

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PUPROSE IND AS FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF PRIME GOURMET PRIVATE LIMITED

Report on the Special Purpose Ind AS Financial Statements

We have audited the accompanying Special Purpose Ind AS Financial Statements of PRIME GOURMET PRIVATE 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 (collectively, the "Special Purpose Ind AS Financial Statements"). These Special Purpose Financial Statements ("Financial Statements") have been prepared by the management of the Company in accordance with the recognition and measurement principles of 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, solely for the purpose of audit of the consolidated financial statements of Barbeque-Nation Hospitality Limited (the "Holding Company").

Management's Responsibility for the Special Purpose 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 Special Purpose 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 recognition and measurement principles of 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 Special Purpose 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 Special Purpose 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 Special Purpose 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 Special Purpose Ind AS Financial Statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose 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 Special Purpose Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 Special Purpose 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 Special Purpose 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 Special Purpose 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 recognition and measurement principles of Ind AS, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Preparation and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.1 to the Special Purpose Ind AS Financial Statements, which describes the basis and purpose of the preparation of the Special Purpose Ind AS Financial Statements. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for any another purpose. Our report is intended solely for use of the management for the purpose of Consolidated Financial Statements of its Parent Company and should not be distributed to or used for any other purpose.

Other matter

The Company will prepare a separate set of Ind AS financial statements for the year ended March 31, 2018 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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



S. Sundaresan
Partner
(Membership No. 025776)

BENGALURU
May 21, 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIME GOURMET PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **PRIME GOURMET PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 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 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 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 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 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 Ind AS Financial Statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 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 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 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 loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of matter

We draw attention to Note 2.2 of the accompanying financial statements regarding the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and that these financial statements have been prepared on a going concern basis based on management estimates of future operations and the letter of support received from its Parent - Barbeque-Nation Hospitality Limited. Our opinion is not modified in respect of this matter.

Other matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated June 26, 2017 and July 20, 2016 respectively expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, 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.



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- 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 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) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the company in terms of the notification no. G.S.R. 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 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 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 does not have any pending litigations which would impact its financial position.
 - 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 A" 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)

S. Sundaresan

S. Sundaresan
Partner
(Membership No.025776)

Place: Bengaluru
Date : September 7 , 2018

ANNEXURE A 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) 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) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits and hence reporting under clause (v) of the Order is not applicable.
- (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 Services 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 Services 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) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax as on March 31, 2018, on account of disputes.



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- (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) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (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 holding 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)

S. Sundaresan

S. Sundaresan
Partner
(Membership No.025776)

Place: Bengaluru
Date : September 7 , 2018

Prime Gourmet Private Limited

Balance Sheet

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

Particulars as at	Note No.	31-Mar-18	31-Mar-17	1-Apr-16
ASSETS				
Non-current assets				
Property, plant and equipment	4	40.91	65.45	78.80
Capital work-in-progress		-	0.03	-
Other Intangible assets	4	6.45	21.82	21.60
Financial Assets				
Other financial assets	5	7.05	11.68	13.42
Other non-current assets	6	-	12.53	7.60
Total Non-current assets [A]		54.41	111.51	121.42
Current assets				
Inventories	7	-	3.26	4.49
Financial assets				
Trade receivables	8	1.58	0.01	0.11
Cash and cash equivalents	9	4.46	0.93	3.21
Other current assets	10	-	7.39	6.24
Total Current assets [B]		6.04	11.59	14.05
Total assets [A+B]		60.45	123.10	135.47
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	11	244.63	194.28	35.30
Other equity	12	(280.68)	(88.69)	(31.95)
Equity attributable to owners of the Company [C]		(36.05)	105.59	3.35
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	13	47.36	-	27.95
Provisions	14	0.51	2.40	1.91
Total Non-current liabilities [D]		47.87	2.40	29.86
Current liabilities				
Financial liabilities				
Borrowings	15	-	-	76.96
Trade payables	16	18.45	11.13	14.38
Other financial liabilities	17	28.54	2.19	7.93
Other current liabilities	18	1.59	1.78	2.98
Provisions	19	0.05	0.01	0.01
Total Current liabilities [E]		48.63	15.11	102.26
Total liabilities [F= [D+E]]		96.50	17.51	132.12
Total equity and liabilities [F+C]		60.45	123.10	135.47

See accompanying notes forming part of the Ind AS Financial Statements

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

S. Sundaresan

S. Sundaresan
 Partner



For and on behalf of the Board of Directors

Raoul Dhanani
Raoul Dhanani
 Director

Din No:- 00174654

T.N Unni
T.N Unni
 Director

Din No:- 00079237

Anil Laroia

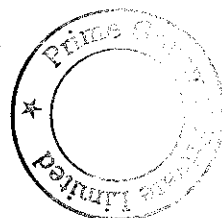
Anil Laroia
 Chief Executive Officer

K.K. Verma

Kaushal Kumar Verma
 Chief Financial Officer

Nagamani C Y

Nagamani C Y
 Company Secretary



Bengaluru, 7th September, 2018

Bengaluru, 7th September, 2018

Prime Gourmet Private Limited

Statement of Profit and Loss

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

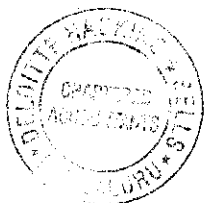
Particulars for the year ended	Note No.	31-Mar-18	31-Mar-17
REVENUE			
Revenue from operations	20	112.07	131.47
Other Income	21	1.52	1.48
Total (A)		113.59	132.95
Expenses			
Cost of food and beverages consumed	22	37.47	46.63
Employee benefits expenses	23	39.27	35.40
Occupancy cost and other operating expenses	24	101.90	84.73
Total (B)		178.64	166.76
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		(65.05)	(33.81)
Finance cost (D)	25	5.32	4.63
Depreciation and amortization expenses (E)	4 (e)	36.03	18.53
Loss before exceptional items and tax (F) = (C-D-E)		(106.40)	(56.97)
Exceptional items (G)			
Loss before tax (H) = (F-G)	26	85.65	-
		(192.05)	(56.97)
Tax expense / (benefit):			
Current tax		-	-
Deferred tax		-	-
Net tax expense / (benefit) (I)		-	-
Loss for the year (J) = (H-I)		(192.05)	(56.97)
Other Comprehensive Income / (Losses) (K)			
Items that will not be reclassified to Statement of profit and loss			
Remeasurements of the defined benefit plans		0.06	0.23
Income tax on the above		-	-
Total comprehensive income for the year (J + K)		(191.99)	(56.74)
Earnings per share	28		
Basic (in Rs.) (Face value of Rs. 10 each)		(8.77)	(4.88)
Diluted (in Rs.) (Face value of Rs. 10 each)		(8.77)	(4.88)

See accompanying notes forming part of the Ind AS Financial Statements

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

S. Sundaresan

S. Sundaresan
Partner



Bengaluru, 7th September, 2018

For and on behalf of the Board of Directors

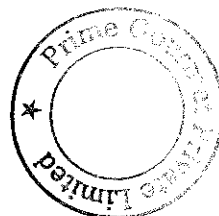
Raof Dhanani
Raof Dhanani
Director
Din No:- 00174654

T.N Unni
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Anil Laroia
Anil Laroia
Chief Executive Officer

K.K. Verma
Kaushal Kumar Verma
Chief Financial Officer

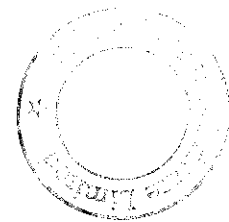
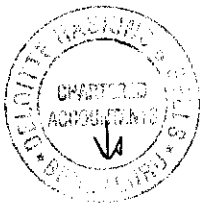
Nagamani C Y
Nagamani C Y
Company Secretary



Bengaluru, 7th September, 2018

Prime Gourmet Private Limited
Statement of Cashflow for the year ended 31 March 2018
(Amount in Rupees Million, except share data)

Particulars	31-Mar-18	31-Mar-17
A. Cash flow from operating activities		
Loss before tax	(192.05)	(56.97)
Adjustments for:		
Depreciation and amortisation	36.03	18.53
Exceptional items (Refer note 26)	85.65	-
Loss on sale of fixed assets (net)	-	3.50
Interest expense	4.62	2.37
Interest income	(1.52)	(1.48)
Provision for doubtful receivables and advances	2.23	-
Operating profit before working capital changes	(65.04)	(34.05)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(0.12)	1.23
Trade receivables	(1.57)	0.10
Other assets(financial & non financial)	(9.92)	(0.01)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	7.32	(3.25)
Other liabilities (financial)	18.99	0.58
Other current liabilities	(0.19)	(1.20)
Long-term and short-term provisions	0.21	0.22
Cash generated from operations	(50.32)	(36.38)
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) operating activities (A)	(50.32)	(36.38)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(86.94)	(12.64)
Net cash flow from / (used in) investing activities (B)	(86.94)	(12.64)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	50.35	158.98
Proceeds from long-term borrowings	70.46	-
Repayment of long-term borrowings	-	(32.98)
Net increase / (decrease) in working capital borrowings	23.30	(76.96)
Interest paid	(3.32)	(2.30)
Net cash flow from financing activities (C)	140.79	46.74



Prime Gourmet Private Limited
Statement of Cashflow for the year ended 31 March 2018
 (Amount in Rupees Million, except share data)

Particulars	31-Mar-18	31-Mar-17
Net increase in cash and cash equivalents (A+B+C)	3.53	(2.28)
Cash and cash equivalents at the beginning of the year	0.93	3.21
Cash and cash equivalents at the end of the year	4.46	0.93

See accompanying notes forming part of the Ind AS Financial Statements

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

S. Sundaresan

S. Sundaresan
 Partner



For and on behalf of the Board of Directors

Raof Dhanani

Raof Dhanani
 Director
 Din No:- 00174654

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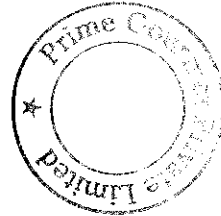
K.K. Verma

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 Chief Financial Officer

Nagamani C Y

Nagamani C Y
 Company Secretary

Bengaluru, 7th September, 2018



Bengaluru, 7th September, 2018

Prime Gourmet Private Limited
Statement of Changes in Equity
(Amount in Rupees Millions except for share data or as otherwise stated)

(a) **Equity share capital**

Particulars as at	31-Mar-18	31-Mar-17	1-Apr-16
Opening balance			
Changes in equity share capital during the year	194.28	35.30	35.30
Issue of the equity share during the year			
Closing balance	50.35	158.98	-
	244.63	194.28	35.30

(b) **Other equity**

Particulars	Reserves and Surplus	Total Other Equity
Balance as at 01 April 2016		
Loss for the year	(31.95)	(31.95)
Remeasurements of the defined benefit plans (net of tax)	(56.97)	(56.97)
Total comprehensive income	0.23	0.23
	(56.74)	(56.74)
Balance as at 31 March 2017	(88.69)	(88.69)
Balance as at 01 April 2017		
Loss for the year	(88.69)	(88.69)
Remeasurements of the defined benefit plans (net of tax)	(192.05)	(192.05)
Total comprehensive income	0.06	0.06
	(191.99)	(191.99)
Balance as at 31 March 2018	(280.68)	(280.68)

See accompanying notes forming part of the Ind AS Financial Statements

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

S. Sundaresan

S. Sundaresan
Partner



For and on behalf of the Board of Directors

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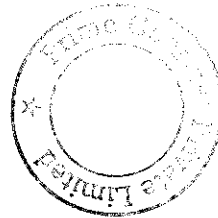
Kaushal Kumar Verma
Chief Financial Officer

Nagamani C Y

Nagamani C Y
Company Secretary

Bengaluru, 7th September, 2018

Bengaluru, 7th September, 2018



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements

1 Corporate information

Prime Gourmet Private Limited ("Company"), incorporated on 4 September 2012 under the Companies Act, 1956 and is primarily engaged in the business of operating casual dining restaurant chain in 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 35 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 Company has been incurring significant losses resulting in negative networth as at March 31, 2018. Further, the Company's decision to terminate its existing licensing contract with Johnny Rockets Licensing LLC, as explained in Note 26, indicates a material uncertainty about the Company's ability to continue the business as a going concern. These financial statements have been prepared on a going concern basis based on management estimates of future operations and the letter of support received from its Parent - Barbeque-Nation Hospitality Limited.

The 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

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

2.3 Summary of significant accounting policies

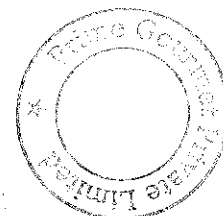
(a) Revenue Recognition

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.

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.



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements

(b) 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 as per useful life provided in Schedule II of the Companies Act 2013. 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	8 years
Plant & machinery	10 Years
Service equipments	10 Years
Computer equipments	3-6 years

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.

(c) Intangible assets

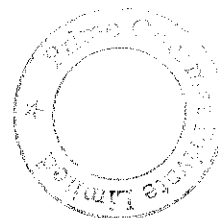
Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and 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.

License fees and Software and licenses Over the term of license

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.



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements

(d) 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.

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

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

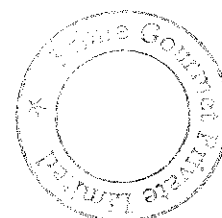
Impairment of financial assets (other than at fair value)

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 through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Derecognition of financial assets

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

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



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements

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.

(e) 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.

(f) Foreign Currency transactions and translations

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

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

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

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 Ind AS 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.

(g) Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

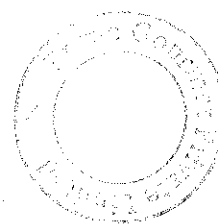
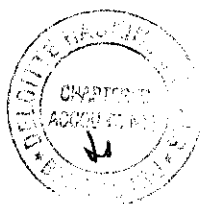
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive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

Short-term employee benefits

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

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

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



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements

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.

(h) 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.

(i) 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.

(j) 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 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 Ind AS 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.

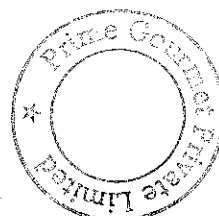
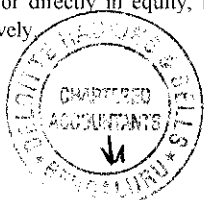
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) First-time adoption of Ind AS

Overall principle:

The Company has prepared the 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 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.

Determining whether an arrangement contains a lease:

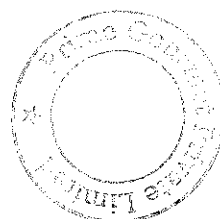
The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

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.



Prime Gourmet Private Limited

Notes forming part of the Ind AS financial statements

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

Note

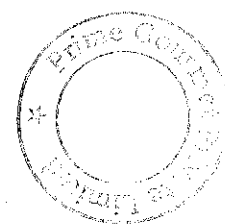
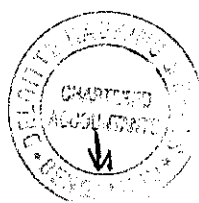
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4 Property, plant and equipment

Particulars	Cost			Accumulated depreciation/amortisation				Net Block	
	Balance as at 01-Apr-17	Additions	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
(a) Tangible assets (owned)									
Lease hold improvements	29.69	26.25	-	55.94	3.98	35.84	-	39.82	16.12
Furniture and fixtures	8.25	11.22	-	19.47	1.80	12.48	-	14.28	5.19
Plant & machinery	35.50	23.21	-	58.71	4.77	38.04	-	42.81	15.90
Service equipments	0.41	7.96	-	8.37	0.05	5.91	-	5.96	2.41
Computer equipments	3.46	2.18	-	5.64	1.26	3.09	-	4.35	1.29
Total	77.31	70.82	-	148.13	11.86	95.36	-	107.22	40.91
(b) Intangible assets (others)									
Licenses fees	27.72	-	-	27.72	6.07	15.28	-	21.35	6.37
Software and licenses	0.20	0.10	-	0.30	0.03	0.19	-	0.22	0.08
Total	27.92	0.10	-	28.02	6.10	15.47	-	21.57	6.45
Grand Total	105.23	70.92	-	176.15	17.96	110.83	-	128.79	47.36

Particulars	Cost			Accumulated depreciation/amortisation				Net Block	
	Balance as at 01-Apr-16	Additions	Deletions	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31-Mar-17	Balance as at 31-Mar-17
(a) Tangible assets (owned)									
Lease hold improvements *	32.40	0.64	3.35	29.69	-	4.41	0.43	3.98	25.71
Furniture and fixtures	7.92	0.42	0.09	8.25	-	1.83	0.03	1.80	6.45
Plant & machinery	35.20	0.44	0.14	35.50	-	4.80	0.03	4.77	30.73
Service equipments	0.41	-	-	0.41	-	0.05	-	0.05	0.36
Computer equipments	2.87	0.59	-	3.46	-	1.26	-	1.26	2.20
Total	78.80	2.09	3.58	77.31	-	12.35	0.49	11.86	65.45
(b) Intangible assets (others)									
Licenses fees	21.45	6.76	0.49	27.72	-	6.15	0.08	6.07	21.65
Software and licenses	0.15	0.05	-	0.20	-	0.03	-	0.03	0.17
Total	21.60	6.81	0.49	27.92	-	6.18	0.08	6.10	21.82
Grand Total	100.40	8.90	4.07	105.23	-	18.53	0.57	17.96	87.27

* Cost of leasehold improvements as at 01-Apr-16 includes deemed cost of Rs. 24.44 Million being the carrying value as per previous Indian GAAP and an adjustment of decommissioning cost measured in accordance with Ind AS.



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

4 Property, plant and equipment

Particulars of depreciation and amortisation expense	For the year ended	
	31-Mar-18	31-Mar-17
Depreciation expense for the year on tangible assets	95.36	12.35
Amortisation expense for the year on intangible assets	15.47	6.18
Total of depreciation and amortisation expense	110.83	18.53
Less : Accelerated depreciation considered under exceptional items (Refer note below & note 26)	(74.80)	-
Depreciation and amortisation expense (Net)	36.03	18.53

Note:

The accelerated depreciation above represents the pro-rata additional depreciation considered during the year, pursuant to the closure of operations of the Company by August 31, 2018.

5 Other financial assets

(Classified under non-current assets)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Carried at amortised cost			
Security deposits	7.05	11.68	13.42
Closing balance	7.05	11.68	13.42

6 Other non-current assets

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Capital advances	-	2.88	0.03
Prepaid expense	-	9.65	7.57
Total	-	12.53	7.60

7 Inventories

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
(At lower of cost and net realisable value)			
Food & beverages	-	3.26	4.49
Stores & consumables	-	-	-
Total	-	3.26	4.49

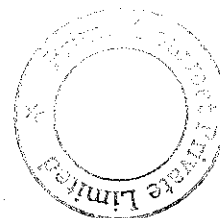
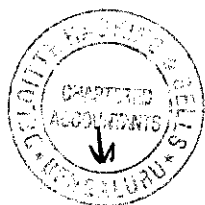
8 Trade receivables

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Trade receivables (unsecured) consist of following			
considered good	1.58	0.01	0.11
considered doubtful	-	-	-
	1.58	0.01	0.11
Allowance for doubtful debts (expected credit loss allowance)	-	-	-
Total	1.58	0.01	0.11

Note: 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.

9 Cash and cash equivalents

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Balances with banks			
In Current accounts	3.74	0.64	2.50
Cash in hand	0.72	0.29	0.71
Total	4.46	0.93	3.21



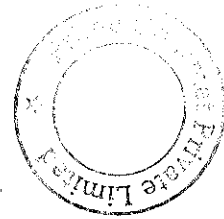
Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

10 Other current assets

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Prepaid expenses	-	0.64	0.93
Advances paid for supply of materials / rendering of services			
Unsecured, considered good	-	0.20	0.29
Doubtful	2.23	-	-
	2.23	0.20	0.29
Less: Provision for bad and doubtful advances	-2.23	-	-
	-	0.20	0.29
Balance with government authorities	-	6.55	5.02
Total	-	7.39	6.24



Prime Gourmet Private Limited

Notes forming part of the Ind AS financial statements

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

Note

No.

11 Share capital

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Authorised capital 25,000,000 equity shares of Rs. 10/- each (as at 31-Mar-2017: 20,000,000 equity shares of Rs. 10/- each) as at 01-Apr-2016: 4,000,000 equity shares of Rs. 10/- each)	250.00	200.00	40.00
Issued, subscribed and fully paid-up capital 24,462,763 equity shares of Rs. 10/- each (as at 31-Mar-2017: 19,427,763 equity shares of Rs. 10/- each) as at 01-Apr-2016: 3,530,000 equity shares of Rs. 10/- each)	244.63	194.28	35.30
Total	244.63	194.28	35.30

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

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	No. of shares	Rs.	No. of shares	Rs.	No. of shares	Rs.
Opening balance	19,427,763	194.28	3,530,000	35.30	3,530,000	35.30
Add: Issued during the year	5,035,000	50.35	15,897,763	158.98	-	-
Closing balance	24,462,763	244.63	19,427,763	194.28	3,530,000	35.30

The Company has only one class of equity share having a par value of Rs.10/- 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.

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

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Barbeque Nation Hospitality Limited	24,462,763	100.00%	19,427,763	100.00%	-	-
Gaurav Sharma	-	-	-	-	1,176,167	33.32%
Capricorn Resources Private Limited	-	-	-	-	1,175,666	33.30%
Concept Studio Private Limited	-	-	-	-	1,176,167	33.32%
Total	24,462,763	100.00%	19,427,763	100.00%	3,528,000	100.00%

Details of shares held by holding company

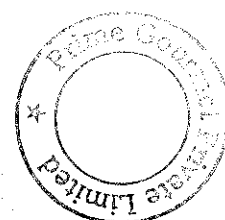
Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Barbeque Nation Hospitality Limited	24,462,763	19,427,763	NA

12 Other equity

Particulars	31-Mar-18	31-Mar-17
Retained earnings		
Opening balance	(88.69)	(31.95)
Add: Loss for the year	(192.05)	(56.97)
Less: Remeasurement loss recognised in Other comprehensive Income (net of tax)	0.06	0.23
Closing balance	(280.68)	(88.69)
Total other equity	(280.68)	(88.69)

13 Borrowings (non-current)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Secured at amortised cost			
Term loan from banks (refer note (i) below)	47.36	-	17.07
Term loan from others (refer note (ii) below)	-	-	10.88
Closing balance	47.36	-	27.95



Prime Gourmet Private Limited

Notes forming part of the Ind AS financial statements

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

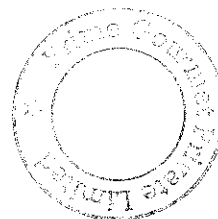
Note
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Notes: Details of security and terms of repayment for the long-term borrowings:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
(i) Term loan from banks			
Term loan -1:			
Non-current portion	47.36	-	-
Current maturities of long-term debt	23.10	-	-
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 upto March 2018 and at the rate of 1 year MCLR plus 1% thereafter			
Security : Exclusive first charge by way of hypothecation of the entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. Exclusive first charge by way of hypothecation of entire current assets and security deposits of the Company, both present and future. Corporate guarantee by Barbeque Nation Hospitality Limited, Holding Company			
Term loan -2:			
Non-current portion	-	-	17.07
Current maturities of long-term debt	-	-	1.34
Repayment terms: Repayable in 106 defined monthly instalments and carries an interest rate of 11.25% per annum			
Security : Secured against the personal properties of the directors and their personal guarantee			
(ii) Secured term loan from others			
Term loan - 1			
Non-current portion	-	-	5.81
Current maturities of long-term debt	-	-	0.16
Repayment terms: Repayable over a period of 180 months and carries an interest rate of 11.50% per annum			
Security : Secured against the personal properties of the directors and their personal guarantee.			
Term loan - 2			
Non-current portion	-	-	5.07
Current maturities of long-term debt	-	-	0.55
Repayment terms: Repayable over a period of 84 months and carries an interest rate of 13% per annum			
Security : Secured against the personal properties of the directors and their personal guarantee.			
(iii) Unsecured loan from others			
Non-current portion	-	-	-
Current maturities of long-term debt	-	-	2.98
Total	70.46	-	32.98
Non-current portion	47.36	-	27.95
Current maturities of long-term debt	23.10	-	5.03

14 Provisions (non-current)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Provision for Gratuity	0.51	0.40	0.41
Provision for asset retirement obligations	-	2.00	1.50
Total	0.51	2.40	1.91



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note

No.

15 Borrowings (current)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Secured loans repayable on demand from banks:			
Working capital loans (Secured by Hypothecation on credit card receivables of the company and personal guarantees of the Directors of the company)	-	-	4.36
Unsecured loan from:			
-Barbeque Nation Hospitality Limited, Holding Company	-	-	-
-Directors	-	-	72.60
Total	-	-	76.96

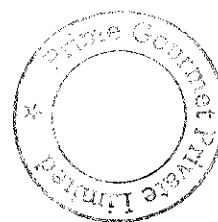
16 Trade payables

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Other than Acceptances			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises	18.45	11.13	14.38
Total	18.45	11.13	14.38

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.

17 Other financial liabilities (current)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Current maturities of long-term debt (For details of terms and security, refer note 13 above)			
Term loan from banks	23.10	-	1.34
Term loan from others	-	-	0.71
Unsecured loan from others	-	-	2.98
Interest accrued on borrowings	0.60	-	-
Payables on purchase of fixed assets	4.84	1.59	2.88
Security deposits received	-	0.14	0.02
Payable to Barbeque Nation Hospitality Limited, Holding Company	-	0.46	-
Total	28.54	2.19	7.93



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements
(Amount in Rupees Millions except for share data or as otherwise stated)

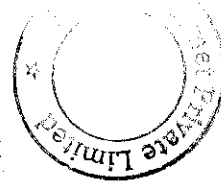
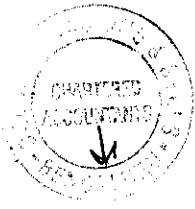
Note
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18 Other liabilities (current)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Payable towards statutory remittances	1.59	1.78	2.98
Total	1.59	1.78	2.98

19 Provisions (current)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Provision for Gratuity	0.05	0.01	0.01
Total	0.05	0.01	0.01



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note
No.

20 Revenue from operations

Particulars	31-Mar-18	31-Mar-17
Sale of food & beverages	112.04	131.31
Other operating income (net of expenses directly attributable to such income)	0.03	0.16
Closing balance	112.07	131.47

21 Other income

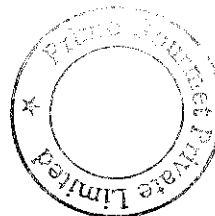
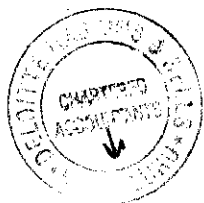
Particulars	31-Mar-18	31-Mar-17
Interest income on:		
Financial assets at amortised cost	1.52	1.47
Others	-	0.01
Total	1.52	1.48

22 Cost of food and beverages consumed

Particulars	31-Mar-18	31-Mar-17
Opening stock	3.26	4.49
Add: Purchases	34.21	45.40
Closing stock	-	(3.26)
Total	37.47	46.63

23 Employee benefits expenses

Particulars	31-Mar-18	31-Mar-17
Salary, wages and bonus	31.52	32.38
Contributions to provident fund	1.66	1.47
Gratuity expenses	0.21	0.23
Staff welfare expenses	5.88	1.32
Total	39.27	35.40



Prime Gourmet Private Limited

Notes forming part of the Ind AS financial statements

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

Note

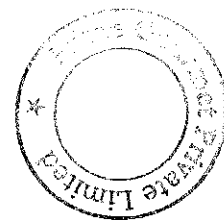
No.

24 Occupancy cost and other operating expenses

Particulars	31-Mar-18	31-Mar-17
Royalty and fees	6.00	8.44
Shared service expenses	19.59	-
Consumption of stores & operating supplies	3.71	0.79
Power, fuel and water charges	9.60	9.74
Rent including lease rentals	45.48	46.28
Repairs and maintenance:		
Buildings	0.05	1.78
Machinery	0.67	0.65
Others	0.51	0.22
House Keeping Services	0.18	-
Water charges	0.75	0.23
Insurance	0.12	0.22
Rates and taxes	1.74	2.64
Communication	0.38	0.36
Travelling and conveyance	2.78	1.71
Printing and stationery	0.31	0.37
Laundry expenses	0.16	0.10
Security service charges	0.06	-
Recruitment expenses	-	0.02
Business promotion	3.81	3.12
Vehicle hiring charges	0.64	-
Legal and professional	1.11	2.68
Payments to auditors (Refer note below)*	0.56	0.08
Loss on sale of fixed assets (net)	-	3.50
Parking charges	0.01	-
Miscellaneous expenses	3.68	1.80
Total	101.90	84.73

Payment to auditors *

Particulars	31-Mar-18	31-Mar-17
As auditors		
Statutory audit	0.56	0.08
Total	0.56	0.08



Prime Gourmet Private Limited

Notes forming part of the Ind AS financial statements

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

Note

No.

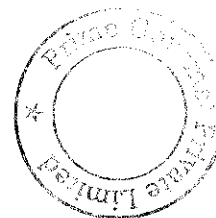
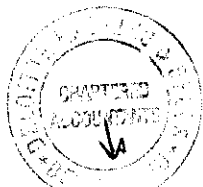
25 Finance costs

Particulars	31-Mar-18	31-Mar-17
Interest expense on :		
Borrowings	4.45	2.07
Provision for asset retirement obligation	0.13	0.07
Others	0.04	0.23
Receivable discounting charges	0.18	-
Other bank charges	0.52	2.26
Total	5.32	4.63

26 Exceptional items

The Company received notice for termination of franchisee agreement from Johnny Rockets Licensing LLC dated June 7, 2018 citing allegations of non-compliance with the terms of the agreement. In consideration of this, both the parties have mutually agreed to terminate the contract with Johnny Rockets Licensing LLC by October 10, 2018. Consequential loss on account of discontinuance of this business is accounted under exceptional items based on the assessment of recoverability of the assets and the amounts required to settle the liabilities.

Particulars	For the year ended March 31, 2018
Accelerated depreciation on property, plant and equipments	74.80
Other assets written off	10.85
Total	85.65



Note
No.

27 Commitments (to the extent not provided for)

Particulars	As at		
	31-Mar-18	31-Mar-17	1-Apr-16
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	25.02	5.51	-

28 Earnings per share

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Loss for the year attributable to owners of the Company	(192.05)	(56.97)
Weighted average number of equity shares	21,906,873	11,672,090
Face value per share (Rs.)	10.00	10.00
Basic EPS in Rs.	(8.77)	(4.88)
Diluted EPS in Rs.	(8.77)	(4.88)

29 Employee benefits 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.

(Rs. in Million)

Particulars	31-Mar-18	31-Mar-17
Contribution to Provident Fund and Employee State Insurance Scheme	2.61	2.19

Defined benefit plan:

The Company offers gratuity benefits, a defined employee benefit scheme to its employees. The said benefit plan is exposed to actuarial risks such as longevity risk, interest rate risk and salary risk.

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.

Interest risk

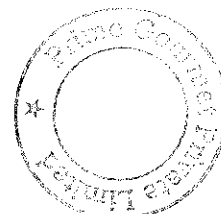
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

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.

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(s)	6.80%	7.00%	7.80%
Expected rate(s) of salary increase	8.00%	8.00%	8.00%
Mortality rate	As per IALM (2006-08) ultimate		
Retirement age (years)	60 years	60 years	60 years



Note
No.

29 Employee benefits plans (contd...)

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	0.18	0.20
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.03	0.03
Components of defined benefit costs recognised in profit or loss	0.21	0.23
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	(0.04)	0.01
Actuarial (gains) / losses arising from experience adjustments	(0.02)	(0.24)
Components of defined benefit costs recognised in other comprehensive income	(0.06)	(0.23)
Total	0.15	-

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

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

Particulars	31-Mar-18	31-Mar-17
Present value of funded defined benefit obligation	0.56	0.41
Fair value of plan assets	-	-
Funded status	0.56	0.41
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	0.56	0.41

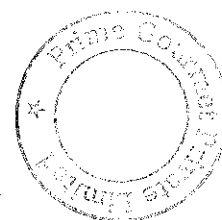
Movements in the present value of the defined benefit obligation are as follows:

Particulars	31-Mar-18	31-Mar-17
Opening defined benefit obligation	0.41	0.41
Add/(Less) on account of acquisitions /business transfers		
Expenses recognised in statement of profit and loss account		
Current service cost	0.18	0.20
Interest cost	0.03	0.03
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(0.04)	0.01
Actuarial gains and losses arising from experience adjustments	(0.02)	(0.24)
Liabilities assumed in a business combination	-	-
Benefits paid	-	-
Closing defined benefit obligation	0.56	0.41

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 Discount Rate	0.08	0.03
2 Effect on defined benefit obligation due to 100 bps decrease in Discount Rate	0.08	0.03

Salary escalation rate	31-Mar-18	31-Mar-17
1 Effect on defined benefit obligation due to 100 bps increase in salary escalation rate	0.08	0.02
2 Effect on defined benefit obligation due to 100 bps decrease in salary escalation rate	0.08	0.02



Note
No.

29 Employee benefits plans (contd...)

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 towards the plan are as follows:

Financial year	31-Mar-18	31-Mar-17
Year 1	0.11	-
Year 2	0.19	-
Year 3	0.19	0.07
Year 4	0.21	0.07
Year 5	0.23	0.06
Year 6 to 10	0.59	0.20

30 Deferred tax asset

The Company has significant brought forward tax loss and unabsorbed depreciation, and has recognised the arising deferred tax asset on such losses to the extent of the corresponding deferred tax liability arising on the difference between the book balance of fixed assets and the written down value of such fixed assets under Income Tax. With regard to the balance of the deferred tax assets, in the absence of reasonable certainty that future taxable profits would be available for set off of such deferred tax assets, the Company has not recognized any deferred tax asset as at 31 March 2018.

31 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.

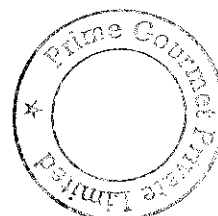
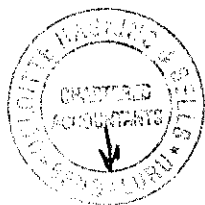
32 Disclosures in respect of Operating leases

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	For the year ended		
	31-Mar-18	31-Mar-17	1-Apr-16
Minimum operating lease payment debited to Statement of Profit and Loss account	45.48	46.28	29.05
Future minimum lease payments:			
not later than one year	18.54	-	-
later than one year and not later than five years	17.87	-	-
later than five years	-	-	-

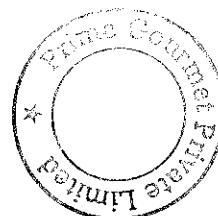


Note
No.
33 Related party disclosures

Relationship	Name of the related party
Holding company	Barbeque Nation Hospitality Limited (from August 29, 2016)
Key management personnel and their relatives	Anil Laroia - Chief Executive Officer (from May 23, 2018) Kaushal Kumar Verma - Chief Financial Officer (from May 21, 2018) Nagamani CY - Company Secretary (from July 20, 2017) Gaurav Sharma (from September 4, 2012 to September 6, 2016) Sachin Goel (from September 4, 2012 to September 6, 2016) Vishal Chaudhary (from September 4, 2012 to September 6, 2016)
	Directors Raouf Razak Dhanani (from September 6, 2016) T.N. Unni (from June 28, 2017) Abhay Chintaman Chaudhari (from June 28, 2017) Rahul Agarwal (from September 6, 2016 to June 28, 2017) Samir Bhasin (from June 15, 2017 to May 22, 2018) Bakshish Dean (upto June 28, 2017) Akansha Dean - Relative of Director - (upto June 28, 2017)
Enterprises controlled by Key Managerial Personnel	ARR Advisory Private Limited (upto August 28, 2016) Capricon Resources Private Limited (upto August 28, 2016)

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	For the year ended	Holding company	Entity exercising control	KMP and their relatives
Equity contribution to the Company	31-Mar-18	50.35	-	-
	31-Mar-17	28.98	-	-
Loan taken	31-Mar-18	31.11	-	-
	31-Mar-17	-	-	12.50
Repayment of loan	31-Mar-18	8.04	-	-
	31-Mar-17	-	5.33	79.76
Interest on loan taken	31-Mar-18	0.57	-	-
	31-Mar-17	-	-	-
Reimbursement of expenses by the Company	31-Mar-18	-	-	-
	31-Mar-17	0.46	0.28	-
Purchase of materials	31-Mar-18	0.25	-	-
	31-Mar-17	-	-	-
Rent paid	31-Mar-18	2.86	-	-
	31-Mar-17	-	-	-
Managerial remuneration / salary	31-Mar-18	-	-	-
	31-Mar-17	-	-	10.64
Professional charges	31-Mar-18	-	-	-
	31-Mar-17	-	0.16	-



Note
No.

Particulars of balances outstanding with related parties as at	As at	Holding company	Entity exercising control	KMP and their relatives
Loan outstanding	31-Mar-18	23.30	-	-
	31-Mar-17	-	-	-
	01-Apr-16	-	5.33	67.27
Other financial liabilities	31-Mar-18	19.59	-	-
	31-Mar-17	0.46	-	-
	01-Apr-16	-	-	-
Interest accrued on loan	31-Mar-18	0.57	-	-
	31-Mar-17	-	-	-
	01-Apr-16	-	-	-

34 Financial instruments

Categories of financial instruments

Particulars	As at		
	31-Mar-18	31-Mar-17	1-Apr-16
Financial assets:			
Measured at fair value through profit or loss (FVTPL)	-	-	-
Measured at amortised cost			
Loans	-	-	-
Trade receivables	1.58	0.01	0.11
Cash and cash equivalents	4.46	0.93	3.21
Other financial assets	7.05	11.68	13.42
Financial liabilities:			
Measured at amortised cost			
Loans and borrowings	70.46	-	109.94
Trade payables	18.45	11.13	14.38
Other financial liabilities	5.44	2.19	5.88

Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value hierarchy: The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

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

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

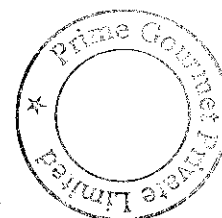
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial risk management

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

Credit risk

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



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note
No.

34 Financial instruments

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	(Rs. in Million)		
	31-Mar-18	31-Mar-17	01-Apr-16
Cash and cash equivalents	4.46	0.93	3.21
Total	4.46	0.93	3.21

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

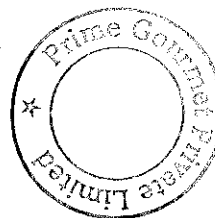
Particulars	(Rs. in Million)				
	31-Mar-18				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	23.10	47.36	-	70.46	70.46
Trade payables	18.45	-	-	18.45	18.45
Other financial liabilities	5.44	-	-	5.44	5.44
Total	46.99	47.36	-	94.35	94.35

Particulars	(Rs. in Million)				
	31-Mar-17				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	-	-	-	-	-
Trade payables	11.13	-	-	11.13	11.13
Other financial liabilities	2.19	-	-	2.19	2.19
Total	13.32	-	-	13.32	13.32

Particulars	(Rs. in Million)				
	01-Apr-16				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	81.99	5.40	22.55	109.94	109.94
Trade payables	14.38	-	-	14.38	14.38
Other financial liabilities	5.88	-	-	5.88	5.88
Total	102.25	5.40	22.55	130.20	130.20

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.



Note

No.

34 Financial instruments

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:

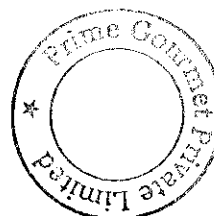
Particulars	(Rs. in Million)	
	Impact on profit	
	31-Mar-18	31-Mar-17
Decrease in interest rate by 1%		
Increase in profit	0.70	-
Increase in interest rate by 1%		
Decrease in profit	(0.70)	-

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	31-Mar-16
Equity attributable to the equity share holders of the company	(36.05)	105.59	3.35
Equity as a percentage of total capital	-120%	101%	3%
Current borrowings	23.10	-	81.99
Non-current borrowings	47.36	-	27.95
Total borrowings	70.46	-	109.94
Less: Cash and cash equivalents	4.46	0.93	3.21
Net borrowings	66.00	(0.93)	106.73
Net borrowings as a percentage of total capital	220%	-1%	97%
Total capital (borrowings and equity)	29.95	104.66	110.08



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note
No.

35 IND AS Reconciliation (Refer Note 2.1 for more details)

Date of transition to IND AS

01-Apr-16

End of last period presented under previous GAAP

31-Mar-17

Reconciliation of total equity

Particulars	Note	31-Mar-17	01-Apr-16
Share capital		194.28	35.30
Reserves		(88.82)	(30.87)
Equity as per previous GAAP		105.46	4.43
Add/(Less): Adjustment under Ind AS			
Fair valuation of lease deposits (given)	(a)	(0.83)	(0.63)
Recognition of asset retirement obligation (ARO) cost of leasehold improvements and related liability	(b)	(0.73)	(0.45)
Reclassification of processing fees paid on long-term loan	(d)	1.69	-
Deferred tax effect on above adjustments, where applicable		-	-
Total adjustment to equity		0.13	(1.08)
Equity as per Ind AS		105.59	3.35

Reconciliation of Total Comprehensive Income

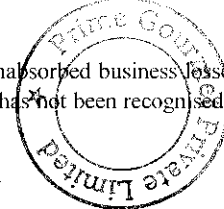
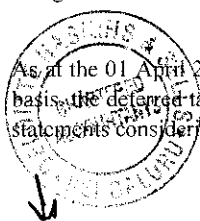
Particulars	Note	31-Mar-17
Loss as per previous GAAP		(57.95)
Add/(Less): Adjustment under Ind AS		
Imputed rent and maintenance expense on account of discounting of deposits	(a)	(1.67)
Notional interest income on account of discounting of deposits	(a)	1.47
Recognition of asset retirement obligation (ARO) cost of leasehold improvements and related liability	(b)	(0.28)
Recognition of actuarial gain in Other Comprehensive Income	(c)	(0.23)
Reclassification of processing fees paid on long-term loan	(c)	1.69
Deferred tax effect on above adjustments, where applicable	(d)	-
Profit as per IND AS		(56.97)
Other Comprehensive Income:		
Recognition of actuarial gain in Other Comprehensive Income	(b)	0.23
Deferred Tax on above		-
Total Comprehensive Income as per Ind AS		(56.74)

Reconciliation of statement of cash flow:

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

Explanatory notes

- (a) 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 interest 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.
- (b) 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.
- (c) 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.
- (d) Under previous GAAP, transaction cost incurred towards origination of borrowings was expensed off as and when the same is incurred. However, as per Ind AS 109, such transaction costs are deducted from the carrying amount of borrowings an initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of the loan, as interest expense by applying Effective Interest Rate method (EIR).
- (e) As at the 01 April 2016 and 31 March 2017, the Company had deferred tax asset (net) on account of unabsorbed business losses and on prudent basis, the deferred tax asset (including deferred tax on IND AS transition adjustments mentioned above) has not been recognised in these financial statements considering the uncertainties involved in utilising such losses.



Prime Gourmet Private Limited
Notes forming part of the Ind AS financial statements

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 Ind AS 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 / up to 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.

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.

