled casual dining experience and enhance repeat visits.

This emphasis is reflected in a food-based strategy built around several pillars: The development of a wider range of food choices anchored on the core menu as well as seasonal flavours; consistent investments in our brand; working on expansion to widen and diversify our geographic presence and providing consistent training to our staff to strengthen customer relations. Importantly, promoting and protecting food quality also means combating waste and reducing our environmental footprint through appropriate resource utilisation.

At Barbeque Nation, by better anticipating these trends and customer demands and refining and adapting our offering, we are reinforcing our positioning as a casual dining retail chain dedicated to the customer. For this, we are rolling-out logistics adapted to an all-India model, building our digital presence with a view to also virtually connect with our customers, working together with our supply chain partners to minimise wastages and strengthening our information technology and systems for achieving greater business synergy. Going forward, these projects will provide further strength to enable us to realise our ambitions in chain expansion, while widening the appeal of the Barbeque Nation brand.

These transformative initiatives are rallying our staff around a shared vision. Our men and women are key to our success and consistent efforts have gone into training in order to strengthen traditional areas of expertise, develop new skills and incorporate new job roles. The Company's culture of innovation is also being consolidated and nurtured through decentralisation and empowerment.

Over the past few years, the Company has successively moved through three phases: start-up, maturity and brand acceptance and now the shift to multi-geographic and digital transformation. This is opening up sustainable prospects for further development and growth. Moreover, the incredible energy which Barbeque Nation draws from its diversity and the entrepreneurial spirit of its employees is representative of a solid basis for confidence in the future. Eventually, what makes Barbeque Nation special is that we savour relationships.

Thank you for your support and encouragement, even as we look to the future with renewed hope and optimism.

Bon appétit!

Kayum Dhanani

Attained
the milestone of having 100+ operational outlets with the 100th restaurant launched in the North-Eastern Indian city of Dimapur

Achieved
further international expansion through the establishment of our second outlet in Dubai

Launched
outlets in several Tier-II and III micro-markets, resulting in the expansion of our presence to 59 cities in India

2017-18 highlights

Witnessed
robust performance of our regular model outlets with more such restaurants launched in Tier-II and III cities

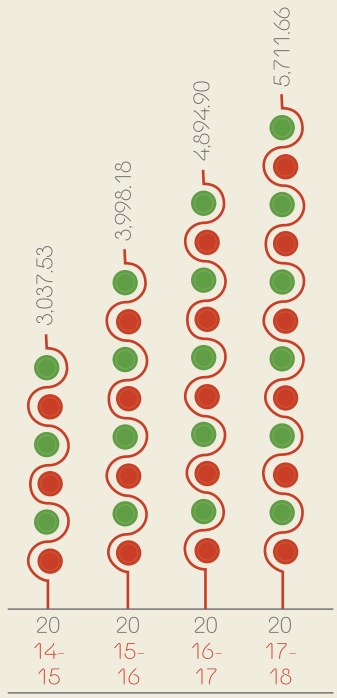
Received
the prestigious honour of being a part of 'India's Best Workplaces in Retail: 2018' in a Great Place to Work survey

Reached
an employee strength of 5,891, representing one of the largest employee numbers in the casual dining space in the country

Our financial performance

REVENUE FROM OPERATIONS (₹ mn)

₹5,711.66 mn
Up ₹816.76 mn or 16.68% YoY



Analysis >>

- Consistent establishment of new restaurants driving larger customer numbers
- Sustainable growth in same-store restaurant sales
- Topline growth also driven by strategic menu price increases and growth in APC

APC (₹)

2016-17	2017-18
₹ 707	₹741

>> **4.81%** growth YoY

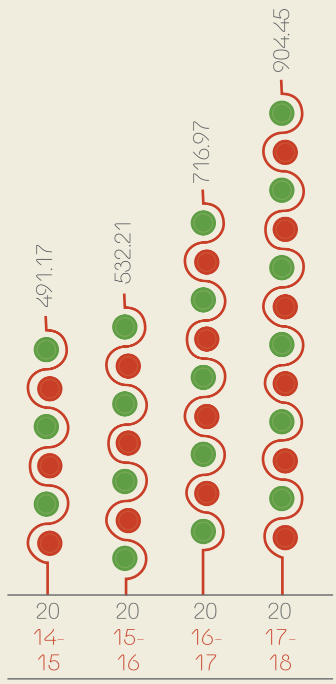
Customers served (mn)

2016-17	2017-18
6.86 mn	7.65 mn

>> **11.57%** growth YoY

OPERATING PROFIT (₹ mn)

₹904.45 mn
Up ₹187.48 mn or 26.14% YoY

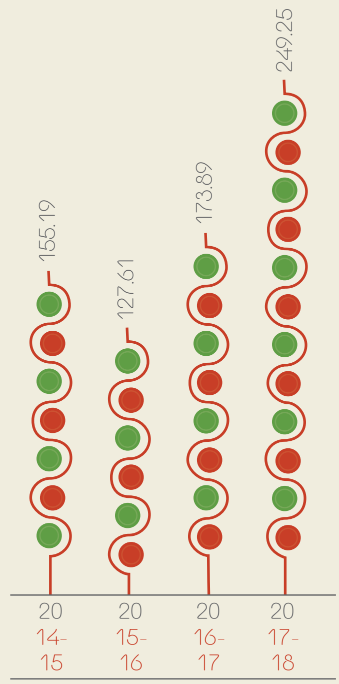


Analysis >>

- Robust scale advantages in procurement
- Strong brand value leading to favourable tenancy agreements
- Emphasis on optimal resource utilisation and waste minimisation
- Enhanced people productivity through emphasis on training

NET PROFIT (₹ mn)

₹249.25 mn
Up ₹75.36 mn or 43.33% YoY



Analysis >>

- Dependable net profit growth powered by sharper growth in revenues and stronger cost controls
- Consistent projected profitability growth due to restaurant expansion and effective cost controls

Operating profit margin (%)

15.84%

2014-15	2015-16
16.17%	13.31%
2016-17	**2017-18**
14.65%	15.84%

Net profit margin (%)

4.36%

2014-15	2015-16
5.11%	3.19%
2016-17	**2017-18**
3.55%	4.36%

Earnings per share (₹)

₹9.22

2014-15	2015-16
₹12.42	₹9.59
2016-17	**2017-18**
₹6.45	₹9.22

Restaurant base

102

As on 31 March 2015	As on 31 March 2016
45	66
As on 31 March 2017	**As on 31 March 2018**
79	102

Employee strength

5,891

As on 31 March 2015	As on 31 March 2016
3,142	4,310
As on 31 March 2017	**As on 31 March 2018**
4,678	5,891

Disclaimer: Financial figures for 2016-17 and 2017-18 are based on IND AS

Establishing new restaurants to go closer to our customers

To go close to our customers, we are opening new restaurants at a quick pace and adapting, expanding and broadening our offering by capitalising on our strengths that include a vibrant business model and a loyal and committed team.

Catering to multiple customer needs

With the acceleration of urbanisation, evolution of families, transformation of lifestyles and advent of digitalisation, the world is changing and customer profiles are evolving, prompting shifts in formats for consumer companies. Today, multiplicity and diversity are displacing sameness and uniformity. At Barbeque Nation, we are keeping pace with these changes and are working to ensure that our customers always have more choice regarding food and restaurant locations. We are also focusing on everyday dining by adapting to more closely reflect our restaurant catchment areas by developing fresh and flavourful food.

Providing convenience-driven service

Whether it's about creating denser restaurant networks, offering assistance to make ordering and replenishment easier or responding to the desire for more friendliness and authenticity, we continue to build our service model on convenience. Importantly, our restaurants have integrated this requirement by expanding the sourcing of local products and adapting to ensure that they match our customers' palates ever more closely, thereby helping us attract more footfalls into our restaurants.

Leveraging our model to go closer to our customers

During 2017-18, we crossed the milestone of establishing our 100th outlet in Dimapur, Nagaland. In the year under assessment, we launched 23 restaurants in India and our second outlet in Dubai, taking our total new restaurant count to 24 for the year. This pace of launch is the highest expansion ever achieved by our Company in a single year. With a view to accelerate this momentum, we will continue to maintain our leadership position by penetrating deeper in the Indian market, expanding in the GCC and testing the South East Asian markets.

In 2017-18, we launched 23 restaurants in India and our second outlet in Dubai, taking our total new restaurant count to 24 for the year.

FOCUS // New store launches

Realising our restaurant expansion ambitions and leveraging our well-established Barbeque Nation brand, we launched outlets in India in several Tier-II and III markets in 2017-18, including Bareilly, Dimapur, Guntur, Ghaziabad, Jhansi, Meerut, Nellore, Patiala, Patna, Rajkot, Trivandrum, Varanasi and Vellore, among others. We expect to sustain this pace in the future too.

Offering quality, price and menu innovation

Attentive to the needs of our customers and continually on the lookout for new trends, we anticipate everyone's needs and expectations and constantly evolve our offerings across our restaurants.

Providing choice-driven customer service

True to its roots, at Barbeque Nation, we have made choice a key part of our offering with a wide range of menu items available to meet every taste. Each customer can be assured of having an optimal selection of menu items, whichever restaurant they find themselves in. They can also choose to reserve their tables through our friendly chatbot, #SayHi, or through calling ahead in their chosen restaurant. We are also among the few in our space to offer the unique 'live on-the-table' grill setting with a wide offering of sauces and dips that enable our customers to enjoy warm and appetising food. Today, we are continually adapting and enriching our offerings with innovative menu items and a tasteful décor for welcoming customers to celebrate life and its myriad moments.

Commitment to quality and responsibility

The world over, consumers are seeking to balance their lifestyles and diets with their health. To help them in this endeavour, we pledge to provide nutritious food. In this regard, we encourage our in-restaurant teams to be attentive to customer requests, even as we are expanding our offering of fresh and healthy food products produced with responsibility.

Pricing that is anchored on affordability

Everywhere across our restaurants, we assure competitive prices on all our menu items every day. We rely on our fundamentals of maintaining long-lasting relationships with suppliers, controlling costs and maximising the efficiency of our supply chain, while aligning with our commitment to quality and product origin. This has enabled us to offer menu prices anchored on affordability.

We offer multiple menu items across our restaurants in India, thereby providing our customers with an unmatched choice.

FOCUS // Our food festivals

Iftaar celebrations in Kanpur
Barbeque Nation, in its festively-decked outlets in Kanpur, offered guests a chance to enjoy scrumptious iftaar delicacies like Haleem, Keema Kalaji, Fish Pakodas, Date Burfi and Sevaiya (an Eid specialty), among others.

Bharat Darshan
Barbeque Nation presented 'Bharat Darshan' to celebrate the diverse culinary heritage of India, marking the 71st anniversary of the country's independence. The week-long festival aimed at offering customers a chance to experience food specialties from different states across the country, under one roof.

Euro trip festival
Barbeque Nation invited foodies for 'The Year End Carnival', a European food festival. Patrons could enjoy herbs, cheese and sunshine at all outlets. The décor, menu and activities offered guests an exciting flavour trip to Europe.

Chatpata Tawa Taka Tak
Barbeque Nation invited Jaipur foodies for 'Chatpata Tawa Taka Tak', a unique flavour festival. Patrons could enjoy pataka flavours with the menu putting a tantalising twist to common Indian delicacies. The curated menu included Karari Bhindi, Dum Bharwa Aloo, Soya Taka Tak, Subj-e-Bhar, Murg Khada Tawa Masala, etc.

Royal Kitchens of India
Barbeque Nation brought to Mumbai cuisines from the erstwhile princely states of India. The festival took customers on a food history expedition by presenting to them delectable dishes from the princely states of Kashmir, Punjab, Maharashtra, Andhra and Kerala.

Royal Rajasthan Fest
Barbeque Nation presented 'Royal Rajasthan Fest', a feast fit for royalty, from the land of the maharajas. Under the festival, diners of Gujarat could embark on the Rajasthani flavour trail with regional starters like Jodhpuri Paneer Tikka, Tulsi Chatri Tikka, Ananas Anjur Ke Soole, Gola Kachori, Charkha Murgh, Rajpootana Mutton Seekh, Raamgarhiya Macchi, Ghewar, Gulab Ki Kheer, Mawa Dry Cake, etc.

MA Road Ki Masti
Barbeque Nation invited foodies of Delhi to indulge in 'MA Road Ki Masti', offering the best street food specialties from Mumbai's famed Mohammedali Road. Delectable dishes included classics such as Chutney Wala Jhinga, Chicken Tikka, Zam Zam Pulao, Chicken Baida Paratha, Veg Keema Pav Bhaji, Malpua with Rabri and Baked Chocolate Cheesecake, etc.

Chak Glassi festival
Barbeque Nation hosted 'Chak Glassi', a festival dedicated to beverages. Guests could savour sips from a whole new range of beverages, including cocktails and mocktails with exciting and unusual flavors.

Band Baaja Barbeque
Barbeque Nation invited Bengaluru foodies for 'Band Baja Barbeque', a wedding themed food festival with such dishes as Pardesi Piya Ke Paneer Wale Tikke, Taka Tak Mushroomi Mausi, Nawabi Jija Ke Ghost Seekh, Amritsari Fufa Ji Ki Machliyan, Moong Daal Halwa and Malai Sandwich, etc.

DelicaSea – Sea food festival
Barbeque Nation invited foodies in Mumbai for 'DelicaSea', a sea food festival comprising from delicious starters to delightful desserts.

Dal Utsav
Barbeque Nation presented 'Dal Utsav', a festival to celebrate the various types of dals (lentils), which is a staple of the country. The menu offered guests an assortment of freshly-cooked dal dishes such as Hing Dal Palak, Navratan Dal, Dhanshak, etc.

Developing employee talent for enabling fast-track career growth

A career at Barbeque Nation is challenging, yet fulfilling, drawing on individual expertise and collective energy. It is backed by modern training programs designed to instil a passion for excelling in the casual dining space, a thorough knowledge of food products, a devotion to service and a sense of empathy in human relationships.

Helping employees develop their talent

In addition to the training we provide, we also create the conditions for a fulfilling career by promoting workplace dialogue, good listening skills and an inspiring working environment. Thanks to the rich diversity of our employees and geographical locations, we provide them with multiple opportunities for mobility and the potential of diversifying their experience. Overall, our human resource philosophy is anchored on maintaining a commitment to motivating our workforce, while providing them with robust opportunities to fast-track their careers.

Measuring our progress through GSI

As a part of our well-entrenched 'customer first' philosophy, we measure our progress on this important parameter by deploying a unique metric – Guest Service Index (GSI). Under GSI, as many as 20% transactions of the previous day are referred to, with guests tele-called and requested to provide feedback on their experience with us. Based on this aggregation, each and every store is assigned a GSI score, which every store manager appraises for gauging trends, while also deploying the insights to further improve customer service.

Promoting diversity

We are committed to professional equality. We have been active in encouraging the dissemination of best practices in every location where we operate. We also lead campaigns to help talented employees advance in their careers and encourage gender diversity.

Barbeque Nation was ranked by the Great Place to Work survey as one of **'India's Best Workplaces in Retail: 2018'**

Quote unquote

"There is uniqueness in this organisation. The Company provides ample learning opportunities, which is extremely advantageous for new-comers. Moreover, the freedom to share ideas and suggestions which will be taken forward to the senior management is encouraging and prompts us to work hard and seek solutions that will ultimately benefit our customers."

– A Barbeque Nation employee

FOCUS // Employee development

5,891
Total workforce strength as on end FY18

1,869
New employees on-boarded in FY18

824
Classroom and other training programs organised in FY18

46
Average training per person in FY18 (in hours)

Our Board

The experience, knowledge and diversity of our Board represents a key strength. The Board approves the Company's strategy and ensures its implementation and is assisted by a well-experienced leadership team with diverse experience blended with proven capabilities.

T. Narayanan Unni
Chairman, Non-Executive Director and Independent Director

Mr. T. Narayanan Unni has been a Director of our Company since February 9, 2009. He holds a Bachelor's degree in Commerce from Vikram University, Ujjain, and a Bachelor's degree in Law from the University of Indore. He is a member of the Institute of Chartered Accountants of India and has been a practising Chartered Accountant since July 1, 1975.

Kayum Dhanani
Managing Director

Mr. Kayum Razak Dhanani has been a Director of our Company since November 30, 2012. He holds a Diploma in sole-making from Central Leather Research Institute, Chennai. He has also been associated with Sara Soule Private Limited since 2005, which is involved in the business of manufacturing, processing and selling leather goods, including soles, shoes and other leather accessories.

Raoof Dhanani
Non-Executive Director

Mr. Raoof Razak Dhanani has been a Director of our Company since July 1, 2015. Prior to joining the Company, he was involved in the fertilisers business, which he divested in the year 2013. He joined the management of Sayaji Hotels Limited in 2013 and is currently involved in managing its operations.

Suchitra Dhanani
Non-Executive Director

Mrs. Suchitra Dhanani holds a Bachelor's degree in Home Science with a Major in Clothing and Textiles from Maharaja Sayajirao University, Baroda, and a Master's in Social Work from Maharaja Sayajirao University, Baroda. She was a Director of our Company from November 2, 2006 till March 28, 2008. Thereafter, she was appointed as a consultant from January 2012 to March 2012 and later as an employee till March 2013, for interior decoration and housekeeping-related activities. She was subsequently appointed as a Director on July 1, 2015.

Tarun Khanna
Non-Executive, Nominee Director

Mr. Tarun Khanna has been a Director of our Company since April 12, 2013. He holds a Bachelor's degree in Science from the University of Maryland and a Master's in Business Administration from the University of Baltimore. He was previously associated with Citibank NA for a period of five years and with YES Bank Limited for over three years. He has also worked with GE Capital Transportation Financial Services Limited in the past. He joined CX Advisors LLP in February 2009 in the capacity of an investment principal and was inducted as a partner of the firm in March 2013. He is currently a partner of CX Advisors LLP.

Abhay Chaudhari
Non-Executive, Independent Director

Mr. Abhay Chintaman Chaudhari has been a Director of our Company since February 28, 2017. He holds a Master's degree in Science (Chemistry) from Nagpur University and a Diploma in Business Management from Nagpur University. He is a certified associate of the Indian Institute of Bankers. He joined State Bank of India on October 29, 1979. He was promoted to Chief General Manager and was deputed to SBI Capital Markets Limited, Mumbai, from State Bank of India. He held the position of President and Chief Operating Officer of SBI Capital Markets, Mumbai, from October 21, 2013 till January 31, 2016 and was involved with management, merger and advisory, private equity, equity and debt markets and credit and project advisory during his tenure in SBI Capital Markets.

Creating value at Barbeque Nation

At Barbeque Nation, our business model is anchored on engaging with our customers and ensuring their delight, thereby encouraging repeat visits. Importantly, we operate our business model in a social and human context, as we pursue value creation for a broad range of our stakeholders.

Human and intellectual capital

	2016-17	2017-18
Employee base	4,678	5,891
Training spends	₹ 0.65 mn	₹ 1.94 mn

Financial capital

	2016-17	2017-18
Equity	₹ 1,532.38 mn	₹ 2,232.32 mn
Borrowings	₹ 538.55 mn	₹ 654.44 mn

Natural capital

	2016-17	2017-18
Food and beverage cost	₹ 1,742.25 mn	₹ 1,925.82 mn
Power and fuel charges	₹ 388.53 mn	₹ 437.70 mn

CORE BUSINESS STRENGTHS

People

Our well-trained, professional and motivated workforce enable us to meet our high customer standards, while they rally around a shared vision of achieving sustainable business growth.

Guest focus

Our guest focus is enshrined in our 'customer first' philosophy, enabling us to excel in everything we do, revolving around the needs of our customers and patrons.

Authentic experience

Our restaurant ambience, food and service have been designed to provide an authentic and memorable experience to our customers, ensuring repeat visits.

Financial capital – Stake-owners and employees

	2016-17	2017-18
Revenue	₹ 4,894.90 mn	₹ 5,711.66 mn
Operating profit	₹ 716.97 mn	₹ 904.45 mn
Net profit	₹ 173.89 mn	₹ 249.25 mn

Human capital – Employees

	2016-17	2017-18
Salary and wages	₹ 742.46 mn	₹ 851.54 mn
Staff welfare expenses	₹ 71.40 mn	₹ 254.82 mn

Social capital – Local communities

	2016-17	2017-18
CSR spends	₹ 0.7 mn	₹ 2.16 mn

Restaurant base

Our large restaurant base and our positioning as a national restaurant chain not only enables geographic diversification but also allows us with unparalleled scale benefits.

Strong unit economics

In addition to providing our customers with enriching experiences, we tightly manage our stores as well to achieve strong unit profitability.

Innovation

Our business model is anchored on novelty and freshness, even as we seek to drive price, quality and menu innovation on a consistent basis.

Industry opportunities

Indian economic review

The Indian economy has a significant presence on the global economic platform. The country ranks 7th in the world in terms of nominal GDP and 3rd in PPP terms. It is estimated that by FY2020, the nation will be in the top-5 global economies.

The full FY2018 GDP growth estimate was revised upward to 6.7% from 6.6% in the second advance estimate released in February 2018. This is in line with the 6.75% growth forecast by the Economic Survey with the slowdown being attributed to the lingering effects of demonetisation and the roll-out of the Goods and Services Tax (GST) in July 2017. However, GDP rose to a better-than-expected 7.7% in Q4FY18, enabling the country to retain its tag of the world's fastest-growing major economy, outstripping China by nearly a percentage point.

Economic pulse of India – QoQ GDP growth

Period	GDP growth	Period	GDP growth
Q1FY17	8.1%	Q1FY18	5.6%
Q2FY17	7.6%	Q2FY18	6.3%
Q3FY17	6.8%	Q3FY18	7.0%
Q4FY17	6.1%	Q4FY18	7.7%

Source: Central Statistics Office (CSO)

Economic outlook

Going forward, India's medium- to long-term growth will be determined by the interplay of the structural factors of demographics, policy reforms and globalisation. The World Bank, commenting that India's economy is robust, resilient and has the potential to deliver sustained growth, has forecast a GDP growth of 7.3% in 2018-19 and 7.5% in 2019-20, reflecting robust private consumption and strengthening investments.

As per Technopak, sustained high real GDP growth of over 6% since FY1991 has led to a fundamental transformation of the Indian economy. The country has become the fastest-growing G20 economy since FY2015, with growth rates hovering around 7.5%. Currently, India ranks 7th in the world in terms of nominal GDP and the third largest in terms of PPP. With the prevalent growth rates, it is estimated that India will be among the top-5 global economies by FY2020 and in the top-3 by FY2050.

Indian food services market

The size of the Indian food services market is estimated to be ₹ 3,706 bn and is projected to grow at a CAGR of 10% to reach ₹ 5,993 bn by FY2022. Within this, the unorganized market holds a share of 64%, which was ~70% in FY2013, indicating that the organized market is making greater inroads into the unorganized market. The organized market was estimated at ₹ 1,220 bn in FY2018 and is projected to grow at a 16% CAGR to reach ₹ 2,594 bn by 2023.

The organized food services market (restaurant market) is further divided into:

- Organized standalone outlets
- Chain food services outlets

The organized food services market has a share of 33% in the overall market and is poised to grow to 43% by FY2023. Within the organized market, standalone outlets market is estimated to grow at a CAGR of 14% to reach ₹ 1,838 bn by FY2023, from ₹ 935 bn in FY2018. In the organized

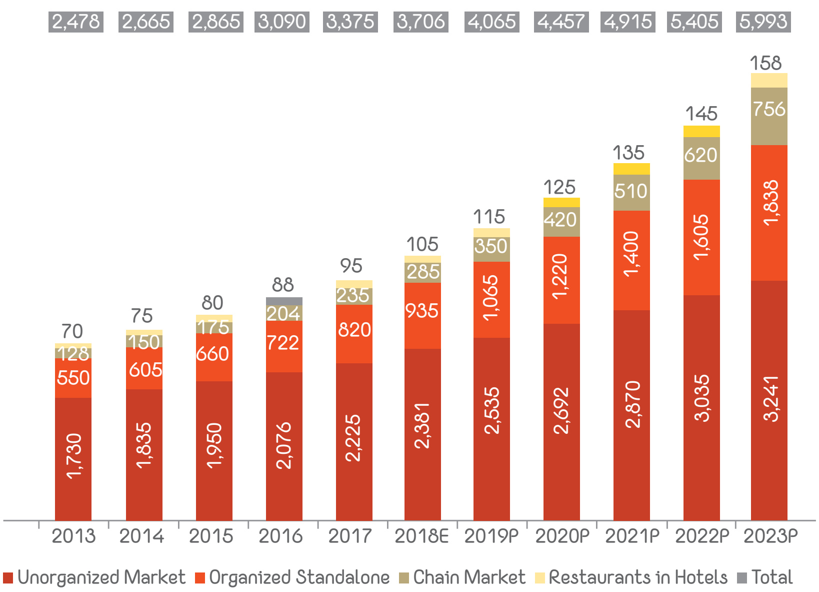
standalone market, the casual dining space enjoys 62% market share and is projected to grow at a CAGR of 16% to reach ₹ 1,222 bn in FY2023, from ₹ 585 bn in FY2018.

The chain market in FY2018 was estimated to be ₹ 285 bn with a market share of 23% in the organized food services market and is poised to grow at a CAGR of 22% to reach ₹ 756 bn and have a market share of 29% in FY2023. Quick service restaurants (QSRs) dominate the chain market with a share of 45%, followed by casual dining restaurants (CDRs) at 34% market share. QSRs are projected to grow at a CAGR of 24% from ₹ 130 bn in FY2018 to ₹ 378 bn by FY2023, while CDRs are poised to grow at a CAGR of 21% to reach ₹ 254 bn in FY2023 from ₹ 98 bn in FY2018.

High percentage of young and working population which is well-travelled and 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. Overall, the food services market is undergoing a transition with the emergence of new themes, concepts, cuisines, technology disruptions, etc. However, certain challenges such as availability of quality manpower, high attrition rates, high real estate costs, fragmented supply chain, over-licensing, etc., act as headwinds for growth.

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis Year indicates Fiscal Year

Food services market size (₹ bn)



Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis Year indicates Fiscal Year

The organized market (chain and organized standalone outlets, excluding restaurants in hotels) is estimated at ₹ 1,220 bn in 2018 and is projected to grow at a CAGR of 16% to reach ₹ 2,594 bn by 2023, gaining a share of 43% from 33% in 2018.

Food services market CAGR

Segment	CAGR FY2013-18	CAGR FY2018-23
Unorganized Market	7%	6%
Organized Standalone	11%	14%
Chain Market	17%	22%
Restaurants in Hotels	8%	9%

Source: Technopak NRAI India Food Service Report 2016

Food services market share

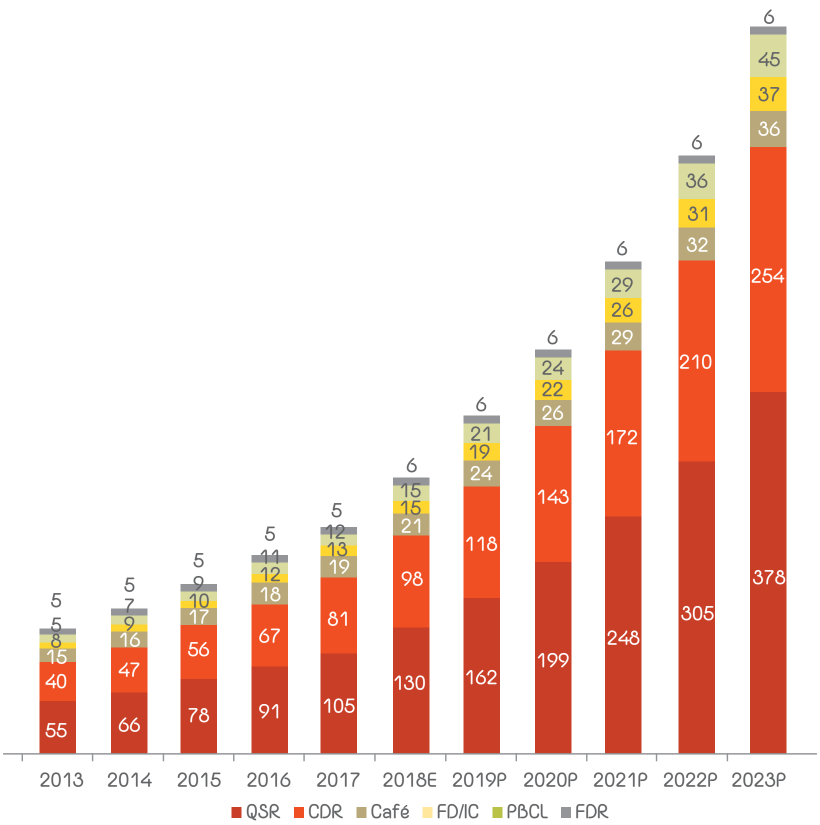
Segment	Market Share (FY2013)	Market Share (FY2018E)	Market Share (FY2023P)
Unorganized Market	70%	64%	54%
Organized Standalone	22%	25%	31%
Chain Market	5%	8%	13%
Restaurants in Hotels	3%	3%	3%

Source: Technopak NRAI India Food Services Report 2016

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 was estimated at ₹ 98 bn in FY2018 and is projected to grow at a CAGR of 21% to reach a size of ₹ 254 bn by FY2023.

Chain market size (₹ bn)

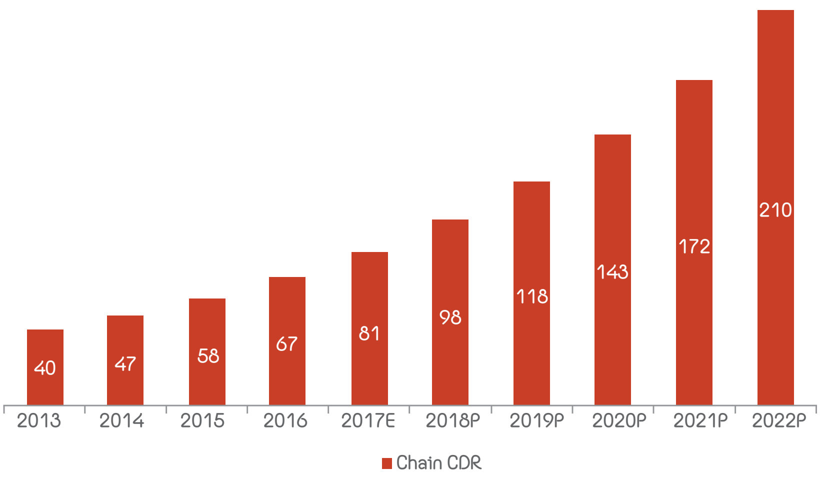


Source: Technopak NRAI India Food Services Report 2016; Year indicates Fiscal Year

Something interesting!

Increased enthusiasm in Tier-II and III cities by foreign investors has been witnessed over the last few years. These investments are centered on infrastructure, business services and industries, resulting in increase in jobs and overall spending power of consumers in these cities. These consumers are also emerging as a strong new segment that is open to trying out organized F&B dining options. This is a result of exposure to media and various socio-economic factors such as rise in the number of working women, increase in disposable incomes, evolution of aspirations of the younger generation, rise in the presence of branded retail chains and growth of entertainment as a concept with the emergence of malls and multiplexes.

Chain casual dining restaurant market size (₹ bn)



The share of chain CDR market witnessed a fast-paced growth in the food services sector from 31% to 34% between FY2013 and FY2018.

Domestic players dominate the CDR market, though there are a few international players also present in this segment. It is interesting to note that Barbeque Nation, within a short period of time, has come to possess the second highest revenue share (6-6.5%), which is nearly double to that of its outlet share (3%).

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. Many CDR players, keeping in line with tech-savvy consumers, have adopted technology and are now interacting with customers in real-time using digital platforms.

Chain market format CAGR

Segment	CAGR FY2013-18	CAGR FY2018-23
Casual Dining Restaurants	20%	20%
Quick Service Restaurants	18%	24%
PBCL	25%	25%
Cafés	7%	11%
Fine Dining Restaurants	2%	3%
Frozen Dessert / Ice Cream	13%	18%

Source: Technopak NRAI India Food Service Report 2016

Chain market format share

Segment	Market Share (FY2013)	Market Share (FY2018)	Market Share (FY2023P)
Casual Dining Restaurants	31%	34%	34%
Quick Service Restaurants	43%	46%	50%
PBCL	4%	5%	6%
Cafés	12%	7%	5%
Fine Dining Restaurants	4%	2%	1%
Frozen Dessert / Ice Cream	6%	5%	5%

Source: Technopak NRAI India Food Service Report 2016

Per capita expenditure on meal outside home	
$1,870 USA	$110 India

Eating-out frequency per month	
28x Singapore	4-5x India

Industry growth drivers

With a prospering economy and a vibrant population of 1.3 bn people, India is under the global spotlight for consumption-oriented sectors. Moreover, changing cultural dynamics and family structures have resulted in the creation of multiple households across the nation. These new households have spurred the trend of food consumption from alternate avenues (non-home cooked food). Besides, a larger workforce and greater employment generation in the liberalised economy is yet another factor that has contributed to higher discretionary spending on eating-out and dining-in. Thus, the interplay of these factors is anticipated to sustain the industry's growth momentum in the foreseeable future.

Some of the industry's key growth drivers include:

- **Favourable demographics:**
High percentage of the young and working-age population is driving the growth of the food business. According to the census report 2011, India's working-age (15-54 years) population is projected to rise by 135 mn by FY2021, catapulting the country to have 20% of the world's working-age population. Urbanisation is a catalyst for encouraging consumption growth across all sectors, and food and beverage is no exception.

- **Higher experimentation willingness:**
With seamless interaction facilitated by the growth of multiple communication channels, such as the internet, mobiles, etc., there has been an increased exposure of the Indian youth to global trends in terms of newer cuisines and formats. A vibrant widely-travelled middle-class is opening up to spending on dining experiences similar to experiences found elsewhere on the globe.

- **Eating-out as an experience:**
With multiple time-commitments, both on the personal and professional fronts, consumers look forward to experiences to de-stress from their hectic routines. Thus, eating-out has emerged as a prominent avenue for winding-down, whether with family or with friends. The emergence of newer formats and their popularity as hang-out destinations is evidence of these underlying trends.

- **Increasing dining-out indulgence in smaller cities:**
Increased enthusiasm in Tier-II and III cities by foreign investors has been witnessed over the last few years. According to EY Attractiveness Survey 2015, FDI investment in non-metro cities increased to around 79% as compared to 21% in mega metros in FY2014. The investments were centered on infrastructure, business services and industries, resulting in increase in jobs and overall spending power of consumers.

- **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 format. The increased exposure to eating-out has helped develop the market by inviting people to try new cuisines, concepts and recipes and eat-out frequently. This prevalent lifestyle shift has encouraged operators to try formats and concepts that can cater to the needs of this growing segment and give them a platform that facilitates engagement.

- **Revival of old recipes:** A new trend has been initiated by leading culinary enthusiasts and various leading chefs in which traditional techniques, regional flavours and local ingredients are being brought back to the mainstream.

Sources: Technopak's 'Indian Food Services Market, May 2018' report, NRAI 2016 report and Central Statistics Office (CSO)

Outlook

The Indian food services industry has emerged as a key constituent and participant of the Indian economy. The nation's food services market (organized and unorganized) is projected to grow at a CAGR of 10% over the next five years to reach a size of ₹ 5,993 bn by FY2023.

High percentage of young and working-age 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, the availability of organized retail space is helping in the consistent growth of Indian and international dining brands across different formats.

The Indian food services market space is also attracting significant interest from domestic as well as international private equity and venture capital funds. The large number of investments can be attributed to the fact that the food services market is a domestic consumption-driven story with unparalleled potential. In fact, private equity investments are seen flowing through the entire ecosystem, funnelling growth in front-end companies, back-end companies as well as food-tech organisations, etc. Moreover, there have also been some key trends that are gaining traction in the food services space that include cloud kitchens and ready-to-cook players who are gaining increasing acceptance among urban consumers.

Overall, the food services industry is emerging as a key contributor to the Indian economy by way of employment generation, skill development, growth in the allied industries, entrepreneurship and tourism and creating experiences for the Indian consumer. Hence, it is imperative for the Indian government and regulators to recognise the contribution and role of the food services industry and take measures to create a positive policy framework for the industry's sustained growth.

Board's Report

Dear Members,

Your Directors have pleasure in presenting their 12th Annual Report on the business and operations of the Company, together with the audited financial accounts for the financial year ended 31st March, 2018.

1. FINANCIAL SUMMARY OR HIGHLIGHTS

(₹ in millions)

Particulars	Standalone		Consolidated	
	Year ended 31/03/2018	Year ended 31/03/2017	Year ended 31/03/2018	Year ended 31/03/2017
Revenue from operations	5,711.66	4,894.9	5,975.44	5,034.86
Other income	51.38	22.06	42.63	20.48
Total income	5,763.04	4,916.96	6,018.07	5,055.34
Operating expenses	4,858.59	4,199.99	5,259.18	4,378.97
EBITDA	904.45	716.97	758.89	676.37
Finance costs	173.45	141.56	189.68	144.63
Depreciation	318.62	301.31	351.52	311.9
Profit before exceptional items and tax	412.38	274.1	217.69	219.84
Exceptional items	13.77	8.01	32.99	11.51
Current tax expense	154.46	88.51	154.46	88.51
Deferred tax (Income)	-5.10	3.69	-5.10	3.77
Net profit	249.25	173.89	35.34	116.05
Proposed dividend	27.02	19.97	-	-
Tax on proposed dividend	5.50	4.07	-	-
Transfer to general reserve	0.00	0.00	0.00	0.00
Surplus carried to Balance Sheet	249.25	173.89	35.34	116.05

2. COMPANY'S AFFAIRS AND BUSINESS PROSPECTS

Your Board is pleased to inform the members that 102 restaurants were operational as on 31st March, 2018.

The Company has a wholly-owned subsidiary Prime Gourmet Private Limited which has its registered office in Delhi and the Company has a wholly-owned subsidiary in Dubai, Barbeque Nation Holdings Limited, registered with Jebel Ali Free Zone Authority on 25/03/2015 and this subsidiary company has further invested in Barbeque Nation Restaurant (L.L.C) on 6th September 2016 which is a step-down subsidiary of your Company. More details on the subsidiary companies can be referred to in the **Annexure-4**.

3. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

4. 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 forms a part of this Annual Report as **ANNEXURE-1**.

5. BOARD MEETINGS

During the year under review, your Board met 13 (Thirteen) 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
15th June, 2017	3
29th June, 2017	6
10th July, 2017	5
1st August, 2017	4
5th August, 2017	4
14th August, 2017	4
1st September, 2017	4
19th September, 2017	6
7th November, 2017	6
15th February, 2018	3
22nd March, 2018	3
27th March, 2018	3
29th March, 2018	3

6. FORMAL ANNUAL EVALUATION

Your Company has devised a policy selection of Directors, determining independence of Directors and for performance evaluation of Independent Directors, Boards, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

7. 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.

8. 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.

9. 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, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on 31/03/2018, the Board consisted of 6 members, one of whom is an Executive and two are Independent Directors, one is Nominee Director 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-II** to the Board's Report.

10. 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

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

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

12. 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 enclosed in the prescribed format, Form AOC-2, as **Annexure-5**.

13. DIVIDEND

Your Board is pleased to recommend a dividend at the rate of 20% on the Equity Share Capital of the Company. Subject to the approval of the members, the amount of proposed dividend will be ₹1 per share.

14. CHANGES IN SHARE CAPITAL

The paid-up share capital of the Company has increased from ₹13,51,20,070 to ₹13,79,95,070 due to allotment of 5,75,000 equity shares of ₹5 each at a premium of ₹827/- aggregating to ₹47,84,00,000 through Private Placement on Preferential basis for cash in the Board Meeting held on 29th March 2018 to Alchemy India Long Term Fund Ltd.

There were no other allotments during the year.

15. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events that occurred after the Balance Sheet date which have an adverse material impact on financial statements or otherwise.

16. MATERIAL CHANGES & 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.

In the month April 2018, the Company has allotted 3,85,000 (Three Lakh Eighty-Five Thousand only) equity shares of ₹5/- each (Rupees Five only) each at a premium of ₹827/- (Rupees Eight Twenty-Seven only) per equity share, aggregating to ₹32,03,20,000/- (Rupees Thirty-Two Crore Three Lakh and Twenty Thousand only) through private placement on preferential basis to Partner Reinsurance Europe SE, Dublin.

17. 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. Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the applicable disclosures as on 31st March, 2018 is tabulated below:

Options at the beginning of the period (1 April 2017)	1,53,918
Options granted during the period	3,02,859
Price per share (₹)	5
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	0
Options lapsed	26,542
Options available for exercise	4,30,235
Options exercised	0
Total number of shares arising as a result of exercise of options	4,30,235
Variations of terms of options	Vesting period of one employee varies between one to three years
Money realized by exercise of options	0
Total number of options in force	4,30,235

OPTIONS GRANTED TO KEY MANAGERIAL PERSONNEL/EMPLOYEES OF THE COMPANY DURING THE YEAR:

Sl. no.	Name of the Key Managerial Personnel/Employee	Designation	ESOP Scheme	Number of Options granted	Exercise Price
1.	Mohankumar R.	Chief Financial Officer	Barbeque-Nation Hospitality Limited-Employee Stock Option Plan 2015 as amended from time to time	15,484	₹155
2.	Rahul Agrawal	President- Investment	Barbeque-Nation Hospitality Limited-Employee Stock Option Plan 2015 as amended from time to time	2,00,000	₹500

18. 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 all types of energy used across all the restaurants. The Company is using LED lighting system to ensure that consumption of energy is at minimal levels in the operations.

The Company has not taken any steps for alternative source of energy. The Company has installed timers for exhaust & fresh air system and energy management system to save energy.

Technology absorption is not applicable to the Company.

Foreign Exchange Income

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Sale of food and beverages	916.58	864.51

CIF Value of Imports and Expenditure

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-2018	For the year ended 31-Mar-2017
Import of capital Items	89.59	44.86
Import of non-capital Items (food and beverages)	949.11	599.35

19. 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 risk opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's 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.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of Mr. Tarun Khanna, Mr. TN Unni, Mr. Abhay Chaudhari, 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**.

21. 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 frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

22. 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 31.03.2018 is given below:

Sl. no.	Name Messrs	Designation	Date of appointment
1	Kayum Razak Dhanani	Managing Director	30/11/2012
2	Suchitra Dhanani	Director	01/07/2015
3	Tarun Khanna	Nominee Director	12/04/2013
4	TN Unni	Independent Director	09/02/2009
5	Raoof Razak Dhanani	Director	01/07/2015
6	Abhay Chintaman Chaudhari	Independent Director	28/02/2017
7	Sameer Bhasin	Chief Executive Officer	15/06/2017
8	Mohankumar R	Chief Financial Officer	15/06/2017
9	Nagamani CY	Company Secretary	21/07/2014

23. COMMITTEES OF THE BOARD

As on 31.3.2018, the Board has 5 Committees: The Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, IPO Committee and Stakeholders' Relationship 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 Messrs	Highlights of duties, responsibilities and activities
Audit Committee	1. TN Unni, Chairman 2. Abhay Chaudhari 3. Kayum Razak Dhanani	a) Overseeing our 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	1. TN Unni, Chairman 2. Tarun Khanna 3. Abhay Chaudhari	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 from the Board. c) To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and senior management.
Corporate Social Responsibility Committee	1. TN Unni, Chairman 2. Tarun Khanna 3. Kayum Razak Dhanani 4. Suchitra Dhanani 5. Abhay Chaudhari	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;

Name of the Committee	Composition Messrs	Highlights of duties, responsibilities and activities
IPO Committee	1. Kayum Razak Dhanani 2. Tarun Khanna 3. Abhay Chaudhari	a) To finalize, settle, approve, adopt and file along with the selling shareholders in consultation with BRLMs where applicable, the draft red herring prospectus, the red herring prospectus, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, and take all such actions as may be necessary for the submission, withdrawal and filing of these documents including incorporating such alterations/corrections/modifications as may be required by the Securities and Exchange Board of India, the RoC or any other relevant governmental and statutory authorities or in accordance with applicable laws, rules, regulations and guidelines. b) To decide along with the selling shareholders in consultation with the BRLMs on the size, timing, pricing and all the terms and conditions of the offer, including the price band, bid period, offer price and to accept any amendments, modifications, variations or alterations thereto. c) To appoint and enter into and terminate arrangements along with the selling shareholders, where applicable, with the BRLMs, underwriters to the offer, syndicate members to the offer, brokers to the offer, escrow collection bankers to the offer, refund bankers to the offer, registrars, legal advisors and any other agencies or persons or intermediaries to the offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs. d) To do all such acts, deeds and things as may be required to dematerialise the equity shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the NSDL, the CDSL, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore stated documents.
Shareholders' Relationship Committee	1. Kayum Razak Dhanani 2. Tarun Khanna 3. Abhay Chaudhari 4. TN Unni	a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares; b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities; c) Issue of duplicate certificates and new certificates on split/consolidation/renewal; d) Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and e) Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

24. 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 are as hereunder:

Name	Age	Designation	Remuneration (INR)	Nature of employment	Qualification & experience	Date of commencement of employment	Previous employment	% of shares held in the Company	Whether relative of any directors or manager
Mr. Sameer Bhasin	43 Yrs.	Chief Executive Officer	1,15,88,120	On Roll	Bachelor of Hotel Management	05-Apr-16	Paradise Food Court Pvt Ltd	NIL	No
Mr. Ramamurthy Mohankumar	50 Yrs.	Chief Financial Officer	58,53,345	On Roll	M.Com, (ICWAI), CS	15-Jun-17	Sara Suole Pvt Ltd	NIL	No
Mr. Rahul Agrawal	36 Yrs.	President Investment	74,84,922	On Roll	MBA - IIM	24-Jul-17	CX Advisors LLP	0.09%	No

25. 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

26. 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**.

a) The Company is not a subsidiary of any company.

b) The Company holds 100% of total equity shares of Prime Gourmet Private Limited, New Delhi, India.

c) The Company has a wholly-owned subsidiary in Dubai and Mauritius, viz.,

   1. Barbeque Nation Holdings Limited, registered with Jebel Ali Authority (100%)
   2. Barbeque Nation Holdings Private Limited (100%)
   3. Barbeque Holdings Private Limited (100%)

d) The Company has three step-down subsidiaries viz.:

   1. Barbeque Nation Restaurant LLC (Barbeque Nation Holdings Limited holds 49%)
   2. Barbeque Nation (Malaysia) SDN. BHD (Barbeque Nation Holdings Limited holds 100%)
   3. Barbeque Nation International LLC. Oman (Barbeque Nation Holdings Limited holds 49%)

27. CASH FLOW STATEMENT

The cash flow statement for the year ended 31st March, 2018 is attached to the Balance Sheet.

28. STATUTORY AUDITORS AND THE REPORT

The first term of Messrs Deloitte Haskins & Sells, Chartered Accountants who were appointed as Statutory Auditors at the 8th AGM held on 12th August 2014, is going to be completed at the ensuing 12th Annual General Meeting. Further, pursuant to the provisions of Section 139 (2) of the Companies Act, 2013, it is proposed to re-appoint Messrs Deloitte Haskins & Sells, Chartered Accountants, for the second term of five consecutive years and they shall hold office until the conclusion of the 17th Annual General Meeting.

29. INTERNAL AUDITORS & CONTROLS

Messrs KPMG were appointed as Internal Auditors 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 7th November, 2017 for the period 1st October, 2017 to 30th September, 2018. The Internal Auditors conduct quarterly internal audit of the Company and their findings have been reviewed regularly by the Audit Committee.

30. SECRETARIAL AUDITORS

Mr. Vijayakrishna KT, Company Secretary, Bengaluru has been appointed as Secretarial Auditors of the Company by the Board in its meeting held on 15th February, 2018. The Secretarial Audit Report in the prescribed form, MR-3, is enclosed as **Annexure-3**.

The qualifications in Secretarial Audit Report and Board comments:

The Company has not spent the stipulated amount in pursuance of the provisions of the Companies Act, 2013 towards Corporate Social Responsibility during the financial year.

Board Comment: The Company is in the process of identifying more projects for CSR contribution.

31. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has laid down a set of standards, processes and structures which enable it to implement internal financial controls across the organisation and ensure that the same are adequate and operating effectively.

32. CORPORATE GOVERNANCE

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

33. 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: 1

No. of complaints disposed-off: 1

34. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review, no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in the future.

35. SECRETARIAL STANDARDS

Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

36. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

	SD/-	SD/-
	Kayum Razak Dhanani	**TN Unni**
Place: Bangalore	*Managing Director*	*Director*
Date: 21st May 2018	DIN: 00987597	DIN: 00079237

Annexure - 1

MGT-9

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31/03/2018
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	Prestige Zeenath, 3rd floor, Municipal No. 8/1 Residency Road, Richmond Town, Bangalore-560025
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	% to total turnover of the Company
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, Country- India	U74140DL2012PTC241588	Subsidiary	100%	2(87) (ii)
2.	Barbeque Nation Holdings Limited, Country- Dubai	NA	Wholly-owned subsidiary	100%	2(87) (ii)
3.	Barbeque Nation Restaurant LLC, Country- Dubai	NA	Step-down subsidiary	49%*	2(87)
4.	Barbeque Nation Holdings Private Limited, Country- Mauritius	NA	Wholly-owned subsidiary	100%	2(87) (ii)
5.	Barbeque Holdings Private Limited, Country- Mauritius	NA	Wholly0-owned subsidiary	100%	2(87) (ii)
6.	Barbeque Nation (Malaysia) SDN. BHD. Country- Malaysia	NA	Step-down subsidiary	100%*	2(87)
7.	Barbeque Nation International LLC, Country-Oman	NA	Step-down subsidiary	49%*	2(87)

*Step-down subsidiary

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

(i) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year [As on 31/03/2017]				No. of shares held at the end of the year [As on 31/03/2018]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters/ Promoters Group									
(1) Indian									
a) Individual/ HUF	13,95,790	0	13,95,790	5.16	43,32,774	0	43,32,774	15.70	10.54
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1,26,21,116	0	1,26,21,116	46.70	1,26,21,116	0	1,26,21,116	45.73	0.97
e) Banks/FIs									
f) Any other									
Sub-total (A)(1)	**1,40,16,906**	**0**	**1,40,16,906**	**51.86**	**1,69,53,890**	**0**	**1,69,53,890**	**61.43**	**11.51**
(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 Corporate	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)	**1,40,16,906**	**0**	**1,40,16,906**	**51.86**	**1,69,53,890**	**0**	**1,69,53,890**	**61.43**	**9.57**
B. Public									
1. 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) FIIs	0	0	0	0	5,75,000	0	5,75,000	2.08	2.08
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):-	**0**	**0**	**0**	**0**	**5,75,000**	**0**	**5,75,000**	**2.08**	**2.08**

Category of shareholders***	No. of shares held at the beginning of the year [As on 31/03/2017]				No. of shares held at the end of the year [As on 31/03/2018]				% 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	98,21,366	0	98,21,366	36.34	97,93,470	0	97,93,470	35.48	0.86
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	0	10	10	0	0	0	0	0	0

Category of shareholders***	No. of shares held at the beginning of the year [As on 31/03/2017]				No. of shares held at the end of the year [As on 31/03/2018]				% 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	20,44,822	9,42,518	29,87,340	11.05	78,262	0	78,262	0.28	10.77
c) Others (specify) i) AAJV Investment Trust	1,98,392	0	1,98,392	0.73	1,98,392	0	1,98,392	0.72	0.01
Sub-total (B)(2):-	1,20,64,580	9,42,528	1,30,07,108	48.12	1,30,04,208	0	1,30,04,208	36.2	11.71
Total public shareholding (B) = (B)(1) + (B)(2)	1,20,64,580	9,42,528	1,30,07,108	48.12	1,30,04,208	0	1,30,04,208	36.2	11.71
C. Shares held by custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand total (A+B+C)	**2,60,81,486**	**9,42,528**	**2,70,24,014**	**100**	**2,75,99,014**	**0**	**2,75,99,014**	**100**	**11.65**

*** 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 [As on 31/03/2017]			Shareholding at the end of the year [As on 31/03/2018]			% 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	13,95,788	5.16	NIL	13,98,684	5.07	NIL	0.09
2	Sayaji Housekeeping Services Limited	1,26,21,116	46.70	NIL	1,26,21,116	45.73	NIL	0.97
3	Suchitra Dhanani	02	0.00	NIL	6	0.00	NIL	0

(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	13,95,788	5.16		
	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):	Transfer of 25,000 equity shares to Rahul Agrawal on August 3, 2017		-25,000	
			Transfer of 5,32,104 equity shares to Menu Private Limited on August 4, 2017		-5,32,104	
			3,67,538 equity shares transfer from Tamara Private Limited on August 7, 2017		+3,67,538	
			1,92,462 equity shares transfer from Pace Private Limited on August 7, 2017		+1,92,462	
		At the end of the year			**13,98,684**	**5.07**
2	Name of Promoter	**At the beginning of the year**	**1,26,21,116**	**46.70**		
	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):			0	0
		At the end of the year			**1,26,21,116**	**45.73**

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
3	Name of Promoter	At the beginning of the year	2	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):	Transmission of shares 4 Equity Shares from Mr. Sajid Dhanani.		4	0.00
		At the end of the year			6	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/ decrease 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 / Transferred	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Tamara Private Limited	64,45,940	23.85	-3,67,538	60,78,402	22.02	60,78,402	22.02
2.	Pace Private Limited	33,75,426	12.49	-1,92,462	31,82,964	11.53	31,82,964	11.53
3.	Alchemy India Long Term Fund Limited	0	0	5,75,000	5,75,000	2.08	5,75,000	2.08
4.	Menu Private Limited	0	0	5,32,104	5,32,104	1.93	5,32,104	1.93
5.	Azhar Dhanani	4,97,890	1.84	0	4,97,890	1.80	4,97,890	1.80
6.	Zuber Dhanani	4,97,890	1.84	0	4,97,890	1.80	4,97,890	1.80
7.	Saba Dhanani	4,97,890	1.84	0	4,97,890	1.80	4,97,890	1.80
8.	Sadiya Dhanani	4,97,890	1.84	0	4,97,890	1.80	4,97,890	1.80
9.	Sanya Dhanani	4,97,890	1.84	3	4,97,890	1.80	4,97,893	1.80
10.	Zoya Dhanani	4,44,628	1.65	3	4,44,628	1.61	4,44,631	1.61
11.	AAJV Investment Trust*	1,98,392	0.73	0	1,98,392	0.72	1,98,392	0.72
12.	Madhu Jain*	53,262	0.20	0	53,262	0.19	53,262	0.19

*Top-ten shareholders at the beginning of the year.

(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	13,95,788	5.16		
	Date-wise increase/decrease in promoters' shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity, etc.)	Transfer of 25,000 equity shares to Rahul Agrawal on August 3, 2017		-25,000	
		Transfer of 5,32,104 equity shares to Menu Private Limited on August 4, 2017		-5,32,104	
		Transfer of 3,67,538 equity shares from Tamara Private Limited on August 7, 2017		+3,67,538	
		Transfer of 1,92,462 equity shares from Pace Private Limited on August 7, 2017		+1,92,462	
	At the end of the year			13,98,684	5.07

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
2	Suchitra Dhanani				
	At the beginning of the year	02	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.)	Transmission of 4 equity shares from Mr. Sajid Dhanani		04	0.00
	At the end of the year	02	0.00	06	0.00

V. INDEBTEDNESS

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

(Amount in ₹ millions)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	789.37	-	-	789.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.77	-	-	1.77
Total (i+ii+iii)	791.14			791.14
Change in Indebtedness during the financial year				
* Addition	390	150.00	-	540.00
* Reduction	509.93	-	-	509.93
Net change	-119.93	150.00	-	30.07
Indebtedness at the end of the financial year				
i) Principal amount	669.44	150.00	-	819.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.84	-	-	2.84
Total (i+ii+iii)	672.28	150.00	-	822.28

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 ₹ millions)

SN.	Particulars of Remuneration	Name of Director	Name of Director	Total Amount
1	Independent Directors	TN Unni	Abhay Chintaman Chaudhari	-
	Fee for attending board and committee meetings	3,00,000	2,50,000	5,50,000
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	3,00,000	2,50,000	5,50,000

SN.	Particulars of Remuneration	Name of Director	Name of Director	Total Amount
2	**Other Non-Executive Directors**	**Suchitra Dhanani**	**Raoof Razak Dhanani**	
	Fee for attending board committee meetings	2,75,000	1,25,000	4,00,000
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	**2,75,000**	**1,25,000**	**4,00,000**
	Total (B)=(1+2)	**5,75,000**	**3,75,000**	**9,50,000**
	Total Managerial Remuneration			**0**
	Overall Ceiling	-	-	-

*Sitting fees is not forming part of Managerial Remuneration as per the Section 197(5) of Companies Act, 2013.

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

(Amount in ₹ millions)

SN.	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	12,42,120	58,53,345	70,95,465
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock options (ESOP)	1,942	15,484	-
3	Sweat equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify	-	-	-
5	Others, (Equity shares of ₹10/- each)	-	-	-
	Total	12,44,062	58,68,829	70,95,465

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

A report on the PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES by your Company is provided in **Annexure-7**.

For and on behalf of the Board of Directors

SD/- SD/-

Kayum Razak Dhanani
Managing Director
DIN: 00987597

TN Unni
Director
DIN: 00079237

Place: Bangalore
Date: 21st May 2018

Annexure - 2

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.

NOMINATION AND REMUNERATION POLICY

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 the 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 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 from the Board.

c) To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and senior management.

III. DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Barbeque-Nation Hospitality Limited."
- "Employees' 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.
- 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.

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.

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.

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 the shareholders' 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 seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy 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 seventy 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 term.

b) Independent Director

An Independent Director shall hold office for a term 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 option 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

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018
[Pursuant to Section 204(1) of the Companies Act, 2013
and Rule No.9 of the Companies (Appointment and
Remuneration Personnel) Rules, 2014]

To
The members
Barbeque-Nation Hospitality Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Barbeque-Nation Hospitality Limited bearing CIN: U55101KA2006PLC073031 (hereinafter called 'the 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 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 Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018 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 on 31.03.2018 according to the provisions of:

(i). The Companies Act, 2013 (the Act) and the rules made there under;

(ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v). The industry specific laws applicable to the Company are as follows:

- Prevention of Food Adulteration Act, 1954
- Food Safety and Standards Act, 2006
- The Legal Metrology Act, 2009
- The Narcotic Drugs and Psychotropic Substances (Karnataka) Rules 1985
- The Karnataka Excise Act, 1965
- The Trade Marks Act, 1999

(vi). The other general laws as may be applicable to the Company including the following:

- Karnataka Shops & Commercial Establishment Act & Rules
- The ESI Act & General Regulations
- The Employees Provident Funds & Miscellaneous Provisions Act
- The Minimum Wages Act & Rules
- The Payment of Wages Act & Rules
- The Payment of Gratuity Act & Rules
- The Payment of Bonus Act & Rules
- The Maternity Benefit Act

- The Equal Remuneration Act
- The Employment Exchanges (CNV) Act & Rules
- The Karnataka Labour Welfare Fund Act & Rules
- Industrial Employment Standing Orders Act
- The Karnataka (National & Festival) Holidays Act & Rules
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act
- For majority of Central Labour Laws, the States have introduced Rules [names of each of the Rules is not included here]
- The Competition Act, 2002
- The Indian Contract Act, 1872
- The Sales of Goods Act, 1930
- The Indian Stamp Act, 1899
- The Transfer of Property Act, 1882

(vii). Environment Related Acts & Rules:

i. The Environment Protection Act, 1986

ii. The Water (Prevention & Control of Pollution) Act, 1974

iii. The Air (Prevention & Control of Pollution) Act, 1981

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS – 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non-material findings made during the course of the audit relating to the provisions of Companies Act and Labour Laws were noted which have been communicated to the Company. The Company needs to strengthen the compliances with the Act read with the Rules thereto, and the Secretarial Standards as well as other laws including HR and Labour Laws.

The Company has not spent the stipulated amount in pursuance of the provisions of the Act towards Corporate Social Responsibility during the financial year.

I further state that during the period under the review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable labour laws, environmental laws and other applicable laws as mentioned above.

I further report that I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

As per the information received from the Company Secretary, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there case instance was no such.

I further report that 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.

Sd/-

(Vijayakrishna KT)
FCS No.: 1788
CP No.: 980

Place: Bangalore
Date: 21.05.2018

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

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.

4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. 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.

Sd/-

(Vijayakrishna KT)
FCS No.: 1788
CP No.: 980

Place: Bangalore
Date: 21.05.2018

Annexure - 4

Form AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part "A": Subsidiaries

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

1	Name of the subsidiary	Prime Gourmet Private Limited, Country- India	Barbeque Nation Holdings Limited Country-Dubai	Barbeque Nation Restaurant LLC, Country-Dubai	Barbeque Nation Malaysia SDN BHD, Country-Malaysia	Barbeque Nation Holdings Pvt Ltd, Country-Mauritius	Barbeque Holdings Pvt Ltd, Country-Mauritius
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to 31st March 2018	April to 31st March 2018	April to 31st March 2018	3rd Oct 2017 to 31st March 2018	15th September 2017 to 31st March 2018	27th September 2017 to 31st March 2018
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR (₹in million)	Exchange Rate: Closing rate 1 AED= 17.74 P&L - 17.70	Exchange Rate: Closing rate 1 AED= 17.74 P&L - 17.70	Exchange Rate: Closing rate 1 MYR= 16.85 P&L - 15.75	Exchange Rate: Closing rate 1 USD= 65.0441 P&L – 64.9414	Exchange Rate: Closing rate 1 USD=65.0441 P&L – 64.9414
4	Share capital	244.63	17.74	5.32	16.85	65.04	65.04
5	Reserves and surplus	-201.70	-21.47	-91.36	-1.85	-0.65	-0.65
6	Total assets	185.22	551.89	399.68	22.75	0.65	0.65
7	Total equity and liabilities	185.22	551.89	399.68	22.75	0.65	0.65
8	Investments	-	19.37	-	-	-	-
9	Turnover	112.07	30.98	163.02	-	-	-
10	Profit before taxation	-113.07	-19.12	-82.31	-1.73	-0.65	-0.65
11	Provision for taxation	-	-	-	-	-	
12	Profit after taxation	-113.07	-19.12	-82.31	-1.73	-0.65	-0.65
13	Proposed dividend	N/A	N/A	N/A	N/A	N/A	N/A
14	% of shareholding	100%	100%	49%	100%	100%	100%

*One of the step-down subsidiaries, Barbeque Nation International LLC, incorporated on 18th February 2018 situated in Oman, is yet to commence its operations.

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

SD/-	SD/-
Kayum Razak Dhanani	**TN Unni**
Managing Director	*Director*
DIN: 00987597	DIN: 00079237

Place: Bangalore
Date: 21st May 2018

Annexure - 5

Form No. AOC-2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies 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

(a)	Name(s) of the related party and nature of relationship	There are no transactions which are not at arm's length basis
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Sl. no.	Name	Nature of contracts	Duration of the contracts	Amount (₹ million)	Terms and conditions	Date of the Board approval, if any	Amount paid as advance, if any
1	Sayaji Hotels Limited	Rent and maintenance charges, Services Received	—	19.51	As per the lease agreement	1st December 2015	—
2	Sayaji Hotels Limited	Service charge income	—	11.72	As per the agreement	1st July 2015	—
3	Sara Soule Private Limited	Sale of gift vouchers	On requirement basis	0.20	—	19th September 2017	—
4	Sara Soule Private Limited	Rent and maintenance charges	One year	4.46	As per the lease agreement	28th February 2017	—
5	Sara Soule Private Limited	Security Deposit Paid	6 months	0.21	As per the rent agreement	19th September 2017	—
6	Sanya Dhanani	Appointment as Business Manager-Operational & Sales (related party's appointment to any office or place of profit in the company)	Ongoing basis	0.55	Based on the HR policy	19th September 2017	—

For and on behalf of the Board of Directors

SD/- | SD/-

Kayum Razak Dhanani
Managing Director
DIN: 00987597

TN Unni
Director
DIN: 00079237

Place: Bangalore
Date: 21st May 2018

Annexure - 6

Annual report on CSR activities

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 statute governing the CSR and for the benefit of public. (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 and 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 the scheduled castes, the 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 and (xi) Any other CSR activities as per Companies Act, 2013 and approved by the Board from time to time.
2	The composition of the CSR committee	1. Mr. TN Unni (Chairman) 2. Mr. Tarun Khanna 3. Mr. Kayum Razak Dhanani 4. Mrs. Suchitra Dhanani 5. Mr. Abhay Chaudhari
3	Average net profit of the company for the last three financial years.	₹24,34,54,411
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹48,69,088
5	Details of CSR Expenditure during the financial year	Contribution of ₹2,00,000 to Christel House India, contribution of ₹2,00,000 to Deaf Enabled Foundation, contribution of ₹4,50,000 to Society for Health Alternatives SAHAJ, contribution of ₹4,61,000 to Aatapi Seva Foundation, contribution of ₹4,00,000 to Chaitanya and contribution of ₹4,50,000 to Hope Foundation.
6	Details of amount unspent	₹27,08,088
7	Reason for unspent amount	The Company is in the process of identifying more projects.

For and on behalf of the Board of Directors

SD/-	SD/-
Kayum Razak Dhanani	**TN Unni**
Managing Director	*Director*
DIN: 00987597	DIN: 00079237

Place: Bangalore
Date: 21st May 2018

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

Sr. no.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or programs 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 was undertaken		Direct expenditure on projects or programs	Overheads		Directly	Through implementing agency	Total
1.	Christel House India	Promoting education among children.	Local Area	Bangalore-Karnataka	Donated ₹2,00,000 to Christel House India registered under section 25 of the Companies Act, 1956; it provides education to underprivileged children.	₹2,00,000	-	-	-	Christel House India	₹2,00,000
2.	Deaf Enabled Foundation	Promoting education, including special education and employment enhancing vocation skills especially among differently-abled.	Others	Secunderabad-Telangana	Donated ₹.2,00,000 to Deaf Enabled Foundation registered under Societies Registration Act, 2001. It promotes socio-cultural awareness and works towards barrier-free communication for the deaf.	₹2,00,000	-	-	-	Deaf Enabled Foundation	₹2,00,000
3.	Society for Health Alternatives SAHAJ	Promoting education, Preventive health care and sanitisation	Others	Vadodara-Gujarat	Donated ₹4,50,000 to Society for Health Alternatives SAHAJ. It demonstrates alternative approaches in areas of health, education and sanitisation to adolescent girls.	₹4,50,000	-	-	-	Society for Health Alternatives SAHAJ	₹4,50,000
4.	Aatapi Seva Foundation	Preventive Health care, malnutrition and sanitation.	Others	Vadodara-Gujarat	Donated ₹4,61,000 to Society for Aatapi Seva Foundation. It focuses on enhancement of health, nutrition and well-being of persons with disabilities in Bharuch district of Gujarat	₹4,61,000	-	-	-		₹4,61,000
5.	Chaitanya	Promoting education and empowerment of women	Others	Pune-Maharashtra	Donated ₹4,00,000 to Chaitanya. It promotes local community-based institutions of women, especially self-help groups, clusters and federations.	₹4,00,000	-	-	-	Chaitanya	₹4,00,000
6.	Hope Foundation	Enhancing vocational skills, especially among children, women, livelihood enhancement projects for empowering women.	Others	Vadodara-Gujarat	Donated ₹4,50,000 to Hope Foundation for the education of slum children.	₹4,50,000	-	-	-	Hope Foundation	₹4,50,000

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

For and on behalf of the Board of Directors

SD/- SD/-

Kayum Razak Dhanani
Managing Director
DIN: 00987597

TN Unni
Director
DIN: 00079237

Place: Bangalore
Date: 21st May 2018

Annexure - 7

Details of Penalties/Punishment/Compounding of Offences:

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	Office of the Asst. Commissioner, Service Tax Division, Indore	21-06-17	Under Section 85 of the Finance Act, 1994 (32 of 1994)	972,530	We have filed appeal against order on 31.08.2017 & made pre-deposit of ₹73,690/- under the provisions of Sec-35-F.	Demand of CENVAT and appropriation of amount already paid & b. Imposition of penalty of ₹9,72,530/- u/s 15 of CCR read with Sec 78 of the Finance Act.
2	Barbeque-Nation Hospitality Limited	The Court of Resident Additional Collector & Adjudicating Officer, at Ahmedabad	30-11-16	Section 51 & 26 of FSSAI, 2006	50,000	Penalty paid off	Breach of Section 51 & 26 of FSSAI Act, 2006; penalty imposed accordingly.
3	Barbeque-Nation Hospitality Limited	Commercial Tax Department Delhi	05-01-18	Under Section 9(2) of CST Act	10,000	Penalty paid off	Penalty imposed against filing of incomplete return.
4	Barbeque-Nation Hospitality Limited	Commercial Tax Department Andhra Pradesh	27-01-18	Under AP VAT Act, 2005	14,658	Penalty paid off	Penalty imposed against disallowed ITC

For and on behalf of the Board of Directors

SD/-
Kayum Razak Dhanani
Managing Director
DIN: 00987597

SD/-
TN Unni
Director
DIN: 00079237

Place: Bangalore
Date: 21st May 2018

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The members of
Barbeque-Nation Hospitality Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Barbeque-Nation Hospitality Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and applicable to the Company, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity 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 that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Ind AS 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sundaresan
Partner
(Membership No. 025776)

Bengaluru
May 21, 2018

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, 2018 in conjunction with our audit of the Standalone Ind AS 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 of the Company 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, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

Sundaresan
Partner
(Membership No. 025776)

Bengaluru
May 21, 2018

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, Goods and Service 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, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 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, Value Added Tax or Goods and Service Tax which have not been deposited as on March 31, 2018 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 Million)
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Hyderabad	2014-2016	3.14
Rajasthan Value Added Tax Act, 2003	Value Added Tax	Commercial Tax Officer, Jaipur	2010-11 to October 2014	0.24
Punjab Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Chandigarh	2011-2014	1.37
Maharashtra Value Added Tax, 2002	Value Added Tax	Commercial Tax Officer, Maharashtra	2011-2014	0.91
Gujarat Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Gujarat	January 2013 to December 2016	3.67
Income Tax Act, 1961	Income tax	Assistant Commissioner of Income tax, Indore	2013-2014	1.42

(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 (xi) 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:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sundaresan
Partner
(Membership No. 025776)

Bengaluru
May 21, 2018

Standalone Balance Sheet

as at 31 March, 2018

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

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
ASSETS				
Non-current assets				
Property, plant and equipment	5 (a)	2,065.00	1,664.26	1,408.66
Capital work-in-progress		119.67	149.54	142.18
Goodwill	6	189.66	189.66	189.66
Other Intangible assets	5(b)	44.37	42.43	41.25
Financial Assets				
Investments	7	275.66	225.31	95.07
Other financial assets	8	189.51	178.39	147.65
Deferred tax assets (net)	34	38.53	31.18	34.05
Other non-current assets	9	90.60	80.61	79.11
Total Non-current assets [A]		**3,013.00**	**2,561.38**	**2,137.63**
Current assets				
Inventories	10	175.01	150.07	121.11
Financial assets				
Investments	11	0.01	27.89	30.05
Trade receivables	12	65.41	40.68	47.95
Cash and cash equivalents	13	355.83	44.35	10.45
Loans	14	149.10	0.23	23.32
Other financial assets	15	52.82	17.29	1.91
Other current assets	16	172.00	97.01	96.72
Total current assets [B]		**970.18**	**377.52**	**331.51**
Total assets [A+B]		**3,983.18**	**2,938.90**	**2,469.14**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	17	138.00	135.12	133.12
Other equity	18	2,094.32	1,397.26	1,209.92
Equity attributable to owners of the Company [C]		**2,232.32**	**1,532.38**	**1,343.04**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	19	469.32	524.29	362.44
Provisions	20	76.98	68.90	46.20
Other non-current liabilities	21	1.71	2.44	3.05
Total Non-current liabilities [D]		**548.01**	**595.63**	**411.69**
Current liabilities				
Financial Liabilities				
Borrowings	22	185.12	14.26	10.09
Trade payables	23	628.13	386.87	297.62
Other financial liabilities	24	239.01	268.37	287.02
Other current liabilities	25	65.25	73.16	52.07
Provisions	26	32.20	24.88	26.03
Current tax liabilities (Net)	27	53.14	43.35	41.58
Total current liabilities [E]		**1,202.85**	**810.89**	**714.41**
Total liabilities [F= [D+E]]		**1,750.86**	**1,406.52**	**1,126.10**
Total equity and liabilities [F+C]		**3,983.18**	**2,938.90**	**2,469.14**

See accompanying notes to the Standalone Ind AS Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place: Bengaluru
Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
Director
Din No:- 00079237

Rahul Agrawal
Chief Financial Officer

Nagamani C Y
Company Secretary

Place: Bengaluru
Date: 21st May, 2018

Standalone Statement of Profit & Loss

For the year ended 31 March, 2018

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

Particulars	Note No.	For the year ended 31-Mar-18	For the year ended 01-Apr-17
REVENUE			
Revenue from operations	27	5,711.66	4,894.90
Other income	28	51.38	22.06
Total (A)		**5,763.04**	**4,916.96**
Expenses			
Cost of food and beverages consumed	29	1,925.82	1,742.25
Employee benefits expenses	30	1,174.68	871.83
Occupancy cost and other operating expenses	31	1,758.09	1,585.91
Total (B)		**4,858.59**	**4,199.99**
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		**904.45**	**716.97**
Finance costs (D)	32	173.45	141.56
Depreciation and amortisation expense (E)	5	318.62	301.31
Profit before tax and exceptional items (F) = (C-D-E)		**412.38**	**274.10**
Exceptional items (G)	33	13.77	8.01
Profit before tax (H) = (F-G)		**398.61**	**266.09**
Tax expense / (benefit):	34		
Current tax		154.46	88.51
Deferred tax		(5.10)	3.69
Net tax expense / (benefit) (I)		**149.36**	**92.20**
Net Profit for the year (J) = (H-I)		**249.25**	**173.89**
Other Comprehensive Income / (Losses) (K)			
Items that will not be reclassified to Statement of profit and loss			
Remeasurements of the defined benefit plans		(6.51)	(2.45)
Income tax on the above		2.25	0.85
Total comprehensive income for the year (J + K)		**244.99**	**172.29**
Earnings per share	42		
Basic (in ₹) (Face value of ₹5 each)		9.22	6.45
Diluted (in ₹) (Face value of ₹5 each)		9.16	6.43

See accompanying notes to the Standalone Ind AS Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place: Bengaluru
Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
Director
Din No:- 00079237

Rahul Agrawal
Chief Financial Officer

Nagamani C Y
Company Secretary

Place: Bengaluru
Date: 21st May, 2018

Standalone Statement of Changes in Equity

As at 31 March, 2018

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

(a) Equity share capital

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Opening balance	135.12	133.12	133.12
Changes in equity share capital during the year			
Issue of the equity share during the year	2.88	2.00	-
Closing balance	**138.00**	**135.12**	**133.12**

See accompanying notes forming part of the standalone financial statements

(b) Other equity

Particulars	Reserves and Surplus			Total other equity
	Securities premium	Share options outstanding account	Retained earnings	
Balance as at 01 April 2016	742.80	-	467.12	1,209.92
Profit for the year	-	-	173.89	173.89
Remeasurements of the defined benefit plans (net of tax)	-	-	(1.60)	(1.60)
Total comprehensive income	**-**	**-**	**172.29**	**172.29**
Premium received on shares issued during the year	122.00	-	-	122.00
Amounts recorded on grant of employee stock options during the year	-	9.62	-	9.62
Dividend and tax there on	-	-	(24.04)	(24.04)
Adjustment on account of merger of Favorite Restaurants Private Limited	-	-	(92.53)	(92.53)
Balance as at 31 March 2017	**864.80**	**9.62**	**522.84**	**1,397.26**
Balance as at 01 April 2017	864.80	9.62	522.84	1,397.26
Profit for the year	-	-	249.25	249.25
Remeasurements of the defined benefit plans (net of tax)	-	-	(4.26)	(4.26)
Total comprehensive income	**-**	**-**	**244.99**	**244.99**
Premium received on shares issued during the year	475.53	-	-	475.53
Share issue expenses	(9.90)	-	-	(9.90)
Amounts recorded on grant of employee stock options during the year	-	18.96	-	18.96
Dividend and tax there on	-	-	(32.52)	(32.52)
Balance as at 31 March 2018	**1,330.43**	**28.58**	**735.31**	**2,094.32**

See accompanying notes to the Standalone Ind AS Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

S. Sundaresan

Partner

Place: Bengaluru

Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani

Managing Director

Din No:- 00987597

T.N Unni

Director

Din No:- 00079237

Rahul Agrawal

Chief Financial Officer

Nagamani C Y

Company Secretary

Place: Bengaluru

Date: 21st May, 2018

Standalone Statement of Cash Flow

For the year ended 31 March, 2018

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

Particulars	For the year ended 31-Mar-18	For the year ended 01-Apr-17
A. Cash flow from operating activities		
Profit / (loss) before tax	398.61	266.09
Adjustments for:		
Depreciation and amortisation	318.62	301.31
Net loss relating to relocation of restaurant units during the year (write off of PPE)	13.77	8.01
Interest expense	103.94	76.35
Interest income	(23.12)	(16.28)
Income from government grant	(2.07)	(2.57)
Profit on sale/fair value of investments in mutual funds	(2.83)	(3.21)
Expense on employee stock option scheme	18.96	9.62
Expense on phantom option scheme	17.17	3.33
Provision no longer required written back	(20.50)	-
Provision for doubtful receivables and advances	2.50	7.46
Operating profit before working capital changes	**825.05**	**650.11**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(24.94)	(28.62)
Trade receivables	(27.23)	7.79
Other assets	(68.33)	(34.23)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	231.36	87.88
Other current liabilities	(8.80)	16.52
Short-term provisions	0.86	(8.29)
Long-term provisions	0.84	11.75
Cash generated from operations	**928.81**	**702.91**
Net income tax (paid) / refunds	**(144.67)**	**(86.74)**
Net cash flow from / (used in) operating activities (A)	**784.14**	**616.17**
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(630.38)	(634.38)
Proceeds from sale of fixed assets	1.22	4.35
Investment in subsidiary	(50.35)	(225.31)
Loan given to subsidiary	(218.22)	(22.84)
Receipt towards repayment of loan from subsidiary	69.35	5.73
Deposits placed for margin money	-	(13.93)
Deposits held as margin money released	13.69	-
Interest received	2.57	5.41
Sale of investment in mutual fund	2.83	3.21
Net cash flow from / (used in) investing activities (B)	**(809.29)**	**(877.76)**

Particulars		For the year ended 31-Mar-18	For the year ended 01-Apr-17
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	478.41	124.00
	Expenses towards proposed Initial Public Offering	(67.39)	(5.39)
	Proceeds from longterm borrowings	390.00	400.00
	Repayment of longterm borrowings	(534.52)	(134.75)
	Net increase / (decrease) in working capital borrowings	170.86	4.17
	Dividend paid (inlcuding tax on dividend)	(32.52)	(24.04)
	Interest paid	(96.09)	(74.86)
Net cash flow from financing activities (C)		**308.75**	**289.13**
Net increase in cash and cash equivalents (A+B+C)		**283.60**	**27.54**
Cash and cash equivalents at the beginning of the year		72.24	40.50
Add: Cash and cash equivalents pertaining on merger of subsidiary		-	4.20
Cash and cash equivalents at the end of the year		**355.84**	**72.24**
Reconciliation of cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet		355.83	44.35
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements.		0.01	27.89
Cash and cash equivalents at the end of the year		**355.84**	**72.24**

See accompanying notes to the Standalone Ind AS Financial Statements

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

S. Sundaresan
Partner

Place: Bengaluru
Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
Director
Din No:- 00079237

Rahul Agrawal
Chief Financial Officer

Nagamani C Y
Company Secretary

Place: Bengaluru
Date: 21st May, 2018

Notes to the Standalone Ind AS Financial Statements

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 Prestige Zeenath, Municipal No. 8/1, Residency Road, Richmond Town, Bengaluru 560 025, Karnataka, India.

2 Basis of preparation and presentation and summary of significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards'("Ind AS") notified under section 133 of the Companies Act, 2013(the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 01 April 2016. Refer Note 4 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as in value in use in Ind AS 36.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Summary of significant accounting policies

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

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.

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

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalty arrangements that are based on sales and other measures are recognised by reference to the underlying arrangement.

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

Sales of food and beverages that result in discount vouchers/coupons for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the sale of food and beverages and the discount vouchers/

Notes to the Standalone Ind AS Financial Statements

coupons issued. The consideration allocated to the discount vouchers/coupons is measured by reference to their fair value. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the discount vouchers/ coupons are redeemed and the Company's obligations have been fulfilled.

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

Dividend income is accounted for when the right to receive the payment has been established.

Business combinations

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

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

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

Goodwill

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of Goodwill recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property, Plant and Equipment

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

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

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

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

Notes to the Standalone Ind AS Financial Statements

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible assets

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

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

Liquor licenses with perpetual term purchased for restaurant chain business	Amortised over the lease term of the respective restaurants
Software and other licenses	3 Years
Brand name	Indefinite useful life

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investments in subsidiary

Investment in subsidiaries are measured at cost less impairment.

Inventories

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

Financial Instruments

Financial assets and financial liabilities:

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

Initial recognition and measurement:

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

Subsequent measurement:

Financial assets at amortised cost-

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

Financial Assets at fair value through other comprehensive Income-

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

Notes to the Standalone Ind AS Financial Statements

Financial assets at fair value through profit or loss-

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

Financial liabilities

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

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

Equity Instrument

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

Impairment of financial assets (other than at fair value)

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

Derecognition of financial assets

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

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

Derecognition of financial liabilities

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

Share issue expense

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

Cash and cash equivalents

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

Foreign Currency transactions and translations

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

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

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

Notes to the Standalone Ind AS Financial Statements

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

• exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2017), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

Short-term employee benefits

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

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.

Share based payment transaction

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

The Company had 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 excercise price after the completion of specified period from the date of grant. Fair value of such cash-settled options is measured at every reporting date and is recognised as expense to the Statement of Profit and loss over the remaining vesting period on a straight-line basis with a corresponding adjustment recognised as liability.

Borrowing Costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

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

Notes to the Standalone Ind AS Financial Statements

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Income Taxes

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Notes to the Standalone Ind AS Financial Statements

Impairment of non-financial assets

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Earnings per share

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

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic

EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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.

First-time adoption of Ind AS

Overall Principle:

The Company has prepared the Opening Standalone Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Deemed cost for investment in subsidiary:

The Company has elected to continue with the carrying value of investments in all of its subsidiaries recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Past business combinations:

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016.

Determining whether an arrangement contains a lease:

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Notes to the Standalone Ind AS Financial Statements

Derecognition of Financial Assets and Liabilities:
The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Impairment of financial assets:
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Exchange difference on long-term foreign currency monetary items
The Company has elected to continue its accounting policy as per the previous GAAP in respect of exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

As per the previous GAAP, the exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable Property, plant and equipment are capitalised as part of such Property, plant and equipment and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable Property, plant and equipment, 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 equity as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

3 Use of estimates and judgements

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

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

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

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

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

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

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

Notes to the Standalone Ind AS Financial Statements

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

Note No. 4 Ind AS adoption reconciliations

Reconciliation of Equity

Particulars	Sl. No.	For the year ended 31-Mar-17	For the year ended 01-Apr-16
Share capital		135.12	133.12
Reserves		1,383.63	1,198.61
Equity as per previous GAAP		**1,518.75**	**1,331.73**
Add/(Less): Adjustment under Ind AS			
Reversal of proposed dividend and distribution tax thereon	1	-	24.04
Reversal of amortization charged with respect to goodwill and brand amortization	2	46.32	-
Present value of lease deposits given and amortisation of advance rent	3	(11.36)	(9.55)
Recognition of asset retirement obligation (ARO) cost of leasehold improvements and related liability	4	(10.82)	(10.82)
Incremental depreciation and finance cost on recognition of ARO cost and liability	4	(4.40)	-
Fair valuation of mutual funds	5	0.03	0.05
Others		1.81	1.09
Deferred tax effect on above adjustments, where applicable		(7.95)	6.50
Equity as per Ind AS		**1,532.38**	**1,343.04**

Reconciliation of Total Comprehensive Income

Particulars	Sl. No.	For the year ended 31-Mar-17
Profit as per previous GAAP		**145.92**
Add/(Less): Adjustment under Ind AS		
Reversal of amortization charged with respect to goodwill and brand amortization	2	46.32
Imputed rent expense on account of discounting of deposits	3	(13.79)
Unwinding of interest income on lease deposits	3	11.98
Incremental depreciation and finance cost on ARO costs capitalised to leasehold improvements	4	(4.40)
Fair valuation of mutual funds	5	(0.02)
Recognition of actuarial (gain)/loss in Other Comprehensive Income	6	2.45
Others		0.73
Deferred tax effect on above adjustments, where applicable		(15.30)
Profit as per Ind AS		**173.89**
Other Comprehensive Income:		
Recognition of actuarial loss in Other Comprehensive Income	6	(2.45)
Income tax on above		0.85
Total Comprehensive Income as per Ind AS		**172.29**

Notes to the Standalone Ind AS Financial Statements

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

Reconciliation of statement of cash flow:

There are no material adjustments to the statement of cash flows as reported under previous GAAP.

Sl. No.	Explanatory Notes
1	Under previous GAAP, dividends on equity shares for the respective year recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when authorised by the members in a general meeting. Accordingly, the liability for proposed dividend (including related taxes) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.
2	Under previous GAAP, goodwill on business acquisition and acquired brand name were amortised over the estimated useful life. Under Ind AS, brand name which has an indefinite life and the goodwill on acquisition of a business are not amortised but tested for impairment. Hence, such amortisation expense recorded during the year ended March 31, 2017 under previous GAAP, have been reversed on adoption of Ind AS. There is no impact of this GAAP difference as on the transition date of April 1, 2016, pursuant to the Company's choice to consider the carrying value of all its intangible assets recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost.
3	Under previous GAAP, lease deposits given (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, such financial assets are recognised at amortised cost method using effective ineterest rate method and the difference between the carrying value as per amortised cost method and transaction value of the security deposit has been recognised as prepaid rent which is amortised over the lease term on a straight line basis. Accordingly, the impact of additional interest income and rent expense have been adjusted with retained earnings as at April 1, 2016 and with profit for the year ended March 31, 2017.
4	Under previous GAAP, there was no specific requirement for provisioning of recognising asset retirement costs. Under Ind AS, the liability for asset retirement costs when the Company has obligation to perform site restoration activity is recognized at present value as at reporting date. The recognition and measurement of provisions on ARO involves the use of estimates and assumptions. Such present value of asset retirement costs are capitalised to related property, plant and equipment and depreciated over the useful life of such asset and interest is accrued on such liability. On the transition date, difference between such liability and the asset retirement costs recognised as Property, plant and equipment is recognised in equity.
5	Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been measured at Fair Value Through Profit & Loss (FVTPL) on the date of transition and subsequent reporting periods. The fair value changes are recognised in Statement of profit and loss.
6	Under previous GAAP, actuarial gains and losses were recognised in the Statement of profit and loss as there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income. Accordingly, the actuarial gains and losses arising from remeasurement of the net defined benefit liability / asset is recognised in other comprehensive income under Ind AS. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS.

Notes to the Standalone Ind AS Financial Statements

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

Note No. 5 Property, plant and equipment and intangible assets

Particulars	Cost					Accumulated depreciation/amortisation				Net Block
	Balance as at 01-Apr-17	Additions	Added on account of merger during the year (Refer note 35)	Deletions	Balance as at 31-Mar-18	Balance as at 01-Apr-17	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31-Mar-18	Balance as at 31-Mar-18
5(a) Property, plant and equipment (owned)										
Lease hold improvements	589.39	267.26	-	1.26	855.39	87.34	104.63	0.65	191.32	664.07
Furniture and fixtures	578.97	144.12	-	0.20	722.89	69.51	75.58	0.04	145.05	577.84
Plant & machinery	366.98	157.77	-	5.11	519.64	25.29	34.74	0.97	59.06	460.58
Service equipments	388.06	123.80	-	0.31	511.55	105.24	80.31	0.19	185.36	326.19
Computer equipments	40.72	23.76	-	-	64.48	15.12	16.78	-	31.90	32.58
Vehicles	3.22	1.58	-	0.05	4.75	0.58	0.48	0.05	1.01	3.74
Total	**1,967.34**	**718.29**	**-**	**6.93**	**2,678.70**	**303.08**	**312.52**	**1.90**	**613.70**	**2,065.00**
5(b) Intangible assets (others)										
Liquor licenses	7.41	-	-	-	7.41	3.40	1.22	-	4.62	2.79
Software and licenses	11.89	5.80	-	-	17.69	2.95	4.88	-	7.83	9.86
Brand name	29.48	2.24	-	-	31.72	-	-	-	-	31.72
Total	**48.78**	**8.04**	**-**	**-**	**56.82**	**6.35**	**6.10**	**-**	**12.45**	**44.37**
Grand Total	**2,016.12**	**726.33**	**-**	**6.93**	**2,735.52**	**309.43**	**318.62**	**1.90**	**626.15**	**2,109.37**

Particulars	Cost					Accumulated depreciation/amortisation				Net Block
	Balance as at 01-Apr-16	Additions	Added on account of merger during the year (Refer note 35)	Deletions	Balance as at 31-Mar-17	Depreciation / amortisation expense for the year	Added on account of merger during the year (Refer note 35)	Eliminated on disposal of assets	Balance as at 31-Mar-17	Balance as at 31-Mar-17
5(a) Property, plant and equipment (owned)										
Lease hold improvements *	422.79	155.24	17.55	6.19	589.39	87.00	3.62	3.28	87.34	502.05
Furniture and fixtures	416.99	142.91	20.40	1.33	578.97	65.05	4.71	0.25	69.51	509.46
Plant & machinery *	260.98	110.56	2.08	6.64	366.98	27.38	0.28	2.37	25.29	341.69
Service equipments	281.29	95.18	12.92	1.33	388.06	101.00	4.78	0.54	105.24	282.82
Computer equipments	25.12	14.54	1.52	0.46	40.72	14.49	0.97	0.34	15.12	25.60
Vehicles	1.49	0.58	1.15	-	3.22	0.36	0.22	-	0.58	2.64
Total	**1,408.66**	**519.01**	**55.62**	**15.95**	**1,967.34**	**295.28**	**14.58**	**6.78**	**303.08**	**1,664.26**
5(b) Intangible assets (others)										
Liquor licenses	7.41	-	-	-	7.41	3.40	-	-	3.40	4.01
Software and licenses	6.78	4.60	0.54	0.03	11.89	2.63	0.32	-	2.95	8.94
Brand name	27.06	-	2.42	-	29.48	-	-	-	-	29.48
Total	**41.25**	**4.60**	**2.96**	**0.03**	**48.78**	**6.03**	**0.32**	**-**	**6.35**	**42.43**
Grand Total	**1,449.91**	**523.61**	**58.58**	**15.98**	**2,016.12**	**301.31**	**14.90**	**6.78**	**309.43**	**1,706.69**

* Cost of leasehold improvements as at 01-Apr-16 includes deemed cost of ₹409.29 being the carrying value as per previous Indian GAAP and an adjustment of asset retirement cost measured in accordance with Ind AS. Further, cost of plant and machinery as at 01-Apr-16 includes deemed cost of ₹253.82 being the carrying value as per previous Indian GAAP and an adjustment of benefit of EPCG grant under Ind AS which was offset with the cost of asset under previous Indian GAAP.

Notes to the Standalone Ind AS Financial Statements

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

Note No. 6 Goodwill

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Goodwill allocated to the business of operating restaurant outlets	189.66	189.66	189.66

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

Note No. 7 Investments

(Classified under non-current assets)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Unquoted Investments in equity instruments of subsidiary (carried at cost):			
Favorite Restaurants Private Limited (9,507,459 equity shares of ₹10 each as at 1-Apr-16) (Refer Note 35)	-	-	95.07
Prime Gourmet Private Limited (24,462,763 (31 March 2017: 19,427,763) equity shares of ₹10 each) (Refer note (a) below)	257.05	206.70	-
Barbeque Nation Holdings Limited (10,000 (31 March 2017: 10,000) equity shares of AED 100 each) (Refer note (b) below)	18.61	18.61	-
Total	**275.66**	**225.31**	**95.07**
Aggregate amount of un-quoted investments	**275.66**	**225.31**	**95.07**

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

The Directors of the Company have assessed the investments for impairment as at the Balance sheet date by determining the ""value in use"" of the business of PGPL. The ""value in use"" is determined as an aggregate of present value of cash flow projections covering a five year period and the terminal value. The terminal value of PGPL business is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate of 5% p.a. The cash flows are discounted using a pre tax discount rate in the range of 17.23%. The growth rates have been considered based on the market conditions prevalent. The management believes that the projections used by the management for determining the ""Value in use"" are based on past experience and external sources of information and any reasonable possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to materially exceed the aggregate recoverable amount of the cash generating unit.

(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 (₹18.61) 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 over relevant activities of BNR LLC.

Note No. 8 Other financial assets

(Classified under non-current assets)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Carried at amortised cost			
Security deposits	177.91	153.08	136.45
Deposit with Related Parties	0.21	0.23	0.05
Balances held as margin money or security	11.39	25.08	11.15
Total	**189.51**	**178.39**	**147.65**

Notes to the Standalone Ind AS Financial Statements

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

Note No. 9 Other non-current assets

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good:			
Capital advances	-	0.95	9.09
Amounts paid to statutory authorities under protest	9.62	10.06	1.50
Prepaid rent	80.98	69.60	68.52
Total	**90.60**	**80.61**	**79.11**

Note No. 10 Inventories

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
(At lower of cost and net realisable value)			
Food & beverages	138.17	114.58	98.03
Stores & consumables	36.84	35.49	23.08
Total	**175.01**	**150.07**	**121.11**

Note No. 11 Investments

(Classified under current assets)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Investments carried at fair value through profit or loss:			
Investment in mutual funds			
Kotak Equity Arbitrage Fund Monthly dividend plan	-	-	30.05
Number of mutual fund units	-	-	12,104.76
SBI Magnum Insta Cash Fund Direct Plan Growth	-	27.89	-
Number of mutual fund units	-	7,754.09	-
SBI PLFReg Plan Daily dividend	0.01	-	-
Number of mutual fund units	2.46	-	-
Total	**0.01**	**27.89**	**30.05**
Aggregate net asset value of quoted investments in mutual funds	**0.01**	**27.89**	**30.05**

Note No. 12 Trade receivables

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Trade receivables (unsecured) consist of following			
Considered good	65.41	40.68	47.95
Considered doubtful	2.52	2.48	0.70
	67.93	43.16	48.65
Allowance for doubtful receivables (expected credit loss allowance)	(2.52)	(2.48)	(0.70)
Total	**65.41**	**40.68**	**47.95**

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

Movement in allowance for doubtful debts is as follows:

Particulars	31-Mar-18	31-Mar-17
Opening balance	2.48	0.70
Allowance for doubtful debts	2.50	2.50
Doubtful receivables written-off	(2.46)	(0.72)
Closing balance	**2.52**	**2.48**

Notes to the Standalone Ind AS Financial Statements

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

Note No. 13 Cash and cash equivalents

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Balances with banks			
In current accounts	286.87	36.02	5.89
In deposit accounts	58.30	1.00	-
Cash on hand	10.66	7.33	4.56
Cash and cash equivalents as per balance sheet	**355.83**	**44.35**	**10.45**
Add: Investments in liquid mutual funds in the nature of "Cash and cash equivalents" (Refer note 11)	0.01	27.89	30.05
Cash and cash equivalents as per statement of cash flows	**355.84**	**72.24**	**40.50**

Note No. 14 Loans

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Loan to related parties (Unsecured, considered good)			
Barbeque Nation Holdings Limited	125.80	-	-
Favorite Restaurants Private Limited	-	-	23.32
Prime Gourmet Private Limited	23.30	0.23	-
Total	**149.10**	**0.23**	**23.32**

Note No. 15 Other financial assets

(Classified under current assets)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Interest accrued on			
fixed deposits	3.03	0.80	1.12
inter-corporate deposits and loans	5.49	-	0.79
Other receivables from subsidiaries			
Prime Gourmet Private Limited	19.59	0.46	-
Barbeque Nation Holdings Limited	21.81	16.03	-
Barbeque Nation Holdings Pvt Ltd, Mauritius	1.10	-	-
Barbeque Nation Holdings LLC, Singapore	0.72	-	-
Barbeque Nation (Malaysia) Sdn. Bhd.	1.08	-	-
Total	**52.82**	**17.29**	**1.91**

Note No. 16 Other current assets

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Advance to employees	9.28	5.73	2.61
Prepaid expenses	61.82	54.88	43.83
Advances paid for supply of materials / rendering of services			
Unsecured, considered good	18.87	27.12	43.91
Doubtful	9.96	9.96	5.00
	28.83	**37.08**	**48.91**
Less: Allowance for bad and doubtful advances	(9.96)	(9.96)	(5.00)
	18.87	**27.12**	**43.91**
Balance with Government authorities	9.25	3.89	6.37
Unamortised share issue expenses (Refer note below)	72.78	5.39	-
Total	**172.00**	**97.01**	**96.72**

Note: The Company has incurred expenses of ₹72.78 as at 31 March 2018 (₹5.39 as at 31 March 2017) 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 to the Standalone Ind AS Financial Statements

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

Note No. 17 Equity Share capital

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Authorised			
60,000,000 equity shares of ₹5/- each* (as at 31-Mar-17 60,000,000 Equity shares of ₹5/- each) (as at 1-Apr-16: 20,000,000 equity shares of ₹10/- each)	300.00	300.00	200.00
Issued, subscribed and fully paid up capital			
27,599,014 equity shares of ₹5 each* (as at 31-Mar-17 27,024,014 Equity shares of ₹5 each) (as at 1-Apr-16: 13,312,007 equity shares of ₹10/- each)	138.00	135.12	133.12
Total	**138.00**	**135.12**	**133.12**

* The face value of equity shares of the Company has been split from ₹10 to ₹5 per share with effect from 15 December 2016. Further, pursuant to the scheme of amalgamation referred in note 35, the authorised share capital of the Company was changed to 60 Million equity shares of ₹5/- each from 01 January 2017, being the appointed date of this scheme.

(a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year

Particulars	31-Mar-18		31-Mar-17	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹10/ each:				
Opening balance	2,70,24,014	135.12	1,33,12,007	133.12
Add: Issued during the year #	5,75,000	2.88	2,00,000	2.00
Equity shares of ₹5 each as at December 15, 2016 pursuant to sub-division of shares with effect from December 15, 2016	-	-	2,70,24,014	135.12
Closing balance	**2,75,99,014**	**138.00**	**2,70,24,014**	**135.12**

575,000 equity shares of ₹5 each were issued to Alchemy India Long-term Fund Ltd at a premium of ₹827 per share on March 29, 2018. 200,000 equity shares of ₹10 each were issued to Mr. Kayum Razak Dhanani, the Managing Director of the Company at a premium of ₹610 per share on May 12, 2016.

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

Particulars	31-Mar-18		31-Mar-17		01-Apr-16	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Sayaji Housekeeping Services Limited	1,26,21,116	45.73%	1,26,21,116	46.70%	63,10,558	47.41%
Tamara Private Limited	60,78,402	22.02%	64,45,940	23.85%	32,22,970	24.21%
Pace Private Limited	31,82,964	11.53%	33,75,426	12.49%	16,87,713	12.68%
Kayum Razak Dhanani	13,98,684	5.07%	13,95,788	5.16%	4,97,894	3.74%

(c) Number of equity shares reserved for issuance

Name of shareholders	31-Mar-18	31-Mar-17	01-Apr-16
Equity shares of ₹10/- each to eligible employees under Employee Stock Option Scheme	-	-	**2,66,240**
Equity shares of ₹5/- each to eligible employees under Employee Stock Option Scheme	**5,32,480**	**5,32,480**	-

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

Notes to the Standalone Ind AS Financial Statements

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

Note No. 18 Other equity

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Securities premium	1,330.43	864.80	742.80
Share options outstanding account	28.58	9.62	-
Retained earnings	735.31	522.84	467.12
Total	**2,094.32**	**1,397.26**	**1,209.92**

Particulars	31-Mar-18	31-Mar-17
Securities premium account		
Opening balance	864.80	742.80
Add: Premium on shares issued during the year [Refer Note 17 (a)]	475.53	122.00
Less : Share issue expenses	(9.90)	-
Closing balance	**1,330.43**	**864.80**
Share options outstanding account		
Opening balance	28.87	-
Add: Amounts recorded on grant of employee stock options during the year (Refer Note 38)	37.38	28.87
	66.25	28.87
Less : Deferred stock compensation expense	(37.67)	(19.25)
Closing balance	**28.58**	**9.62**
Retained earnings		
Opening balance	522.84	467.12
Add: Profit for the year	249.25	173.89
Less: Remeasurement loss recognised in Other comprehensive Income (net of tax)	(4.26)	(1.60)
Less: Adjustment on account of merger of Favorite Restaurants Private Limited (Refer Note 35)	-	(92.53)
Less: Dividend on equity shares (refer note below)	(27.02)	(19.97)
Less: Tax on dividend above (refer note below)	(5.50)	(4.07)
Closing balance	**735.31**	**522.84**

Particulars	31-Mar-18	31-Mar-17
The amount of dividends proposed before the financial statements were approved for issue but not recognised as a distribution to owners during the year	27.98	27.02
Tax on dividend above	5.75	5.50

Note No. 19 Borrowings

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Secured at amortised cost:			
Term loan from banks (Refer notes below)	469.32	524.29	362.44
Total	**469.32**	**524.29**	**362.44**

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
Term loans from banks			
(i) Term loan 1 :			
Non -Current portion	**-**	**-**	**47.00**
Current maturities of long-term debt	**-**	**47.00**	**48.00**
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 :			
First paripassu charge by way of hypothecation on entire current assets and movable fixed assets of the Company (both present and future)			

Notes to the Standalone Ind AS Financial Statements

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
(ii) Term loan 2 :			
Non -Current portion	-	-	42.00
Current maturities of long-term debt	-	42.00	42.00
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 :			
First paripassu charge by way of hypothecation on entire current assets and movable fixed assets of the Company (both present and future)			
(iii) Term loan 3:			
Non -Current portion	-	159.67	185.38
Current maturities of long-term debt	-	60.00	41.62
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) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company.			
(iv) Term loan 4:			
Non -Current portion	43.73	62.35	88.06
Current maturities of long-term debt	18.73	20.15	18.90
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) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company			
(v) Term loan 5:			
Non-Current portion			
Current maturities of long-term debt	81.00	-	-
Repayment terms:	9.00	-	-
Repayable in 60 equal monthly instalments from October 2023 to and carries an interest rate of 12 month MCLR plus 1% p.a			

Notes to the Standalone Ind AS Financial Statements

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
Security :			
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company			
(vi) Term loan 6:			
Non -Current portion	34.40	-	-
Current maturities of long-term debt	14.40	-	-
Repayment terms:			
Repayable in 42 defined monthly instalments from March 2018 to May 2022 and carries an interest rate of 12 month MCLR plus 1% p.a			
Security :			
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company.			
(vii) Term loan 7:			
Non -Current portion	202.94	216.67	-
Current maturities of long-term debt	90.20	66.67	-
Repayment terms:			
Repayable in 54 equal monthly instalments from January 2017 to June 2021 and carries interest rate at 1 year MCLR plus 0.25% p.a			
Security :			
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future 2) First paripassu charge over the Brand of the Company			
(viii) Term loan 8:			
Non -Current portion	38.83	85.60	-
Current maturities of long-term debt	11.62	15.00	-
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) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future 2) First paripassu charge over the Brand of the Company			
(ix) Term loan 9:			
Non -Current portion	68.42	-	-
Current maturities of long-term debt	21.05	-	-
Repayment terms:			
Repayable in 19 equal quarterly instalments from October 2017 to April 2022 and carries an interest at yearly MCLR + 155 base points p.a later, rate to be reset annually.			

Notes to the Standalone Ind AS Financial Statements

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
Security :			
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future 2) First paripassu charge over the Brand of the Company			
Total	**634.32**	**775.11**	**512.96**
Non-current portion	**469.32**	**524.29**	**362.44**
Current maturities of long-term debt	**165.00**	**250.82**	**150.52**

Note No. 20 Provisions

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits:			
Compensated absences	12.23	15.55	11.43
Gratuity	25.23	21.07	12.50
Provision for phantom stock options	-	3.33	-
Provision for asset retirement obligations	39.52	28.95	22.27
Total	**76.98**	**68.90**	**46.20**

Note No. 21 Other non-current liabilities

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Deferred Government grant	1.71	2.44	3.05
Total	**1.71**	**2.44**	**3.05**

Note No. 22 Borrowings

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Secured loans repayable on demand from banks:			
Working capital loans	35.12	14.26	10.09
[Security for the above secured loan includes capital goods purchased / imported under LC and all other primary / collateral securities stipulated for long-term loans referred in Note 19 (iii) to 19 (vi)]			
Unsecured			
Commercial paper with IndusInd Bank	150.00	-	-
Repayment terms for Commercial paper			
₹50 Million repayable by April 2018 and carries an interest rate of 8.25% p.a			
₹100 Million repayable by May 2018 and carried an interest rate of 8.15% p.a			
Total	**185.12**	**14.26**	**10.09**

Note No. 23 Trade Payables

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Other than Acceptances			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises	628.13	386.87	297.62
Total	**628.13**	**386.87**	**297.62**

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 to the Standalone Ind AS Financial Statements

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

The above includes the following debts due to promoter/group companies/ related parties as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Trade Payables			
Entity in which KMP / Relatives of KMP can exercise significant influence			
Sara Soule Private Limited	0.65	3.97	1.55
Investing party for which company is an associate			
Sayaji Hotels Limited	8.22	6.69	119.45

Note No. 24 Other financial liabilities

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Current maturities of long-term borrowings			
From banks	165.00	250.82	150.52
Interest accrued but not due on borrowings	2.84	1.77	2.08
Payables on purchase of property, plant and equipment	71.17	15.78	134.42
Total	**239.01**	**268.37**	**287.02**

Note: There are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel.

Note No. 25 Other current liabilities

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Payable towards statutory remittances	42.77	59.06	46.04
Advance received from customers	19.48	12.03	3.46
Deferred government grant	3.00	2.07	2.57
Total	**65.25**	**73.16**	**52.07**

Note No. 26 Provisions

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits:			
Compensated absences	18.59	17.93	18.67
Gratuity	10.61	3.90	5.31
Provision for asset retirement obligations	3.00	3.05	2.05
Total	**32.20**	**24.88**	**26.03**

Note No. 27 Current tax liabilities (Net)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision - Others:			
Income Tax (net of advance income tax)	53.14	43.35	41.58
Total	**53.14**	**43.35**	**41.58**

Note No. 27 Revenue from operations

Particulars	31-Mar-18	31-Mar-17
Sale of food & beverages	5,652.92	4,828.76
Other operating revenues (net of expenses directly attributable to such income) (Refer note (i) below)	58.74	66.14
Total	**5,711.66**	**4,894.90**

Notes to the Standalone Ind AS Financial Statements

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

(i) Other operating revenue

Particulars	31-Mar-18	31-Mar-17
Revenue from displays and sponsorships	24.27	28.97
Share of profits and income from royalty	24.52	32.04
Government incentives	-	2.74
Sale of scrap	2.49	2.22
Other receipts from outdoor catering	3.29	0.17
Guarentee commission	2.88	-
Others	1.29	-
Total	**58.74**	**66.14**

Note No. 28 Other income

Particulars	31-Mar-18	31-Mar-17
Interest income on		
financial assets at amortised cost	12.83	11.98
fixed deposits and loans	10.29	4.30
Income from government grant	2.07	2.57
Net gain on fair value / sale of investments in mutual funds	2.83	3.21
Income from sublease of premises	2.86	-
Provision no longer required	20.50	-
Total	**51.38**	**22.06**

Note No. 29 Cost of food and beverages consumed

Particulars	31-Mar-18	31-Mar-17
Opening stock	114.58	98.03
Add: Stock of Favorite Restaurant Private Limited merged during the year	-	0.21
Add: Purchases	1,949.41	1,758.59
	2,063.99	**1,856.83**
Less Closing stock	(138.17)	(114.58)
Total	**1,925.82**	**1,742.25**

Note No. 30 Employee benefits expenses

Particulars	31-Mar-18	31-Mar-17
Salaries and wages	851.54	742.46
Contributions to provident and other funds	42.35	43.63
Gratuity expenses	7.01	4.72
Expense on employee stock option scheme	18.96	9.62
Staff welfare expenses	254.82	71.40
Total	**1,174.68**	**871.83**

Note No. 31 Occupancy cost and other operating expenses

Particulars	31-Mar-18	31-Mar-17
Consumption of stores & operating supplies	81.82	82.82
Power and fuel	437.70	388.53
Rent including lease rentals	589.53	526.23
Repairs and maintenance:		
Buildings	7.18	6.53
Machinery	23.52	23.21
Others	26.12	22.38
House keeping services	145.15	133.64

Notes to the Standalone Ind AS Financial Statements

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

Particulars	31-Mar-18	31-Mar-17
Water charges	28.79	25.41
Insurance	8.94	5.01
Rates and taxes	61.23	56.41
Communication	29.39	25.96
Travelling and conveyance	33.31	27.84
Printing and stationery	22.57	23.56
Laundry expenses	12.38	10.46
Security service charges	21.72	21.08
Recruitment expenses	2.14	2.55
Business promotion	93.13	96.28
Vehicle hiring charges	10.41	11.73
Legal and professional	46.05	38.98
Expense on phantom stock option scheme	17.17	3.33
Payments to auditors (Refer note below)	3.25	2.65
Parking Charges	7.79	7.03
Corporate social responsibility	2.16	0.70
Provision for doubtful receivables and advances	2.50	7.46
Miscellaneous expenses	44.14	36.13
Total	**1,758.09**	**1,585.91**

Payment to auditors *

Particulars	31-Mar-18	31-Mar-17
For audit of Standalone and Financial Statements and quarterly reviews	2.60	2.20
For audit of Consolidated Financial Statements	0.35	0.30
Reimbursement of expenses	0.30	0.15
Total	**3.25**	**2.65**

* net of input tax credit during previous year ended March 31, 2017.

The above fee excludes fee of ₹8.26 Million (including related GST) paid to auditors in connection with the services provided for proposed IPO by the Company which has been included under unamortised share issue expenses.

Note No. 32 Finance costs

Particulars	31-Mar-18	31-Mar-17
Interest expense on:		
Borrowings	100.89	74.30
Provision for asset retirement obligations	3.05	2.05
Receivable discounting charges	59.35	57.50
Other bank charges	10.16	7.71
Total	**173.45**	**141.56**

Note No. 33 Exceptional items

Particulars	31-Mar-18	31-Mar-17
Net loss relating to restaurant units closed / relocated during the year	13.77	8.01
Total	**13.77**	**8.01**

Pursuant to relocation of certain restaurant outlets, net losses incurred on account of disposal of certain fixed assets amounting ₹3.81 (during the year ended March 31, 2017 - ₹4.85) and write-down of lease deposits amounting ₹9.96 (during the year ended March 31, 2017 - ₹3.16) due to termination of lease contracts have been considered under exceptional items.

Notes to the Standalone Ind AS Financial Statements

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

Note No. 34 Tax expense / (benefit):

Tax expenses recognised in Statement of Profit and Loss

Particulars	31-Mar-18	31-Mar-17
Current tax	154.46	88.51
Deferred tax	(5.10)	3.69
Total	**149.36**	**92.20**

Movement in deferred tax balances

Particulars	For the year ended 31 March 2018				
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	On account of merger of FRPL referred in note 35	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment and Financial assets	(18.97)	(1.47)	-	-	(20.44)
Tax effect of items constituting deferred tax assets					
Provision towards asset retirement obligations	10.02	3.66	-	-	13.68
Employee Benefits and other provisions	33.34	2.26	2.25	-	37.85
Others	6.79	0.65	-	-	7.44
Net deferred tax asset / (liabilities)	**31.18**	**5.10**	**2.25**	**-**	**38.53**

Particulars	For the year ended 31 March 2017				
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	On account of merger of FRPL referred in note 35	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment and Financial assets	(4.38)	(14.56)	-	(0.03)	(18.97)
Tax effect of items constituting deferred tax assets					
Provision towards asset retirement obligations	7.71	2.31	-	-	10.02
Employee Benefits and other provisions	25.57	6.92	0.85	-	33.34
Others	5.15	1.64	-	-	6.79
Net deferred tax asset / (liabilities)	**34.05**	**(3.69)**	**0.85**	**(0.03)**	**31.18**

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

Particulars	31-Mar-18	31-Mar-17
Profit before tax	398.61	266.09
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	137.95	92.09
Effect on set off of brought forward losses pertaining to Favourite Restaurants Private Limited on account of merger with the Company	-	(32.01)
Effect on account of non-deductible expenses under income tax	6.73	6.35
Adjustments recognised in respect of changes in tax WDV	-	25.25
Others	4.68	0.52
Income tax expense recognised in Statement of profit and loss	**149.36**	**92.20**

Notes to the Standalone Ind AS Financial Statements

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

Note No. 35 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 Amalgmation (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 and the assets and liabilities transferred have been recorded at their book values as on the appointed date of the Scheme. 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 (remeasured under Ind AS) :

Particulars	Amount	
Non-current assets	45.28	
Current assets	8.61	
Total assets		**53.89**
Non-current liabilities	41.40	
Current liabilities	9.88	
Total liabilities		**51.28**
Net assets		**2.61**
Reserves and Surplus		
Deficit in Statement of Profit and Loss		**(92.53)**

As on the appointed date, difference between carrying value of investments in Transferor Company amounting ₹95 Million was offset with the face value of such shares amounting ₹95 Million

Note No. 36 Contingent liabilities and commitments (to the extent not provided for)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
A. Contingent liabilities			
Claims against the Company not acknowledged as debt (Sales Tax and VAT matters)	19.47	19.16	9.19
Customs duties saved against imports under EPCG scheme	0.65	-	-
Bonus to employees for FY 2014-15 pursuant to retrospective amendment to the Payment of Bonus Act, 1965	-	-	11.46
Stand-by Letter of Credit given to bank on borrowings by subsidiary (to the extent of loans outstanding)	383.92	61.57	-
B.Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	126.82	63.13	41.46

Note No. 37 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	31-Mar-18	31-Mar-17
Contribution to Provident Fund and Employee State Insurance Scheme	66.21	64.43

Notes to the Standalone Ind AS Financial Statements

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

Defined benefit plans

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

Investment risk

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

Interest risk

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

Longevity risk

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

Salary risk

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

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

Particulars	Valuation as at		
	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	6.80%	6.50%	7.85%
Salary escalation	8.00%	8.00%	10.00%
Attrition rate	40.00%	40.00%	40.00%
Retirement age	58 years	58 years	58 years
Mortality	As per IALM (2006-08) ultimate		

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

Particulars	31-Mar-18	31-Mar-17
Service cost:		
Current service cost	5.13	3.32
Net interest expense	1.88	1.40
Components of defined benefit costs recognised in profit or loss	**7.01**	**4.72**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	1.00	(0.11)
Actuarial (gains) / losses arising from experience adjustments	5.51	2.56
Components of defined benefit costs recognised in other comprehensive income	**6.51**	**2.45**
Total	**13.52**	**7.17**

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

Notes to the Standalone Ind AS Financial Statements

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

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

Particulars	31-Mar-18	31-Mar-17
Present value of funded defined benefit obligation	37.78	26.76
Fair value of plan assets	(1.94)	(1.79)
Funded status	**35.84**	**24.97**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**35.84**	**24.97**
Current	10.61	3.90
Non-current	25.23	21.07

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

Particulars	31-Mar-18	31-Mar-17
Opening defined benefit obligation	26.76	19.46
Expenses recognised in the statement of profit and loss		
Current service cost	5.13	3.32
Interest cost	2.03	1.53
Remeasurement (gains)/losses recognised in other comprehensive income:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	1.00	(0.11)
Actuarial gains and losses arising from experience adjustments	5.51	2.56
Acquisition / Divestiture	-	-
Benefits paid	(2.65)	-
Closing defined benefit obligation	**37.78**	**26.76**

Particulars	31-Mar-18	31-Mar-17
Opening fair value of the asset	**1.79**	**1.66**
Acquisition adjustment	-	-
Interest income on plan assets	0.15	0.13
Employer contributions	-	-
Return of plan assets greater / (lesser) than discount rate	-	-
Benefits paid	-	-
Closing fair value of assets	**1.94**	**1.79**

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

Discount Rate	31-Mar-18	31-Mar-17
1 Effect on defined benefit obligation due to 100 bps increase in salary escalation rate	36.95	28.38
2 Effect on defined benefit obligation due to 100 bps decrease in salary escalation rate	38.66	29.83

Salary escalation rate	31-Mar-18	31-Mar-17
1 Effect on defined benefit obligation due to 100 bps increase in salary escalation rate	38.65	29.83
2 Effect on defined benefit obligation due to 100 bps decrease in salary escalation rate	36.94	28.39

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

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

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

Notes to the Standalone Ind AS Financial Statements

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

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

Particulars	31-Mar-18	31-Mar-17
Year 1	12.96	8.75
Year 2	11.78	9.18
Year 3	10.68	8.55
Year 4	9.71	8.18
Year 5	8.28	8.01
Year 6 to 10	20.84	18.91

Note No. 38 Employee Stock Option Scheme

In the annual general meeting held on August 26, 2015, the shareholders of the Company had approved the issue of not more than 266,240 options (underlying equity share of face value of ₹10/- each per option) under the Scheme titled " Employee Stock Option Scheme 2015 (ESOP 2015). The ESOP 2015 allows the issue of options to employees of the Company and its subsidiaries. Pursuant to the sub-division of equity share of ₹10 each into 2 equity shares of ₹5 each during the previous year, the scheme comprise of 532,480 options (underlying equity share of face value of ₹5 each per option).

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

On April 1, 2016, July 10, 2017 and August 5, 2017, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

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

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

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

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

Employee stock options details as on the Balance Sheet date (considering the effect of sub-division of shares) 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:	2,13,528	155.69
Lapsed during the year 2016-17:	59,610	193.69
Options outstanding at the end of the financial year 2016-17:	**1,53,918**	**140.97**
Options available for grant as at 31 March 2017	**3,78,562**	

Notes to the Standalone Ind AS Financial Statements

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

Particulars	Options (Numbers)	Weighted average exercise price per option (₹)
Options outstanding at the beginning of 01 April 2017	1,53,918	140.97
Granted during the year ended 31 March 2018	3,02,859	435.73
Lapsed during the year ended 31 March 2018	26,542	278.47
Options outstanding at the end of 31 March 2018	**4,30,235**	**339.98**
Options available for grant as at 31 March 2018	**1,02,245**	

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

Grant date	01-Apr-16	10-Jul-17	05-Aug-17	05-Aug-17	05-Aug-17
Risk Free Interest Rate	6.60%	6.68%	6.68%	6.68%	6.68%
Expected Life	3.5 years	1.75 years	1 year	2 years	3 years
Expected Annual Volatility of Shares	33.33%	3.02%	3.02%	3.02%	3.02%
Expected Dividend Yield	0.24%	0.15%	0.15%	0.15%	0.15%

Note No. 39 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. On April 1, 2016, the Company granted 22,242 options under said scheme for eligible personnel. Pursuant to the sub-division of equity share of ₹10 each into 2 equity shares of ₹5 each, the Company had cancelled 22,242 options issued earlier and re-issued 44,484 Phantom options wherein the option holder is entitled for cash equal to the difference between market value of equity shares of face value ₹5/- 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.

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.

Pursuant to the termination of retainer's agreement by way of mutual consent of the Company and retainers, "Phantom Option Scheme 2015" has been withdrawn with the approval of Board of Directors at the meeting dated February 15, 2018 and accordingly, the carrying amount of this liability as on February 15, 2018 amounting to ₹20.50 Million has been written-back.

Note No. 40 Segment information

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

Note No. 41 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	31-Mar-18	31-Mar-17	01-Apr-16
Future minimum lease payments:			
Upto One year	202.74	206.70	119.59
More than one year and upto five years	144.48	115.87	150.24
More than five years	-	-	-

Notes to the Standalone Ind AS Financial Statements

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

Note No. 42 Earnings per share

Particulars	31-Mar-18	31-Mar-17
Basic and Diluted Earnings Per Share (₹)		
Basic Earnings Per Share (Basic EPS)		
Net profit after tax attributable to equity shareholders	249.25	173.89
Weighted average number of Equity Shares outstanding	2,70,28,740	2,69,79,082
Basic EPS in ₹	**9.22**	**6.45**
Face value in ₹	5.00	5.00
Diluted Earnings Per Share (Diluted EPS)		
Net profit after tax attributable to equity shareholders	249.25	173.89
Weighted average number of Shares used for calculating Basic EPS	2,70,28,740	2,69,79,082
Add: Effect of ESOPs and share warrants which are dilutive	1,74,023	51,561
Weighted average number of shares considered for calculating Diluted EPS	**2,72,02,763**	**2,70,30,643**
Diluted EPS in ₹	**9.16**	**6.43**
Face value in ₹	5.00	5.00

Note No. 43

During the year ended 31 March 2018, the Company was subject to search under Section 132 of the Income Tax Act, 1961. The Company believes that there was no inconsistent information that was noted by the Income Tax authorities during the search and thereafter. As on date the Company has not received communication from the Income Tax authorities regarding the outcome of the search.

Note No. 44 Financial instruments

The carrying value and fair value of financial instruments by categories as at

Particulars	Carrying value			Fair value		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Financial assets						
Amortised cost						
Loans	149.10	0.23	23.32	149.10	0.23	23.32
Trade receivables	65.41	40.68	47.95	65.41	40.68	47.95
Cash and cash equivalents	355.83	44.35	10.45	355.83	44.35	10.45
Other financial assets	242.33	195.68	149.56	242.33	195.68	149.56
Fair value through profit and loss						
Investments in mutual fund (quoted)	0.01	27.89	30.05	0.01	27.89	30.05
Total assets	**812.68**	**308.83**	**261.33**	**812.68**	**308.83**	**261.33**
Financial liabilities						
Amortised cost						
Loans and borrowings	819.44	789.37	523.05	817.85	788.66	526.55
Trade payables	628.13	386.87	297.62	628.13	386.87	297.62
Other financial liabilities	74.01	17.55	136.50	74.01	17.55	136.50
Total liabilities	**1,521.58**	**1,193.79**	**957.17**	**1,519.99**	**1,193.08**	**960.67**

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

Fair value hierarchy

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

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

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

Notes to the Standalone Ind AS Financial Statements

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis

Particulars	Year ended	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Investment in mutual funds (quoted)	31-Mar-18	0.01	0.01	-	-
	31-Mar-17	27.89	27.89	-	-
	01-Apr-16	30.05	30.05	-	-

Financial risk management

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks.

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

The working capital position of the Company is given below:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Cash and cash equivalents	355.83	44.35	10.45
Investments in mutual funds (quoted)	0.01	27.89	30.05
Total	**355.84**	**72.24**	**40.50**

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

Particulars	31-Mar-18				
	< l year	1-3 years	> 3 years	Total	Carrying value
Borrowings	350.12	416.48	52.84	819.44	819.44
Trade payables	628.13	-	-	628.13	628.13
Other financial liabilities	74.01	-	-	74.01	74.01
Total	**1,052.26**	**416.48**	**52.84**	**1,521.58**	**1,521.58**

Particulars	31-Mar-17				
	< l year	1-3 years	> 3 years	Total	Carrying value
Borrowings	265.08	333.70	190.59	789.37	789.37
Trade payables	386.87	-	-	386.87	386.87
Other financial liabilities	17.55	-	-	17.55	17.55
Total	**669.50**	**333.70**	**190.59**	**1,193.79**	**1,193.79**

Notes to the Standalone Ind AS Financial Statements

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

Particulars	01-Apr-16				
	< l year	1-3 years	> 3 years	Total	Carrying value
Borrowings	160.61	251.17	111.27	523.05	523.05
Trade payables	297.62	-	-	297.62	297.62
Other financial liabilities	136.50	-	-	136.50	136.50
Total	**594.73**	**251.17**	**111.27**	**957.17**	**957.17**

Foreign currency risk

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

The following table presents unhedged foreign currency risk from financial instruments

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Borrowings in USD	62.78	82.50	103.26

Foreign currency rate sensitivity analysis

Particulars	After tax impact of profit	
	31-Mar-18	31-Mar-17
Depreciation of USD by 5%		
Increase in profit	2.04	2.68
Appreciation of USD by 5%		
Decrease in profit	(2.04)	(2.68)

Interest rate risk

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

Interest rate sensitivity analysis

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

Particulars	Impact on profit after tax for the year ended	
	31-Mar-18	31-Mar-17
Decrease in interest rate by 1%		
Increase in profit	5.32	4.55
Increase in interest rate by 1%		
Decrease in profit	(5.32)	(4.55)

Capital management

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

The capital structure is as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Equity attributable to the equity share holders of the company	2,232.32	1,532.38	1,343.04
Eauity as a percentage of total capital	83%	68%	74%
Current borrowings	350.12	265.08	160.61
Non-current borrowings	469.32	524.29	362.44
Total borrowings	**819.44**	**789.37**	**523.05**
Less: Cash and cash equivalents	355.84	72.24	40.50
Net borrowings	**463.60**	**717.13**	**482.55**
Net borrowings as a percentage of total capital	17%	32%	26%
Total capital (borrowings and equity)	**2,695.92**	**2,249.51**	**1,825.59**

Notes to the Standalone Ind AS Financial Statements

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

Note No. 45 Related party transactions

	Description of relationship	Names of related parties
(i)	Subsidiaries	Favorite Restaurants Private Limited (upto 31 December 2016)
		Prime Gourmet Private Limited (from 29 August, 2016)
		Barbeque Nation Holdings Limited, Dubai (from 27 December, 2016)
		Barbeque Nation Restaurant LLC, Dubai (from 25 February, 2017)
		Barbeque Nation Holdings Pvt Ltd, Mauritius (from 15 September, 2017)
		Barbeque Holdings Pvt Ltd, Mauritius (from 27 September, 2017)
		Barbeque Nation (Malaysia) SDN. BHD. (from 3 October, 2017)
(ii)	Investing party for which the Company is an Associate	Sayaji Hotels Limited
		Sayaji Housekeeping Services Limited
		Tamara Private Limited
(iii)	Key Management Personnel (KMP)	**Managing Director**
		Kayum Dhanani (Managing Director)
		Mohan Kumar Ramamurthy (Chief Financial Officer, w.e.f June 15, 2017)
		Mohan Kumar Ramamurthy (Chief Financial Officer, upto December 31, 2016)
		Sameer Bhasin (Chief Executive Officer w.e.f April 4, 2016)
		Nagamani CY (Company Secretary)
		Non-Executive Directors
		T Narayanan Unni
		Raoof Razak Dhanani
		Suchitra Dhanani
		Tarun Khanna
		Abhay Chintaman Chaudhary
(iv)	Entities in which KMP / Relatives of KMP can exercise significant influence	Sara Soule Private Limited

Transactions and Balances with Related Parties

Particulars of transactions with related parties as at	31-Mar-18	31-Mar-17
Reimbursement of expenses paid		
Subsidiaries:		
Prime Gourmet Private Limited	-	0.46
Barbeque Nation Holdings Limited	21.81	16.03
Barbeque Nation Holdings Pvt Ltd- Mauritius	1.10	-
Barbeque Nation Holdings LLC- Singapore	0.72	-
Barbeque Nation (Malaysia) Sdn. Bhd.	1.08	-
Purchase of goods and reimbursement of expenses		
Subsidiaries:		
Favorite Restaurants Private Limited	-	1.23
Purchase of consumables		
Entity in which KMP / Relatives of KMP can exercise significant influence		
Sara Soule Private Limited	-	4.03
Sale of materials		
Subsidiary company:		
Prime Gourmet Private Limited	0.25	-
Services received		
Investing party for which the Company is an Associate :		
Sayaji Hotels Limited	**1.25**	**1.05**

Notes to the Standalone Ind AS Financial Statements

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

Particulars of transactions with related parties as at	31-Mar-18	31-Mar-17
Rental income		
Subsidiary company:		
Prime Gourmet Private Limited	2.86	-
Services rendered		
Investing party for which the Company is an Associate :		
Sayaji Hotels Limited	11.72	16.11
Royalty income		
Subsidiary company:		
Barbeque Nation Holdings Limited	8.16	-
Guarentee commission		
Subsidiary company:		
Barbeque Nation Holdings Limited	2.88	
Rent and maintenance charges		
Entity in which KMP / Relatives of KMP can exercise significant influence		
Sara Soule Private Limited	4.46	4.96
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	18.26	16.67
Issue of equity shares		
KMP/ Relatives of KMP		
Kayum Dhanani	-	124.00
Security deposit paid		
Entities in which KMP / relatives of KMP have significant influence:		
Sara Soule Private Limited	0.21	0.18
Refund received of security deposit paid		
Entities in which KMP / relatives of KMP have significant influence:		
Sara Soule Private Limited	0.23	-
Investment made during the year in		
Subsidiaries:		
Prime Gourmet Private Limited	50.35	28.98
Barbeque Nation Holdings Limited	-	18.61
Loan granted		
Subsidiaries:		
Favorite Restaurants Private Limited	-	22.84
Prime Gourmet Private Limited	31.11	-
Barbeque Nation Holdings Limited	187.11	-
Receipt towards repayment of loan granted		
Subsidiaries:		
Favorite Restaurants Private Limited	-	5.73
Prime Gourmet Private Limited	8.04	-
Barbeque Nation Holdings Limited	61.31	-
Receipt towards interest on loan granted		
Subsidiaries:		
Favorite Restaurants Private Limited	-	0.88
Barbeque Nation Holdings Limited	2.98	-
Interest income on loan granted		
Subsidiaries:		
Favorite Restaurants Private Limited	-	3.05
Prime Gourmet Private Limited	0.57	-
Barbeque Nation Holdings Limited	7.90	-

Notes to the Standalone Ind AS Financial Statements

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

Particulars of balances outstanding with related parties as at	31-Mar-18	31-Mar-17	01-Apr-16
Trade receivables			
Subsidiaries:			
Favorite Restaurants Private Limited	-	-	0.25
Barbeque Nation Holdings Limited	11.04	-	-
Inter Corporate Deposit & Loans and advances			
Subsidiaries:			
Favorite Restaurants Private Limited	-	-	23.32
Prime Gourmet Private Limited	23.30	-	-
Barbeque Nation Holdings Limited	125.80	-	-
Security deposits (refundable) with			
Entities in which KMP / relatives of KMP have significant influence:			
Sara Soule Private Limited	0.21	0.23	0.05
Trade Payables			
Entities in which KMP / relatives of KMP have significant influence:			
Sara Soule Private Limited	0.65	3.97	1.55
Investing party for which the Company is an Associate			
Sayaji Hotels Limited	8.22	6.69	119.45
Other receivables			
Subsidiaries			
Prime Gourmet Private Limited	19.59	0.46	-
Barbeque Nation Holdings Limited	21.81	16.03	-
Barbeque Nation Holdings Private Limited Mauritius	1.10	-	-
Barbeque Nation Holdings Llc- Singapore	0.72	-	
Barbeque Nation (Malaysia) SDN. BHD.	1.08	-	-
Interest accrued on loan			
Subsidiaries:			
Favorite Restaurants Private Limited	-	-	0.79
Prime Gourmet Private Limited	0.57	-	-
Barbeque Nation Holdings Limited	4.92	-	-

Compensation of key management personnel

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

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Short-term benefits	18.41	17.09
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	2.87	0.09
Termination benefits	-	-
Total	**21.28**	**17.18**

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

Notes to the Standalone Ind AS Financial Statements

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

Note No. 46 Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

1) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

2) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is currently assessing the impact on adoption of this standard.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force for periods beginning on or after April 1, 2018. The Company is currently assessing the impact of this on the financial statements.

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The members of
Barbeque-Nation Hospitality Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of BARBEQUE-NATION HOSPITALITY LIMITED (hereinafter referred to as "the Parent" or "the Company") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and applicable to the Group, and other accounting principles generally accepted in India. 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 separate financial statements of the subsidiaries referred below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹486.93 Million as at March 31, 2018, total revenues of ₹163.92 Million and net cash inflows amounting to ₹68.51 Million for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the financial information of 2 subsidiaries, whose financial information reflect total assets of ₹0.31 Million as at March 31, 2018, total revenues of ₹Nil and net cash inflows amounting to ₹1.12 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above 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 information certified by the Management.

(c) We did not audit the comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 in respect of 2 subsidiaries included in these Consolidated Ind AS Financial Statements which have been audited by other auditors and have been relied upon by us.

(d) The comparative financial information of a subsidiary Prime Gourmet Private Limited for the seven month period ended March 31, 2017 included in these consolidated Ind AS financial statements, are based on the previously issued financial information prepared in accordance with Previous GAAP audited by the predecessor auditor of such subsidiary whose report for the seven month period ended March 31, 2017 expressed an unmodified opinion on those financial information and have been restated to comply with the Ind AS. Adjustments made to the said financial information prepared in accordance with Previous GAAP to comply with the Ind AS have been audited by us.

(e) The comparative financial information of an erstwhile subsidiary Favorite Restaurant Private Limited (which merged with its Parent from January 1, 2017) for the nine month period ended December 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued financial statements prepared in accordance with Previous GAAP audited by the another auditor whose report expressed an unmodified opinion on those financial statements and have been restated to comply with the Ind AS. Adjustments made to the said financial statements prepared in accordance with Previous GAAP to comply with the Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

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 separate financial statements of subsidiary companies incorporated in India, referred in the Other Matters paragraph above, 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 of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent 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, 2018 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 separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent Company, to which, reporting on the adequacy of Internal Financial Control Over Financial Reporting and the operating effectiveness of such controls, under section 143(3)(i) of the Act is applicable, for the reasons stated therein. Reporting on the adequacy of Internal Financial Control Over Financial Reporting and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable to its subsidiary incorporated in India in view of the exemption available to such subsidiary company incorporated in India in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.

(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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS 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 Parent and its subsidiary companies incorporated in India.

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

S. Sundaresan
Partner
(Membership No. 025776)

Bengaluru
May 21, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (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")

In conjunction with our audit of the consolidated Ind AS financial statements of Barbeque-Nation Hospitality Limited (hereinafter referred to as "Parent" or the "Company") as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Company, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent 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 the Parent'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 Parent'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 Parent'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 Parent, 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, 2018, 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 issued by the Institute of Chartered Accountants of India.

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

S. Sundaresan
Partner
(Membership No. 025776)

Bengaluru
May 21, 2018

Consolidated Balance Sheet

as at 31 March, 2018

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

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
ASSETS				
Non-current assets				
Property, plant and equipment	5(a)	2,291.55	1,792.91	1,440.76
Capital work-in-progress		185.18	150.42	142.26
Goodwill	6	229.97	229.97	189.70
Other Intangible assets	5(b)	61.96	64.88	43.72
Financial Assets				
Other financial assets	7	239.44	197.94	150.93
Deferred tax assets (net)	32	38.53	31.18	34.10
Other non-current assets	8	248.24	92.13	79.11
Total Non-current assets [A]		**3,294.87**	**2,559.43**	**2,080.58**
Current assets				
Inventories	9	189.80	160.72	124.24
Financial assets				
Investments	10	0.01	27.89	30.05
Trade receivables	11	55.95	40.72	51.25
Cash and cash equivalents	12	436.22	52.71	10.85
Other financial assets	13	3.03	0.80	1.12
Other current assets	14	230.48	135.32	97.27
Total current assets [B]		**915.49**	**418.16**	**314.78**
Total assets [A+B]		**4,210.36**	**2,977.59**	**2,395.36**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	15	138.00	135.12	133.12
Other equity	16	1,803.43	1,323.09	1,124.36
Equity attributable to owners of the Company [C]		**1,941.43**	**1,458.21**	**1,257.48**
Non-controlling interest		**-**	**-**	**0.01**
Total equity [C]		**1,941.43**	**1,458.21**	**1,257.49**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	17	854.35	582.78	362.44
Provisions	18	81.85	69.43	46.51
Other non-current liabilities	19	1.71	2.44	3.05
Total Non-current liabilities [D]		**937.91**	**654.65**	**412.00**
Current liabilities				
Financial Liabilities				
Borrowings	20	185.12	34.45	10.09
Trade payables	21	673.29	416.80	317.45
Other financial liabilities	22	320.38	278.70	287.02
Other current liabilities	23	66.84	64.70	43.07
Provisions	24	32.25	26.76	26.57
Current tax liabilities (Net)	25	53.14	43.32	41.67
Total current liabilities [E]		**1,331.02**	**864.73**	**725.87**
Total liabilities [F= [D+E]]		**2,268.93**	**1,519.38**	**1,137.87**
Total equity and liabilities [C+F]		**4,210.36**	**2,977.59**	**2,395.36**

See accompanying notes to the Consolidated Ind AS Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place: Bengaluru
Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
Director
Din No:- 00079237

Rahul Agrawal
Chief Financial Officer

Nagamani C Y
Company Secretary

Place: Bengaluru
Date: 21st May, 2018

Consolidated Statement of Profit & Loss

For the year ended 31 March, 2018

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

Particulars	Note No.	For the year ended 31-Mar-18	For the year ended 01-Apr-17
REVENUE			
Revenue from operations	26	5,975.44	5,034.86
Other income	31	42.63	20.48
Total (A)		**6,018.07**	**5,055.34**
Expenses			
Cost of food and beverages consumed	27	2,015.88	1,797.34
Employee benefits expenses	28	1,315.74	914.59
Occupancy cost and other operating expenses	29	1,927.56	1,667.04
Total (B)		**5,259.18**	**4,378.97**
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		**758.89**	**676.37**
Finance costs (D)	30	189.68	144.63
Depreciation and amortisation expense (E)	5	351.52	311.90
Profit before tax and exceptional items (F) = (C-D-E)		**217.69**	**219.84**
Exceptional items (G)	31	32.99	11.51
Profit before tax (H) = (F-G)		**184.70**	**208.33**
Tax expense / (benefit):	**32**		
Current tax		154.46	88.51
Deferred tax		(5.10)	3.77
Net tax expense / (benefit) (I)		**149.36**	**92.28**
Net Profit for the year (J) = (H-I)		**35.34**	**116.05**
Other Comprehensive Income / (Losses) (K)			
Items that will not be reclassified to Statement of profit and loss			
Remeasurements of the defined benefit plans		(6.45)	(2.22)
Income tax on the above		2.25	0.85
Items that may be reclassified to Statement of profit and loss			
Exchange differences in translating the financial statements of foreign operations		(2.87)	(0.17)
Total Other comprehensive income for the year (J + K)		**28.27**	**114.51**
Profit for the year attributable to:			
Owners of the company		35.34	119.12
Non Controlling interests		-	(3.07)
Other comprehensive income for the year attributable to:			
Owners of the company		(7.07)	(1.54)
Non Controlling interests		-	-
Total Other comprehensive income for the year attributable to:			
Owners of the company		28.27	117.58
Non Controlling interests		-	(3.07)
Earnings per share	**40**		
Basic (in ₹) (Face value of ₹5 each)		1.31	4.42
Diluted (in ₹) (Face value of ₹5 each)		1.30	4.41

See accompanying notes to the Standalone Ind AS Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place: Bengaluru
Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
Director
Din No:- 00079237

Rahul Agrawal
Chief Financial Officer

Nagamani C Y
Company Secretary

Place: Bengaluru
Date: 21st May, 2018

Consolidated Statement of Cash Flow

For the year ended 31 March, 2018

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

Particulars	For the year ended 31-Mar-18	For the year ended 01-Apr-17
A. Cash flow from operating activities		
Profit / (loss) before tax	184.70	208.33
Adjustments for:		
Depreciation and amortisation	351.52	311.90
Net loss relating to relocation of restaurant units during the year (write off of PPE)	32.99	11.51
Interest expense	118.98	77.52
Interest income	(16.17)	(14.70)
Income from Government grant	(2.07)	(2.57)
Profit on sale of investments in mutual funds	(2.83)	(3.21)
Expense on employee stock option scheme	18.96	9.62
Expense on phantom option scheme	17.17	3.33
Provision for doubtful receivables and advances	3.77	7.46
Provision no longer required written back	(20.50)	-
Net unrealised exchange (gain) / loss	0.63	(1.41)
Operating profit before working capital changes	**687.15**	**607.78**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(29.08)	(31.90)
Trade receivables	(19.00)	8.52
Other assets (financial & non financial)	(77.82)	(57.74)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	243.09	76.25
Other liabilities (financial & non financial)	4.43	26.00
Cash generated from operations	**808.77**	**628.91**
Net income tax (paid) / refunds	**(144.64)**	**(86.86)**
Net cash flow from / (used in) operating activities (A)	**664.13**	**542.05**
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(995.88)	(705.49)
Proceeds from sale of fixed assets	1.22	5.06
Acquisition of subsidiary	-	(177.73)
Deposits placed for margin money	13.69	(12.91)
Interest received	0.17	1.57
Sale of investment in mutual fund	2.83	3.13
Net cash flow from / (used in) investing activities (B)	**(977.97)**	**(886.37)**

Particulars	For the year ended 31-Mar-18	For the year ended 01-Apr-17
C. Cash flow from financing activities		
Proceeds from issue of equity shares	478.41	124.00
Expenses towards proposed Initial Public Offering	(67.39)	(5.39)
Proceeds from longterm borrowings	791.70	461.57
Repayment of longterm borrowings	(536.93)	(164.70)
Net increase / (decrease) in working capital borrowings	150.67	(64.77)
Dividend paid (inlcuding tax on dividend)	(32.52)	(24.04)
Interest paid	(114.47)	(75.17)
Net cash flow from financing activities (C)	**669.47**	**251.50**
Net increase in cash and cash equivalents (A+B+C)	**355.63**	**(92.82)**
Cash and cash equivalents at the beginning of the year	80.60	40.90
Add: Cash and bank balances on acquisition of subsidiary during the year	-	132.52
Cash and cash equivalents at the end of the year	**436.23**	**80.60**
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	436.22	52.71
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements.	0.01	27.89
Cash and cash equivalents at the end of the year	**436.23**	**80.60**

See accompanying notes to the Consolidated Ind AS Financial Statements

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

S. Sundaresan
Partner

Place: Bengaluru
Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
Director
Din No:- 00079237

Rahul Agrawal
Chief Financial Officer

Nagamani C Y
Company Secretary

Place: Bengaluru
Date: 21st May, 2018

Consolidated Statement of Changes in Equity

As at 31 March, 2018

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

(a) Equity share capital

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Opening balance	135.12	133.12	133.12
Changes in equity share capital during the year			
Issue of the equity share during the year	2.88	2.00	-
Closing balance	**138.00**	**135.12**	**133.12**

(b) Other equity

Particulars	Reserves and Surplus				Total other equity
	Securities premium	Share options outstanding account	Retained earnings	Other comprehensive income - Foreign currency translation	
Balance as at 01 April 2016	742.80	-	381.56	-	1,124.36
Profit for the year	-	-	119.12	-	119.12
Foreign currency translation	-	-	-	(0.17)	(0.17)
Other comprehensive income for the year (net of tax)	-	-	(1.37)	-	(1.37)
Total comprehensive income	**-**	**-**	**117.75**	**(0.17)**	**117.58**
Premium received on shares issued during the year	122.00	-	-	-	122.00
Amounts recorded on grant of employee stock options during the year	-	9.62	-	-	9.62
Dividend and tax there on	-	-	(24.04)	-	(24.04)
Changes in non-controlling interest not resulting in change of control	-	-	(26.43)	-	(26.43)
Balance as at 31 March 2017	**864.80**	**9.62**	**448.84**	**(0.17)**	**1,323.09**
Balance as at 01 April 2017	864.80	9.62	448.84	(0.17)	1,323.09
Profit for the year	-	-	35.34	-	35.34
Foreign currency translation	-	-	-	(2.87)	(2.87)
Remeasurements of the defined benefit plans (net of tax)	-	-	(4.20)	-	(4.20)
Total comprehensive income	**-**	**-**	**31.14**	**(2.87)**	**28.27**
Premium received on shares issued during the year	475.53	-	-	-	475.53
Share issue expenses	(9.90)	-	-	-	(9.90)
Amounts recorded on grant of employee stock options during the year	-	18.96	-	-	18.96
Dividend and tax there on	-	-	(32.52)	-	(32.52)
Balance as at 31 March 2018	**1,330.43**	**28.58**	**447.46**	**(3.04)**	**1,803.43**

See accompanying notes to the Standalone Ind AS Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan
Partner

Place: Bengaluru
Date: 21st May, 2018

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director
Din No:- 00987597

T.N Unni
Director
Din No:- 00079237

Rahul Agrawal
Chief Financial Officer

Nagamani C Y
Company Secretary

Place: Bengaluru
Date: 21st May, 2018

Notes to the Consolidated Ind AS Financial Statements

1 Corporate information

Barbeque-Nation Hospitality Limited (the 'Company') and its subsidiaries (collectively rerferred to as the 'Group'), is primarily engaged in the business of operating casual dining restaurant chain in India. The registered office of the Company is situated at Prestige Zeenath, Municipal No. 8/1, Residency Road, Richmond Town, Bengaluru 560 025, Karnataka, India.

2 Basis of preparation and presentation and summary of significant accounting policies

2.1 Statement of compliance

These consolidated Ind AS financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards'("Ind AS") notified under section 133 of the Companies Act, 2013(the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Group, and other relevant provisions of the Act. For periods up to and including the year ended 31 March 2017, the group prepared its consolidated financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 01 April 2016. Refer Note 4 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Group.

2.2 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as in value in use in Ind AS 36.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of consolidation

The consolidated Ind AS financial statements incorporate the Ind AS financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Consolidated Ind AS Financial Statements

Name of the entity	Country of incorporation	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Favorite Restaurants Private Limited	India	(Refer note below)		100%
Prime Gourmet Private Limited (Refer note 33(a) for further details)	India	100%	100%	N/A
Barbeque Nation Holdings Limited	Dubai	100%	100%	N/A
Barbeque-Nation Restaurant LLC	Dubai	49%	49%	N/A
Barbeque Nation Holdings Private Limited, Mauritius	Mauritius	*	N/A	N/A
Barbeque Holdings Private Limited, Mauritius	Mauritius	*	N/A	N/A
Barbeque Nation (Malaysia) SDN. BHD.	Malaysia	100%	N/A	N/A

Note: In accordance with the terms of the Scheme of Amalgmation (the Scheme) of Favorite Restaurants Private Limited (FRPL) with the Holding Company, FRPL ceases to be subsidiary of the Company pursuant to its merger with the Company with effect from 01 January 2017, being the appointed date of the Scheme.

*The following Companies were incorporated during the current year as subsidiaries / step-down subsidiaries of the Company and the investment is yet to made

Name of the entity	Country of incorporation
Barbeque Nation Holdings Private Limited, Mauritius	Mauritius
Barbeque Holdings Private Limited, Mauritius	Mauritius

2.4 Summary of significant accounting policies

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

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.

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

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalty arrangements that are based on sales and other measures are recognised by reference to the underlying arrangement.

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

Sales of food and beverages that result in discount vouchers/coupons for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the sale of food and beverages and the discount vouchers/ coupons issued. The consideration allocated to the discount vouchers/coupons is measured by reference to their fair value. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the discount vouchers/ coupons are redeemed and the Company's obligations have been fulfilled.

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

Business combinations

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

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

Notes to the Consolidated Ind AS Financial Statements

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

Goodwill

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of Goodwill recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property, Plant and Equipment

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

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

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

Leasehold improvements	Amortised over the period of the lease
Furniture and Fittings	5-10 Years
Plant & Machinery	10-15 years
Service equipments	8-10 Years
Computer equipments	3-6 years
Vehicles	4-8 Years

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible assets

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

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

Liquor licenses with perpetual term purchased for restaurant chain business	Amortised over the lease term of the respective restaurants
Software and other licenses	3 Years
Brand name	Indefinite useful life

Notes to the Consolidated Ind AS Financial Statements

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

For the transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Inventories

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

Financial Instruments

Financial assets and financial liabilities:

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

Initial recognition and measurement:

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

Subsequent measurement:

Financial assets at amortised cost-

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

Financial Assets at fair value through other comprehensive Income-

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

Financial assets at fair value through profit or loss-

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

Financial liabilities

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

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

Equity Instrument

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

Impairment of financial assets (other than at fair value)

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

Notes to the Consolidated Ind AS Financial Statements

asset has increased significantly, since initial recognition.

Derecognition of financial assets

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

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

Derecognition of financial liabilities

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

Share issue expense

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

Cash and cash equivalents

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

Foreign Currency transactions and translations

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currency) are recognised at the rates of exchange prevailing on the dates of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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

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

• exchange differences on monetary items receivable or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to statement of profit and loss on repayment of monetary items.

• exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Group for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2017), as per the previous GAAP, pursuant to the Group's choice of availing the exemption as permitted by Ind AS 101.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate)

On the disposal of a foreign subsidiary (i.e, a disposal of Group's entire interest in a foreign operation, or a disposal involving loss of control over subsidiary that includes a foreign operation), all of exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to statement of profit and loss.

Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

Short-term employee benefits

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

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

Share based payment transaction

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

The Company had 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 excercise price after the completion of specified period from the date of grant. Fair value of such cash-settled options is measured at every reporting date and is recognised as expense to the Statement of Profit and loss over the remaining vesting period on a straight-line basis with a corresponding adjustment recognised as liability.

Borrowing Costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease

Notes to the Consolidated Ind AS Financial Statements

obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Income Taxes

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

Provisions and Contingent Liabilities

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

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Impairment of non-financial assets

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

Notes to the Consolidated Ind AS Financial Statements

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Earnings per share

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

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic

EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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 Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

First-time adoption of Ind AS

Overall Principle:

The Group has prepared the Opening Consolidated Balance Sheet as per Ind AS as of 01 April 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets:

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 01 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Past business combinations:

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 01 April 2016.

Determining whether an arrangement contains a lease:

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Derecognition of Financial Assets and Liabilities:

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April 2016 (the transition date).

Impairment of financial assets:

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Exchange difference on long-term foreign currency monetary items

The Group has elected to continue its accounting policy as per the previous GAAP in respect of exchange differences arising from translation of

Notes to the Consolidated Ind AS Financial Statements

long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

As per the previous GAAP, the exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable Property, plant and equipment are capitalised as part of such Property, plant and equipment and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable Property, plant and equipment, 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 equity as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

3 Use of estimates and judgements

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

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

Critical judgement in applying accounting policies

Control over Barbeque-Nation Restaurant LLC, Dubai

On March 25, 2015, the Group incorporated a wholly-owned subsidiary, Barbeque Nation Holdings Limited, Dubai ('BNHL, Dubai') as an Offshore Group with a Limited Liability in Dubai. The Group invested in shares of 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 unilateral control over the relevant activities of BNR LLC.

Key soruces of estimation uncertainity

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

Impairment of goodwill

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

Useful lives of property, plant and equipment

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

Uncertain tax positions

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

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 4 Reconciliation of Equity and Reconciliation of total comprehensive income

Ind AS adoption reconciliations

Reconciliation of Equity

Particulars	Sl. No.	For the year ended 31-Mar-17	For the year ended 01-Apr-16
Share capital		135.12	133.12
Reserves		1,334.76	1,113.04
Equity as per previous GAAP		**1,469.88**	**1,246.16**
Add/(Less): Adjustment under Ind AS			
Reversal of proposed dividend and distribution tax thereon	1	-	24.04
Reversal of amortization charged with respect to goodwill and brand amortization	2	46.32	-
Present value of lease deposits given and amortisation of advance rent	3	(11.56)	(9.55)
Recognition of asset retirement cost (ARO) of leasehold improvements and related liability		(10.82)	(10.82)
Incremental depreciation and finance cost on recognition of ARO cost and liability	4	(5.13)	-
Fair valuation of mutual funds	5	0.03	0.05
Changes in non-controlling interest not resulting in change of control		(26.43)	-
Others		3.87	1.10
Deferred tax effect on above adjustments, where applicable		(7.95)	6.50
Equity as per Ind AS		**1,458.21**	**1,257.48**

Reconciliation of Total Comprehensive Income

Particulars	Sl. No.	For the year ended 31-Mar-17
Profit as per previous GAAP		**87.19**
Add/(Less): Adjustment under Ind AS		
Reversal of amortization charged with respect to goodwill and brand amortization	2	46.32
Imputed rent expense on account of discounting of deposits	3	(15.46)
Unwinding of interest income on lease deposits	3	13.45
Incremental depreciation and finance cost on ARO costs capitalised to leasehold improvements	4	(5.13)
Fair valuation of mutual funds	5	(0.02)
Recognition of actuarial (gain)/loss in Other Comprehensive Income	6	2.22
Others		2.78
Deferred tax effect on above adjustments, where applicable		(15.30)
Profit as per Ind AS		**116.05**
Other Comprehensive Income:		
Recognition of actuarial loss in Other Comprehensive Income	6	(2.22)
Deferred Tax on above		0.85
Exchange difference in translating the financial statements of foreign operations		(0.17)
Total Comprehensive Income as per Ind AS		**114.51**

Notes to the Consolidated Ind AS Financial Statements

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

Reconciliation of statement of cash flow:

There are no material adjustments to the statement of cash flows as reported under previous GAAP.

Sl. No.	Explanatory Notes
1	Under previous GAAP, dividends on equity shares for the respective year recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when authorised by the members in a general meeting. Accordingly, the liability for proposed dividend (including related taxes) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.
2	Under previous GAAP, goodwill on business acquisition and acquired brand name were amortised over the estimated useful life. Under Ind AS, brand name which has an indefinite life and the goodwill on acquisition of a business are not amortised but tested for impairment. Hence, such amortisation expense recorded during the year ended March 31, 2017 under previous GAAP, have been reversed on adoption of Ind AS. There is no impact of this GAAP difference as on the transition date of April 1, 2016, pursuant to the Company's choice to consider the carrying value of all its intangible assets recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost.
3	Under previous GAAP, lease deposits given (that are refundable in cash on completion of the lease term) were recorded at their transaction value. Under Ind AS, such financial assets are recognised at amortised cost method using effective ineterest rate method and the difference between the carrying value as per amortised cost method and transaction value of the security deposit has been recognised as prepaid rent which is amortised over the lease term on a straight line basis. Accordingly, the impact of additional interest income and rent expense have been adjusted with retained earnings as at April 1, 2016 and with profit for the year ended March 31, 2017.
4	Under previous GAAP, there was no specific requirement for provisioning of recognising asset retirement costs. Under Ind AS, the liability for asset retirement costs when the Company has obligation to perform site restoration activity is recognized at present value as at reporting date. The recognition and measurement of provisions on ARO involves the use of estimates and assumptions. Such present value of asset retirement costs are capitalised to related property, plant and equipment and depreciated over the useful life of such asset and interest is accrued on such liability. On the transition date, difference between such liability and the asset retirement costs recognised as Property, plant and equipment is recognised in equity.
5	Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been measured at Fair Value Through Profit & Loss (FVTPL) on the date of transition and subsequent reporting periods. The fair value changes are recognised in Statement of profit and loss.
6	Under previous GAAP, actuarial gains and losses were recognised in the Statement of profit and loss as there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income. Accordingly, the actuarial gains and losses arising from remeasurement of the net defined benefit liability / asset is recognised in other comprehensive income under Ind AS. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS.

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 5 Property, plant and equipment and intangible assets

Particulars	Cost						Accumulated depreciation/amortisation					Net Block	
	Balance as at 01-Apr-17	Additions	Business combination	Deletions	Forex	Balance as at 31-Mar-18	Balance as at 01-Apr-17	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Forex	Balance as at 31-Mar-18	Balance as at 31-Mar-18	Balance as at 31-Mar-17
5(a) Property, plant and equipment (owned)													
Lease hold improvements	604.09	329.26	-	7.57	0.64	926.42	46.99	126.14	5.30	0.04	167.87	758.55	557.10
Furniture and fixtures	599.25	166.29	-	0.34	0.10	765.30	67.76	81.43	0.18	0.02	149.03	616.27	531.49
Plant & machinery	399.71	192.48	-	7.48	0.12	584.83	26.93	44.56	3.33	0.02	68.18	516.65	372.78
Service equipments	399.36	136.36	-	1.40	-	534.32	99.48	80.71	1.27	-	178.92	355.40	299.88
Computer equipments	44.43	29.83	-	0.07	0.02	74.21	15.34	19.52	0.07	-	34.79	39.42	29.09
Vehicles	3.06	3.53	-	0.23	-	6.36	0.49	0.66	0.05	-	1.10	5.26	2.57
Total	**2,049.90**	**857.75**	**-**	**17.09**	**0.88**	**2,891.44**	**256.99**	**353.02**	**10.20**	**0.08**	**599.89**	**2,291.55**	**1,792.91**
5(b) Intangible assets (others)													
Liquor licenses	33.04	-	-	-	-	33.04	7.30	5.57	-	-	12.87	20.17	25.74
Software and licenses	12.58	5.90	-	-	-0.20	18.28	2.92	5.29	-	-	8.21	10.07	9.66
Brand name	29.48	2.24	-	-	-	31.72	-	-	-	-	-	31.72	29.48
Total	**75.10**	**8.14**	**-**	**-**	**-0.20**	**83.04**	**10.22**	**10.86**	**-**	**-**	**21.08**	**61.96**	**64.88**
Grand Total	**2,125.00**	**865.89**		**17.09**	**0.68**	**2,974.48**	**267.21**	**363.88**	**10.20**	**0.08**	**620.97**	**2,353.51**	**1,857.79**

Particulars	Cost						Accumulated depreciation/amortisation					Net Block	
	Balance as at 01-Apr-16	Additions	Business combination (Refer note 33)	Deletions	Forex	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Forex	Balance as at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 01-Apr-16
5(a) Property, plant and equipment (owned)													
Lease hold improvements	422.79	191.37	29.57	40.28	0.64	604.09	-	81.41	34.45	0.03	46.99	557.10	422.79
Furniture and fixtures	435.12	159.60	7.08	2.85	0.30	599.25	-	69.45	1.72	0.03	67.76	531.49	435.12
Plant & machinery	262.89	110.99	33.59	7.76	-	399.71	-	30.31	3.38	-	26.93	372.78	262.89
Service equipments	291.39	112.82	-	5.18	0.33	399.36	-	103.85	4.39	0.02	99.48	299.88	291.39
Computer equipments	26.06	16.58	2.60	0.84	0.03	44.43	-	16.06	0.72	-	15.34	29.09	26.06
Vehicles	2.51	0.58	-	0.03	-	3.06	-	0.52	0.03	-	0.49	2.57	2.51
Total	**1,440.76**	**591.94**	**72.84**	**56.94**	**1.30**	**2,049.90**	**-**	**301.60**	**44.69**	**0.08**	**256.99**	**1,792.91**	**1,440.76**
5(b) Intangible assets (others)													
Liquor licenses	7.43	-	26.81	1.20	-	33.04	-	7.38	0.08	-	7.30	25.74	7.43
Software and licenses	6.81	5.64	0.14	0.03	0.02	12.58	-	2.92	-	-	2.92	9.66	6.81
Brand name	29.48	-	-	-	-	29.48	-	-	-	-	-	29.48	29.48
Total	**43.72**	**5.64**	**26.95**	**1.23**	**0.02**	**75.10**	**-**	**10.30**	**0.08**	**-**	**10.22**	**64.88**	**43.72**
Grand Total	**1,484.48**	**597.58**	**99.79**	**58.17**	**1.32**	**2,125.00**	**-**	**311.90**	**44.77**	**0.08**	**267.21**	**1,857.79**	**1,484.48**

* Cost of leasehold improvements as at 01-Apr-16 includes deemed cost of ₹409.29 being the carrying value as per previous Indian GAAP and an adjustment of asset retirement cost measured in accordance with Ind AS. Further, cost of plant and machinery as at 01-Apr-16 includes deemed cost of ₹255.73 being the carrying value as per previous Indian GAAP and an adjustment of benefit of EPCG grant under Ind AS which was offset with the cost of asset under previous Indian GAAP.

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 6 Goodwill

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Cost or deemed cost	229.97	229.97	189.70

Movement of Goodwill

Cost or deemed cost	Amount
Balance as at 01 April 2016	189.70
Additional amounts recognised from business combinations during the year (resulting from acquisition of PGPL referred in note 33)	40.31
Impairment of goodwill pertaining to Favourite Restaurants Private Limited	(0.04)
Balance as at 31 March 2017	**229.97**
Accumulated Impairment	-
Balance as at 31 March 2018	**229.97**

Allocation of goodwill to cash generating units:

For the purpose of impairment testing, goodwill has been allocated to cash-generating units in the following manner.

Cash generating units	31-Mar-18	31-Mar-17	01-Apr-16
Franchise restaurants	40.31	40.31	-
Other than franchise restaurants	189.66	189.66	189.70
Total	**229.97**	**229.97**	**189.70**

The recoverable amount of the above cash generating units have been determined based on a value in use approach by considering cash flow projections approved by the management. The following inputs have been used for arriving the said recoverable amount.

Franchise restaurants

Inpurt considered	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	17.23%	17.23%	NA
Growth rate	5.00%	5.00%	NA

For other than Franchise Restaurants

Inpurt considered	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	12.00%	12.00%	12.00%
Growth rate	5.00%	5.00%	5.00%

As at the reporting period end the management has carried out impairment testing, no impairment has been identified in such assessment. Management believes that any reasonable change in the key assumptions on which recoverable amount is determined would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

Note No. 7 Other financial assets

(Classified under non-current assets)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Carried at amortised cost			
Security deposits	227.84	172.63	138.71
Deposit with related parties	0.21	0.23	0.05
Balances held as margin money or security	11.39	25.08	12.17
Total	**239.44**	**197.94**	**150.93**

Note No. 8 Other non-current assets

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Unsecured, considered good:			
Capital advances	151.32	3.84	9.09
Amounts paid to statutory authorities under protest	9.62	10.06	1.50
Prepaid rent	87.30	78.23	68.52
Total	**248.24**	**92.13**	**79.11**

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 9 Inventories

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
(At lower of cost and net realisable value)			
Food & beverages	151.15	119.74	99.12
Stores & consumables	38.65	40.98	25.12
Total	**189.80**	**160.72**	**124.24**

Note No. 10 Investments

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Investments carried at fair value through profit or loss			
Investment in mutual funds			
Kotak Equity Arbitrage Fund Monthly dividend plan	-	-	30.05
Number of mutual fund units	-	-	12,104.76
SBI Magnum Insta Cash Fund Direct Plan Growth	-	27.89	-
Number of mutual fund units	-	7,754.09	-
SBI PLFReg Plan Daily dividend	0.01	-	-
Number of mutual fund units	2.46	-	-
Total	**0.01**	**27.89**	**30.05**
Aggregate net asset value of quoted investments in mutual funds	**0.01**	**27.89**	**30.05**

Note No. 11 Trade receivables

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Trade receivables (unsecured) consist of following			
Considered good	55.95	40.72	51.25
Considered doubtful	2.52	2.48	0.70
	58.47	43.20	51.95
Allowance for doubtful debts (expected credit loss allowance)	(2.52)	(2.48)	(0.70)
Total	**55.95**	**40.72**	**51.25**

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

Movement in allowance for doubtful debts is as follows:

Particulars	31-Mar-18	31-Mar-17
Opening balance	2.48	0.70
Allowance for doubtful debts	2.50	2.50
Doubtful receivables written-off	(2.46)	(0.72)
Closing balance	**2.52**	**2.48**

Note No. 12 Cash and cash equivalents

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Balances with banks			
In current accounts	366.15	43.81	6.27
In deposit accounts	58.30	1.00	-
Cash on hand	11.77	7.90	4.58
Cash and cash equivalents as per balance sheet	**436.22**	**52.71**	**10.85**
Add: Investments in liquid mutual funds in the nature of "Cash and cash equivalents" (Refer note 10)	0.01	27.89	30.05
Cash and cash equivalents as per statement of cash flows	**436.23**	**80.60**	**40.90**

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 13 Other financial assets

(Classified under current assets)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Interest accrued on fixed deposits	3.03	0.80	1.12
Total	**3.03**	**0.80**	**1.12**

Note No. 14 Other current assets

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Advance to employees	14.41	5.91	2.67
Prepaid expenses	102.73	81.67	43.93
Others			
Advances paid for supply of materials / rendering of services			
Unsecured, considered good	22.13	31.91	43.91
Doubtful	11.23	9.96	5.00
	33.36	**41.87**	**48.91**
Less: Allowance for bad and doubtful advances	(11.23)	(9.96)	(5.00)
	22.13	**31.91**	**43.91**
Balance with Government authorities	18.43	10.44	6.76
Unamortised share issue expenses (Refer note below)	72.78	5.39	-
Total	**230.48**	**135.32**	**97.27**

Note: The Company has incurred expenses of ₹72.78 as at 31 March 2018 (₹5.39 as at 31 March 2017) 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.

Note No. 15 Equity Share capital

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Authorised			
60,000,000 equity shares of ₹5/- each* (as at 31-Mar-17: 60,000,000 Equity shares of ₹5/- each) (as at 1-Apr-16: 20,000,000 equity shares of ₹10/- each)	300.00	300.00	200.00
Issued, subscribed and fully paid up capital			
27,599,014 equity shares of ₹5 each* (as at 31-Mar-17: 27,024,014 Equity shares of ₹5 each) (as at 1-Apr-16: 13,312,007 equity shares of ₹10/- each)	138.00	135.12	133.12
Total	**138.00**	**135.12**	**133.12**

* The face value of equity shares of the Company has been split from ₹10 to ₹5 per share with effect from 15 December 2016. Further, pursuant to the scheme of amalgamation referred in note 35, the authorised share capital of the Company was changed to 60 Million equity shares of ₹5/- each from 01 January 2017, being the appointed date of this scheme.

(a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year

Particulars	31-Mar-18		31-Mar-17	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹10/ each:				
Opening balance	2,70,24,014	135.12	1,33,12,007	133.12
Add: Issued during the year #	5,75,000	2.88	2,00,000	2.00
Equity shares of ₹5 each as at December 15, 2016 pursuant to sub-division of shares with effect from December 15, 2016	-	-	2,70,24,014	135.12
Closing balance	**2,75,99,014**	**138.00**	**2,70,24,014**	**135.12**

575,000 equity shares of ₹5 each were issued to Alchemy India Long-term Fund Ltd at a premium of ₹827 per share on March 29, 2018. 200,000 equity shares of ₹10 each were issued to Mr. Kayum Razak Dhanani, the Managing Director of the Company at a premium of ₹610 per share on May 12, 2016.

Notes to the Consolidated Ind AS Financial Statements

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

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

Particulars	31-Mar-18		31-Mar-17		01-Apr-16	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Sayaji Housekeeping Services Limited	1,26,21,116	45.73%	1,26,21,116	46.70%	63,10,558	47.41%
Tamara Private Limited	60,78,402	22.02%	64,45,940	23.85%	32,22,970	24.21%
Pace Private Limited	31,82,964	11.53%	33,75,426	12.49%	16,87,713	12.68%
Kayum Razak Dhanani	13,98,684	5.07%	13,95,788	5.16%	4,97,894	3.74%

(c) Number of equity shares reserved for issuance

Name of shareholders	31-Mar-18	31-Mar-17	01-Apr-16
Equity shares of ₹10/- each to eligible employees under Employee Stock Option Scheme	-	-	2,66,240
Equity shares of ₹5/- each to eligible employees under Employee Stock Option Scheme	5,32,480	5,32,480	-

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

Note No. 16 Other equity

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Securities premium	1,330.43	864.80	742.80
Share options outstanding account	28.58	9.62	-
Foreign currency translation reserve	(3.04)	(0.17)	-
Retained earnings	447.46	448.84	381.56
Total	**1,803.43**	**1,323.09**	**1,124.36**

Particulars	31-Mar-18	31-Mar-17
Securities premium account		
Opening balance	864.80	742.80
Add: Premium on shares issued during the year	475.53	122.00
Less : Share issue expenses	(9.90)	-
Closing balance	**1,330.43**	**864.80**
Share options outstanding account		
Opening balance	28.87	-
Add: Amounts recorded on grant of employee stock options during the year (Refer Note 36)	37.38	28.87
	66.25	28.87
Less : Deferred stock compensation expense	(37.67)	(19.25)
Closing balance	**28.58**	**9.62**
Foreign currency translation reserve		
Opening balance	(0.17)	-
Add: Additions during the year	(2.87)	(0.17)
Closing balance	**(3.04)**	**(0.17)**
Retained earnings		
Opening balance	448.84	381.56
Add: Profit for the year	35.34	119.12
Less : Remeasurement loss recognised in Other comprehensive Income (net of tax)	(4.20)	(1.37)
Less: Changes in non-controlling interest not resulting in change of control	-	(26.43)
Less: Dividend on equity shares (Refer note below)	(27.02)	(19.97)
Tax on dividend above (Refer note below)	(5.50)	(4.07)
Closing balance	**447.46**	**448.84**

Notes to the Consolidated Ind AS Financial Statements

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

Particulars	31-Mar-18	31-Mar-17
The amount of dividends proposed before the financial statements were approved for issue but not recognised as a distribution to owners during the year	27.98	27.02
Tax on dividend above	5.75	5.50

Note No. 17 Borrowings

(Classified under non-current liabilities)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Secured at amortised cost:			
(For details of terms and security, refer note below)			
Term loan from banks	852.73	582.78	362.44
Vehicle loan from bank	1.62	-	-
Total	**854.35**	**582.78**	**362.44**

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
Term loans from banks			
(i) Term loan 1 :			
Non-Current portion	-	-	47.00
Current maturities of long-term debt	-	47.00	48.00
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 : First paripassu charge by way of hypothecation on entire current assets and movable fixed assets of the Company (both present and future)			
(ii) Term loan 2 :			
Non-Current portion	-	-	42.00
Current maturities of long-term debt	-	42.00	42.00
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 :			
First paripassu charge by way of hypothecation on entire current assets and movable fixed assets of the Company (both present and future)			
(iii) Term loan 3:			
Non-Current portion	-	159.67	185.38
Current maturities of long-term debt	-	60.00	41.62
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) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company			
(iv) Term loan 4:			
Non-Current portion	43.73	62.35	88.06

Notes to the Consolidated Ind AS Financial Statements

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
Current maturities of long-term debt	18.73	20.15	18.90
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) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company			
(v) Term loan 5:			
Non -Current portion			
Current maturities of long-term debt	81.00	-	-
Repayment terms :	9.00	-	-
Repayable in 60 equal monthly instalments from October 2018 to and carries an interest rate of 12 month MCLR plus 1% p.a			
Security :			
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company			
(vi) Term loan 6:			
Non-Current portion	34.40	-	-
Current maturities of long-term debt	14.40	-	-
Repayment terms :			
Repayable in 42 defined monthly instalments from March 2018 to May 2022 and carries an interest rate of 12 month MCLR plus 1% p.a			
Security :			
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First paripassu charge on entire current assets and security deposits of the Company, both present and future. 3) First paripassu charge by way of hypothecation over the Brand of the Company			
(vii) Term loan 7:			
Non-Current portion	202.94	216.67	-
Current maturities of long-term debt	90.20	66.67	-
Repayment terms :			
Repayable in 54 equal monthly instalments from January 2017 to June 2021 and carries interest rate at 1 year MCLR plus 0.25% p.a			
Security :			
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future			

Notes to the Consolidated Ind AS Financial Statements

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
2) First paripassu charge over the Brand of the Company			
(viii) Term loan 8:			
Non-Current portion	38.83	85.60	-
Current maturities of long-term debt	11.62	15.00	-
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) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future			
2) First paripassu charge over the Brand of the Company			
(ix) Term loan 9:			
Non-Current portion	68.42	-	-
Current maturities of long-term debt	21.05	-	-
Repayment terms :			
Repayable in 19 equal quarterly instalments from October 2017 to April 2022 and carries an interest at yearly MCLR + 155 base points p.a later, rate to be reset annually.			
Security :			
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future			
2) First paripassu charge over the Brand of the Company			
(viii) Term loan 8:			
Non-current portion	28.46	-	-
Current maturities of long-term debt	42.00	-	-
Repayment terms :			
Repayable in 48 defined monthly instalments beginning from May 2018 to May 2022 and carries an interest rate of 1 year MCLR plus 2% p.a			
Security :			
1) Exclusive first charge by way of hypothecation of the entire fixed assets of Prime Gourment Private Limited (including leasehold improvements excluding vehicles) both present and future.			
2) Exclusive first charge by way of hypothecation of entire current assets and security deposits of the Prime Gourment Private Limited, both present and future.			
3) Corporate guarentee by Barbeque-Nation Hospitality Limited, Holding Company			
(ix) Term loan 9 :			
Non-Current portion	43.38	58.49	-
Current maturities of long-term debt	15.78	3.08	-
Repayment terms:			
USD loan - Repayable in 11 unequal half yearly installments after a moratorium of 12 months and carries an interest rate of 6-month LIBOR plus 450 bps			
Security :			
1) First paripassu charge on all current assets, movable fixed assets (present & future) including security deposits of the Company			
2) First paripassu charge on brand and other intangible assets of Company			

Notes to the Consolidated Ind AS Financial Statements

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

Terms of repayment and security	31-Mar-18	31-Mar-17	01-Apr-16
3) Corporate guarentee by Barbeque-Nation Hospitality Limited, Holding Company			
(x) Term loan 10:			
Non -Current portion	311.57	-	-
Current maturities of long-term debt	13.55	-	-
Repayment terms:			
USD loan - Repayable in 24 equal quarterly installments after a moratorium of 12 months and carries an interest rate of 6 months LIBOR plus 300 bps p.a.p.m			
Security :			
1) First paripassu charge on all the current assets, movable fixed assets (present and future) including securuty deposits of the Company			
2) First paripassu charge over the Brand and other intangible assets of the Company			
3) Corporate guarentee by Barbeque-Nation Hospitality Limited, Holding Company			
(xi) Vehicle loan 11:			
Non -Current portion	0.81	-	-
Current maturities of long-term debt	0.28	-	-
Repayment terms:			
AED loan - Repayable in 48 equated monthly installments and carries an interest rate of 3.25% p.a			
Security :			
1) Undated security cheques for the entire loan amount			
2) Personal guarentee of Mr. Mansoor Mohmed Ismail Memon, Director			
(xi1) Vehicle loan 12:			
Non -Current portion	0.81	-	-
Current maturities of long-term debt	0.49	-	-
Repayment terms:			
AED loan - Repayable in 36 equated monthly installments and carries an interest rate of 3.25% p.a			
Security :			
1) Undated security cheques for the entire loan amount			
2) Personal guarentee of Mr. Mansoor Mohmed Ismail Memon, Director			
Total	1,091.45	836.68	512.96
Non-current portion	854.35	582.78	362.44
Current maturities of long-term debt	237.10	253.90	150.52

Note No. 18 Provisions

(Classified under non-current liabilities)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits:			
Compensated absences	12.23	13.67	11.74
Gratuity and other long-term benefits	27.78	21.48	12.50
Provision for phantom stock options	-	3.33	-
Provision for asset retirement obligations	41.84	30.95	22.27
Total	81.85	69.43	46.51

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 19 Other non-current liabilities

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Deferred Government grant	1.71	2.44	3.05
Total	**1.71**	**2.44**	**3.05**

Note No. 20 Borrowings

(Classified under Current Liabilities)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Secured loans repayable on demand from banks:			
Working capital loans	35.12	14.26	10.09
[Security for the above secured loan includes capital goods purchased / imported under LC and all other primary / collateral securities stipulated for long-term loans referred in Note 17 (iii) to 17 (vi)]			
Unsecured			
Unsecured loan repayable on demand	-	20.19	-
Commercial paper	150.00	-	-
Repayment terms for Commercial paper			
₹50 Million repayable by April 2018 and carries an interest rate of 8.25% p.a			
₹100 Million repayable by May 2018 and carried an interest rate of 8.15% p.a			
Total	**185.12**	**34.45**	**10.09**

Note No. 21 Trade Payables

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Other than Acceptances			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises	673.29	416.80	317.45
Total	**673.29**	**416.80**	**317.45**

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.

The above includes the following debts due to promoter/group companies/ related parties as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Trade Payables			
Entity in which KMP / Relatives of KMP can exercise significant influence			
Sara Soule Private Limited	0.65	3.97	1.55
Investing party for which company is an associate			
Sayaji Hotels Limited	8.22	6.69	119.45

Note No. 22 Other financial liabilities

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Current maturities of long-term borrowings			
From banks	237.10	253.90	150.52
Interest accrued but not due on borrowings	3.44	2.11	2.08
Payables on purchase of property, plant and equipment	79.84	22.69	134.42
Total	**320.38**	**278.70**	**287.02**

Note: There are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel.

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 23 Other current liabilities

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Payable towards statutory remittances	44.36	50.60	36.76
Advance received from customers	19.48	12.03	3.74
Deferred government grant	3.00	2.07	2.57
Total	**66.84**	**64.70**	**43.07**

Note No. 24 Provisions

(Classified under current liabilities)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision for employee benefits:			
Compensated absences	18.59	19.81	19.21
Gratuity	10.66	3.90	5.31
Provision for asset retirement obligations	3.00	3.05	2.05
Total	**32.25**	**26.76**	**26.57**

Note No. 25 Current tax liabilities (Net)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Provision - Others:			
Income Tax (net of advance income tax)	53.14	43.32	41.67
Total	**53.14**	**43.32**	**41.67**

Note No. 26 Revenue from operations

Particulars	31-Mar-18	31-Mar-17
Sale of food & beverages	5,927.71	4,966.50
Other operating revenues (net of expenses directly attributable to such income) (Refer note (i) below)	47.73	68.36
Total	**5,975.44**	**5,034.86**

(i) Other operating revenue

Particulars	31-Mar-18	31-Mar-17
Revenue from displays and sponsorships	24.27	28.97
Share of profits and income from royalty	16.36	32.04
Government incentives	-	2.74
Sale of scrap	2.52	2.22
Other receipts from outdoor catering	3.29	2.39
Others	1.29	-
Total	**47.73**	**68.36**

Note No. 27 Other income

Particulars	31-Mar-18	31-Mar-17
Interest income on		
fixed depoists with banks	2.23	1.25
financial assets at amortised cost	13.77	13.45
Others	0.17	-
Income from government grant	2.07	2.57
Provision no longer required	20.50	-
Foreign exchange gain (net)	1.06	-
Net gain on sale/fair value of investments in mutual funds	2.83	3.21
Total	**42.63**	**20.48**

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 27 Cost of food and beverages consumed

Particulars	31-Mar-18	31-Mar-17
Opening stock	117.84	99.12
Add: Stock of Favorite Restaurant Private Limited merged during the year	-	4.28
Add: Purchases	2,039.01	1,813.68
	2,156.85	**1,917.08**
Less Closing stock	(140.97)	(119.74)
Total	**2,015.88**	**1,797.34**

Note No. 28 Employee benefits expenses

Particulars	31-Mar-18	31-Mar-17
Salaries and wages	980.50	782.29
Contributions to provident and other funds	44.01	45.80
Gratuity expenses	7.22	4.95
Expense on employee stock option scheme	18.96	9.62
Staff welfare expenses	265.05	71.93
Total	**1,315.74**	**914.59**

Note No. 29 Occupancy cost and other operating expenses

Particulars	31-Mar-18	31-Mar-17
Royalty and fees	6.00	5.43
Consumption of stores & operating supplies	85.53	85.63
Power and fuel	454.67	396.60
Rent including lease rentals	670.01	561.00
Repairs and maintenance:		
Buildings	7.55	12.60
Machinery	24.19	23.21
Others	27.82	23.92
House keeping services	150.23	136.23
Water charges	30.84	25.89
Insurance	10.74	5.31
Rates and taxes	63.42	58.46
Communication	31.27	26.86
Travelling and conveyance	44.46	30.22
Printing and stationery	23.79	23.91
Laundry expenses	13.00	10.51
Security service charges	21.78	21.49
Recruitment expenses	2.14	2.55
Business promotion	103.15	100.52
Vehicle hiring charges	11.51	12.05
Legal and professional	56.55	43.09
Expense on phantom stock option scheme	17.17	3.33
Payments to auditors (Refer note below)	4.36	2.90
Parking Charges	7.81	7.04
Corporate social responsibility	2.16	0.70
Provision for doubtful receivables and advances	3.77	7.46
Foreign exchange loss (net)	-	1.27
Miscellaneous expenses	53.64	38.86
Total	**1,927.56**	**1,667.04**

Notes to the Consolidated Ind AS Financial Statements

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

Payment to auditors *

Particulars	31-Mar-18	31-Mar-17
For audit of Standalone financial statements and quarterly reviews	2.60	2.20
For statutory audit of subsidiaries (paid to other auditor)	1.37	0.25
For audit of Consolidated Ind AS Financial Statements	0.35	0.30
Reimbursement of expenses	0.30	0.15
Total	**4.62**	**2.90**

* net of input tax credit during previous year ended March 31, 2017.

The above fee excludes fee of ₹8.26 Million (including related GST) paid to auditors in connection with the services provided for proposed IPO by the Company which has been included under unamortised share issue expenses.

Note No. 30 Finance costs

Particulars	31-Mar-18	31-Mar-17
Interest expense on:		
Borrowings	115.76	74.95
Provision for asset retirement obligations	3.18	2.57
Delayed payment of statutory dues	0.04	-
Receivable discounting charges	59.53	57.50
Other bank charges	11.17	9.61
Total	**189.68**	**144.63**

Note No. 31 Exceptional items

Particulars	31-Mar-18	31-Mar-17
Net loss relating to restaurant units closed / relocated during the year	32.99	11.51
Total	**32.99**	**11.51**

Pursuant to relocation of certain restaurant outlets, net losses incurred on account of disposal of certain fixed assets amounting ₹16.59 (during the year ended March 31, 2017 - ₹4.85) and write-down of lease deposits amounting ₹16.84 (during the year ended March 31, 2017 - ₹6.66) due to termination of lease contracts have been considered under exceptional items.

Note No. 32 Tax expense / (benefit):

Tax expenses recognised in Statement of Profit and Loss

Particulars	31-Mar-18	31-Mar-17
Current tax	154.46	88.51
Deferred tax	(5.10)	3.77
Total	**149.36**	**92.28**

Movement in deferred tax balances

Particulars	For the year ended 31 March 2018			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment and Financial assets	(18.97)	(1.47)	-	(20.44)
Tax effect of items constituting deferred tax assets				
Provision towards asset retirement obligations	10.02	3.66	-	13.68
Employee Benefits and other provisions	33.34	2.26	2.25	37.85
Others	6.79	0.65	-	7.44
Net deferred tax asset / (liabilities)	**31.18**	**5.10**	**2.25**	**38.53**

Notes to the Consolidated Ind AS Financial Statements

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

Particulars	For the year ended 31 March 2017			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment and Financial assets	(4.33)	(14.64)	-	(18.97)
Tax effect of items constituting deferred tax assets				
Provision towards asset retirement obligations	7.71	2.31	-	10.02
Employee Benefits and other provisions	25.57	6.92	0.85	33.34
Others	5.15	1.64	-	6.79
Net deferred tax asset / (liabilities)	**34.10**	**(3.77)**	**0.85**	**31.18**

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

Particulars	31-Mar-18	31-Mar-17
Profit before tax	**184.70**	**208.33**
Add: Losses of foreign subsidiaries in non-taxable jurisdictions	104.94	10.84
Profit before tax of Indian Group Companies subject to Income Tax	**289.64**	**219.17**
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	**100.24**	**75.85**
Non-recognition of deferred tax asset on carry forward losses in subsidiaries	37.71	16.24
Effect on set off of brought forward losses pertaining to Favourite Restaurants Private Limited on account of merger with the Company	-	(32.01)
Effect on account of non-deductible expenses under income tax	6.73	6.35
Adjustments recognised in respect of changes in tax WDV	-	25.25
Others	4.68	0.60
Income tax expense recognised in Statement of profit and loss	**149.36**	**92.28**

Note No. 33 Business combination

(a) Subsidiary acquried during the financial year 2016-17

Name of the entity	Principal activity	Date of acquisition	Proportion of voting equity interest acquired (%)
Prime Gourmet Private Limited (PGPL)	Dine-in restaurant	29-Aug-16	78.64

In order to expand its restaurant business, the group has acquired controlling stake of 78.64% in PGPL on 29 August 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 Ind AS financial statements with effect from 01 September 2016 for convenience as the transactions between 29 August 2016 and 31 August 2016 were not material.

Consideration transferred: ₹130 Million. Acquisition-related costs amounting to ₹20 Million have been excluded from the consideration transferred and have been charged to Statement of Profit and Loss as legal expenses.

The fair value of assets acquired and the liabilities assumed are given below:

Particulars	Amount	
Non-current assets	123.00	
Current assets	143.58	
Total assets		**266.58**
Non-current liabilities	31.48	
Current liabilities	121.05	
Total liabilities		**152.53**

Notes to the Consolidated Ind AS Financial Statements

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

Non-controlling interests

On the date of acquisition, non-controlling interest held stake of 21.36% in PGPL. However, as the Company acquired remaining interest in PGPL subsequently during financial year 2016-17 for ₹47.73 Million, the Non controlling interest as at 31 March 2017 and 31 March 2018 is Nil.

Goodwill arising on acquisition

Particulars	Amount
Consideration transferred (In cash)	130.00
Add: Non-controlling interests (21.36% in PGPL)	24.36
Less: Fair value of identifiable net assets acquired	114.05
Goodwill arising on acquisition	**40.31**

Goodwill arose in the acquisition of PGPL because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of PGPL. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow on acquisition of subsidiaries

Particulars	Amount
Consideration paid in cash	130.00
Less: cash and cash equivalent balances	132.52
Outflow/(Inflow)	**(2.52)**

Impact of acquisitions on the results of the Group

Included in the profit for the year ended 31 March 2017 is a loss of ₹37.01 Million attributable to the additional business generated by PGPL. Revenue for the year ended 31 March 2107 includes ₹69.53 Million in respect of PGPL.

Had this business combinations been effected at 01 April 2016, the revenue of the Group would have been increased by ₹61.94 Million, and the profit for the year would have decreased by ₹20.95 Million.

The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

(b) Formation of subsidairies in Dubai:

Barbeque Nation Restaurant LLC

On 25 March 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 (₹18.61 Millions) 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 over the relevant activities of BNR LLC.

In accordance with the terms of agreement between BNHL and the other Partner of BNR LLC dated 25 February 2016 further amended on 25 February 2017, the other Partner 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. In view of combined reading of the terms of the aforesaid agreement and the terms of Memorandum of Association, as amended, the Company is of the view that the other Partner is not entitled for any share in net assets of BNR LLC and also does not share the losses incurred by BNR LLC during the years ended 31 March, 2018 and 2017. Accordingly, no non-controlling interest in respect of this entity has been recognised.

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

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
A. Contingent liabilities			
Claims against the Company not acknowledged as debt (Sales Tax and VAT matters)	15.30	19.16	9.19
Customs duties saved against imports under EPCG scheme	0.65	-	-
Bonus to employees for FY 2014-15 pursuant to retrospective amendment to the Payment of Bonus Act, 1965	-	-	11.46
B. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	126.82	63.13	41.46

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 35 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Contribution to Provident Fund and Employee State Insurance Scheme	68.82	66.62	53.64

Defined benefit plans

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

Investment risk

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

Interest risk

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

Longevity risk

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

Salary risk

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

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

Particulars	Valuation as at		
	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	6.80%	6.50%	7.85%
Salary escalation	8.00%	8.00%	10.00%
Attrition rate	40.00%	40.00%	40.00%
Retirement age	58 years	58 years	58 years
Mortality	As per IALM (2006-08) ultimate		

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

Particulars	31-Mar-18	31-Mar-17
Service cost:		
Current service cost	5.31	3.52
Net interest expense	1.91	1.43
Components of defined benefit costs recognised in profit or loss	**7.22**	**4.95**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.95	(0.10)
Actuarial (gains) / losses arising from experience adjustments	5.50	2.32
Components of defined benefit costs recognised in other comprehensive income	**6.45**	**2.22**
Total	**13.67**	**7.17**

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

Notes to the Consolidated Ind AS Financial Statements

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

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

Particulars	31-Mar-18	31-Mar-17
Present value of funded defined benefit obligation	38.34	27.17
Fair value of plan assets	(1.94)	(1.79)
Funded status	**36.40**	**25.38**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**36.40**	**25.38**
Current	8.62	3.90
Non-current	27.78	21.48

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

Particulars	31-Mar-18	31-Mar-17
Opening defined benefit obligation	27.17	19.46
Add/(Less) on account of acquisitions /business transfers		
Expenses recognised in the statement of profit and loss		
Current service cost	5.31	3.52
Interest cost	2.06	1.56
Remeasurement (gains)/losses recognised in other comprehensive income:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.95	(0.10)
Actuarial gains and losses arising from experience adjustments	5.50	2.32
Acquisition / Divestiture	-	0.41
Benefits paid	(2.65)	-
Closing defined benefit obligation	**38.34**	**27.17**

Particulars	31-Mar-18	31-Mar-17
Opening fair value of the asset	**1.79**	**1.66**
Acquisition adjustment	-	-
Interest income on plan assets	0.15	0.13
Employer contributions	-	-
Return of plan assets greater / (lesser) than discount rate	-	-
Benefits paid	-	-
Closing fair value of assets	**1.94**	**1.79**

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

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹0.91 Millions (₹0.76 Millions as at 31 March 2017)

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹0.95 Millions (₹0.74 Millions as at 31 March 2017)

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

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

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

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

Notes to the Consolidated Ind AS Financial Statements

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

Particulars	31-Mar-18	31-Mar-17
Year 1	13.07	8.75
Year 2	11.97	9.18
Year 3	10.87	8.62
Year 4	9.92	8.25
Year 5	8.51	8.07
Year 6 to 10	21.43	19.11

Note No. 36 Employee Stock Option Scheme

In the annual general meeting held on August 26, 2015, the shareholders of the Company had approved the issue of not more than 266,240 options (underlying equity share of face value of ₹10/- each per option) under the Scheme titled " Employee Stock Option Scheme 2015 (ESOP 2015). The ESOP 2015 allows the issue of options to employees of the Company and its subsidiaries. Pursuant to the sub-division of equity share of ₹10 each into 2 equity shares of ₹5 each during the previous year, the scheme comprise of 532,480 options (underlying equity share of face value of ₹5 each per option).

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

On April 1, 2016, July 10, 2017 and August 5, 2017, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

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

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

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

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

Employee stock options details as on the Balance Sheet date (considering the effect of sub-division of shares) 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:	2,13,528	155.69
Lapsed during the year 2016-17:	59,610	193.69
Options outstanding at the end of the financial year 2016-17:	**1,53,918**	**140.97**
Options available for grant as at 31 March 2017	**3,78,562**	

Notes to the Consolidated Ind AS Financial Statements

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

Particulars	Options (Numbers)	Weighted average exercise price per option (₹)
Options outstanding at the beginning of 01 April 2017	1,53,918	140.97
Granted during the year ended 31 March 2018	3,02,859	435.73
Lapsed during the year ended 31 March 2018	10,448	301.37
Options outstanding at the end of 31 March 2018	**4,46,329**	**337.23**
Options available for grant as at 31 March 2018	**86,151**	**-**

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

Grant date	01-Apr-16	10-Jul-17	05-Aug-17	05-Aug-17	05-Aug-17
Risk Free Interest Rate	6.60%	6.68%	6.68%	6.68%	6.68%
Expected Life	3.5 years	1.75 years	1 year	2 years	3 years
Expected Annual Volatility of Shares	33.33%	3.02%	3.02%	3.02%	3.02%
Expected Dividend Yield	0.24%	0.15%	0.15%	0.15%	0.15%

Note No. 37 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. On April 1, 2016, the Company granted 22,242 options under said scheme for eligible personnel. Pursuant to the sub-division of equity share of ₹10 each into 2 equity shares of ₹5 each, the Company had cancelled 22,242 options issued earlier and re-issued 44,484 Phantom options wherein the option holder is entitled for cash equal to the difference between market value of equity shares of face value ₹5/- 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.

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.

Pursuant to the termination of retainer's agreement by way of mutual consent of the Company and retainers, "Phantom Option Scheme 2015" has been withdrawn with the approval of Board of Directors at the meeting dated February 15, 2018 and accordingly, the carrying amount of this liability as on February 15, 2018 amounting to ₹20.50 Million has been written-back.

Note No. 38 Segment information

The Company and its subsidiaries (Group) are solely engaged in the business of restaurant services. The economic charectristics, nature of service provided, production and distribution process of the company and its subsidiaries are similar. Hence, the management has determined that the group operates as a single segment.

Geographical information:

The group predominantly operates in India. Refer details below of geographical operations:

Country	Revenue		Non-current asets		
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	01-Apr-16
India	5,812.44	4,985.85	2,700.65	2,261.51	1,895.55
Others	163.00	49.00	316.25	68.80	-

The Group does not have revenues from transactions with a single external customer amounting to more than 10 per cent or more of the Group's revenues. The total of non-current assets do not include financial instruments and deferred tax asset.

Note No. 39 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

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

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Future minimum lease payments:			
Upto One year	221.84	206.70	119.59
More than one year and upto five years	163.35	115.87	150.24
More than five years	-	-	-

Note No. 40 Earnings per share

Particulars	31-Mar-18	31-Mar-17
Basic and Diluted Earnings Per Share (₹)		
Basic Earnings Per Share (Basic EPS)		
Net profit after tax attributable to equity shareholders	35.34	119.12
Weighted average number of Equity Shares outstanding	2,70,28,740	2,69,79,082
Basic EPS in ₹	**1.31**	**4.42**
Face value in ₹	5.00	5.00
Diluted Earnings Per Share (Diluted EPS)		
Net profit after tax attributable to equity shareholders	35.34	119.12
Weighted average number of Shares used for calculating Basic EPS	2,70,28,740	2,69,79,082
Add: Effect of ESOPs and share warrants which are dilutive	1,74,023	51,561
Weighted average number of shares considered for calculating Diluted EPS	**2,72,02,763**	**2,70,30,643**
Diluted EPS in ₹	**1.30**	**4.41**
Face value in ₹	5.00	5.00

Note No. 41

During the year ended 31 March 2018, the Company was subject to search under Section 132 of the Income Tax Act, 1961. The Company believes that there was no inconsistent information that was noted by the Income Tax authorities during the search and thereafter. As on date the Company has not received communication from the Income Tax authorities regarding the outcome of the search.

Note No. 42 Financial instruments

The carrying value and fair value of financial instruments by categories as at

Particulars	Carrying value			Fair value		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Financial assets						
Amortised cost						
Trade receivables	55.95	40.72	51.25	55.95	40.72	51.25
Cash and cash equivalents	436.22	52.71	10.85	436.22	52.71	10.85
Other financial assets	242.47	198.74	152.05	242.47	198.74	152.05
Fair value through profit and loss						
Investments in mutual fund (quoted)	0.01	27.89	30.05	0.01	27.89	30.05
Total assets	**734.65**	**320.06**	**244.20**	**734.65**	**320.06**	**244.20**
Financial liabilities						
Amortised cost						
Loans and borrowings	1,276.57	871.13	523.05	1,276.35	871.73	526.75
Trade payables	673.29	416.80	317.45	673.29	416.80	317.45
Other financial liabilities	83.28	24.80	136.50	83.28	24.80	136.50
Total liabilities	**2,033.14**	**1,312.73**	**977.00**	**2,032.92**	**1,313.33**	**980.70**

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

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Fair value hierarchy

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis

Particulars	Year ended	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Investment in mutual funds (quoted)	31-Mar-18	0.01	0.01	-	-
	31-Mar-17	27.89	27.89	-	-
	01-Apr-16	30.05	30.05	-	-

Financial risk management

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks.

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

The working capital position of the Company is given below:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Cash and cash equivalents	436.22	52.71	10.85
Investments in mutual funds (quoted)	0.01	27.89	30.05
Total	**436.23**	**80.60**	**40.90**

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

Note: The amounts disclosed below table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Particulars	31-Mar-18				
	< l year	1-3 years	> 3 years	Total	Carrying value
Borrowings	414.12	577.94	284.51	1,276.57	1,276.57
Trade payables	673.29	-	-	673.29	673.29
Other financial liabilities	83.28	-	-	83.28	83.28
Total	**1,170.69**	**577.94**	**284.51**	**2,033.14**	**2,033.14**

Particulars	31-Mar-17				
	< l year	1-3 years	> 3 years	Total	Carrying value
Borrowings	288.35	352.17	230.61	871.13	871.13
Trade payables	416.80	-	-	416.80	416.80
Other financial liabilities	24.80	-	-	24.80	24.80
Total	**729.95**	**352.17**	**230.61**	**1,312.73**	**1,312.73**

Notes to the Consolidated Ind AS Financial Statements

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

Particulars	01-Apr-16				
	< I year	1-3 years	> 3 years	Total	Carrying value
Borrowings	160.61	251.17	111.27	523.05	523.05
Trade payables	317.45	-	-	317.45	317.45
Other financial liabilities	136.50	-	-	136.50	136.50
Total	**614.56**	**251.17**	**111.27**	**977.00**	**977.00**

Foreign currency risk

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

The following table presents unhedged foreign currency risk from financial instruments

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Borrowings in USD	446.70	144.07	103.26
Interest accrued in USD	0.22	-	-

Foreign currency rate sensitivity analysis

Particulars	Impact on profit after tax for the year ended	
	31-Mar-18	31-Mar-17
Depreciation of USD by 5%		
Increase in profit	14.61	4.71
Appreciation of USD by 5%		
Decrease in profit	(14.61)	(4.71)

Interest rate risk

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

Interest rate sensitivity analysis

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

Particulars	Impact on profit after tax for the year ended	
	31-Mar-18	31-Mar-17
Decrease in interest rate by 1%		
Increase in profit	8.35	5.70
Increase in interest rate by 1%		
Decrease in profit	(8.35)	(5.70)

Capital management

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

The capital structure is as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Equity attributable to the equity share holders of the company	1,941.43	1,458.21	1,257.48
Eauity as a percentage of total capital	70%	65%	72%
Current borrowings	414.12	288.35	160.61
Non-current borrowings	862.45	582.78	362.44
Total borrowings	**1,276.57**	**871.13**	**523.05**
Less: Cash and cash equivalents	436.23	80.60	40.90
Net borrowings	**840.34**	**790.53**	**482.15**
Net borrowings as a percentage of total capital	30%	35%	28%
Total capital (borrowings and equity)	**2,781.77**	**2,248.74**	**1,739.63**

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 43 Related party transactions

	Description of relationship	Names of related parties
(i)	Investing party for which the Company is an Associate	Sayaji Hotels Limited (from August 13, 2014)
		Sayaji Housekeeping Services Limited (from 29 March, 2016)
		Tamara Private Limited
(ii)	Key Management Personnel (KMP)	**Managing Director**
		Kayum Dhanani (Managing Director)
		Mohan Kumar Ramamurthy (Chief Financial Officer, w.e.f June 15, 2017)
		Mohan Kumar Ramamurthy (Chief Financial Officer, upto December 31, 2016)
		Sameer Bhasin (Chief Executive Officer w.e.f April 4, 2016)
		Nagamani CY (Company Secretary)
		Non-Executive Directors
		T Narayanan Unni
		Raoof Razak Dhanani
		Suchitra Dhanani
		Tarun Khanna
		Abhay Chintaman Chaudhary
(iii)	Entities in which KMP / Relatives of KMP can exercise significant influence	Sara Soule Private Limited

Transactions and Balances with Related Parties

(a) Transactions with related parties for the year ended

Particulars	31-Mar-18	31-Mar-17
Purchase of consumables		
Entity in which KMP / Relatives of KMP can exercise significant influence		
Sara Soule Private Limited	-	4.03
Services received		
Investing party for which the Company is an Associate :		
Sayaji Hotels Limited	1.25	1.05
Services rendered		
Investing party for which the Company is an Associate :		
Sayaji Hotels Limited	11.72	16.11
Rent and maintenance charges		
Entity in which KMP / Relatives of KMP can exercise significant influence		
Sara Soule Private Limited	4.46	4.96
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	18.26	16.67
Issue of equity shares		
KMP/ Relatives of KMP		
Kayum Dhanani	-	124.00
Security deposit paid		
Entities in which KMP / relatives of KMP have significant influence:		
Sara Soule Private Limited	0.21	0.18
Refund received of security deposit paid		
Entities in which KMP / relatives of KMP have significant influence:		
Sara Soule Private Limited	0.23	-

Notes to the Consolidated Ind AS Financial Statements

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

(b) Balances outstanding with related parties as at

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Security deposits (refundable) with			
Entities in which KMP / relatives of KMP have significant influence:			
Sara Soule Private Limited	0.21	0.23	0.05
Trade Payables			
Entities in which KMP / relatives of KMP have significant influence:			
Sara Soule Private Limited	0.65	3.97	1.55
Investing party for which the Company is an Associate			
Sayaji Hotels Limited	8.22	6.69	119.45

(c) Compensation of key management personnel

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

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Short-term benefits	18.41	17.09
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	2.87	0.09
Termination benefits	-	-
Total	**21.28**	**17.18**

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

Note No. 44 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

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent - Barbeque-Nation Hospitality Limited (including consolidation adjustments)	101%	1,975.03	717%	253.35	101%	(7.13)	871%	246.22
Indian Subsidiary - Prime Gourmet Private Limited	2%	42.93	(320%)	(113.07)	(1%)	0.06	(400%)	-113.01
Foreign Subsidiary - Barbeque Nation Holdings Limited, Dubai	0%	(3.66)	(54%)	(19.13)	0%	-	(68%)	-19.13
Foreign Subsidiary - Barbeque Nation Restaurant LLC, Dubai	(4%)	(85.99)	(233%)	(82.22)	0%	-	(291%)	-82.22
Foreign Subsidiary - Barbeque Nation (Malaysia) Sdn. Bhd.	1%	14.66	(6%)	(2.05)	0%	-	(7%)	-2.05
Foreign Subsidiary - Barbeque Nation Holdings Pvt Ltd, Mauritius	0%	(1.54)	(4%)	(1.54)	0%	-	(5%)	-1.54
Total	**100%**	**1,941.43**	**100%**	**35.34**	**100%**	**(7.07)**	**100%**	**28.27**

Notes to the Consolidated Ind AS Financial Statements

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

Note No. 45 Standards / amendments not yet effective

Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

1) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

2) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is currently assessing the impact on adoption of this standard on its Consolidated Financial Statements.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force for periods beginning on or after April 1, 2018. The Company is currently assessing the impact of this on the financial statements.

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Our new logo has a bright and bold colour palette. The primary orange colour depicts the element of fire, while the crown emphasizes the importance we attach to our customers. Interestingly, the crown embeds the Barbeque Nation acronym (BN) and its top comprises a fork's upper part placed in the middle, surrounded by spoons.