

Sadashiv Prasad & Co
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s Red Apple Kitchen Consultancy Private Limited.

Report on the Audit of the Financial Statements

Opinion:

We have audited the accompanying financial statements of **M/s Red Apple Kitchen Consultancy Private Limited** ("the company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objective is to obtain reasonable assurance on whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in –

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the standalone 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 financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A Statement on the matters specified in paragraph 3 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Company does not have branch office. Accordingly, reporting under sub-section (3) of section 143(8) is not applicable.
 - d. The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. In our opinion, with regard to financial transactions or other matters there is no adverse effect on the functioning of the Company.
 - g. On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - h. This report does not include report relating to internal financial controls as required u/s 143(3)(i) pursuant to Notification No. GSR 583(E) dated 13.06.2017 issued by MCA.



- i. In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- j. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- k. With respect to the other matters included in the Auditor's Report and to our 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 derivatives contracts for which there were any material foreseeable losses.
 - iii. The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund. Accordingly, reporting under this clause is not applicable.
 - iv. The company has adequate internal financial control systems in place and such controls are operating effectively.

For **SADASHIV PRASAD & CO.**

Chartered Accountants

Firm's Reg No: 010621S





Sadashivappa Rudra Prasad

Senior Partner

M.No.214193

Place: Bengaluru

Date: 18th May, 2021

Red Apple Kitchen Consultancy Private Limited
Standalone Balance Sheet as at 31st March 2021

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

Particulars as at	Note No	31-Mar-21	31-Mar-20
ASSETS			
Non-current assets			
Property, plant and equipment	4.1	139.00	164.01
Lease right of use assets	5	168.70	206.23
Capital work-in-progress		5.69	-
Other Intangible assets	4.2		2.25
Financial Assets			
Loans & Deposits	6	28.22	25.85
Deferred tax assets (net)	29	18.09	11.11
Other non-current assets	1	-	-
Total Non-current assets [A]		359.70	409.45
Current assets			
Inventories	7	9.53	9.20
Financial assets			
Trade receivables	8	3.97	8.09
Cash and cash equivalents	9	18.38	7.13
Other current assets	10	11.64	16.93
Total current assets [B]		43.52	41.35
Total assets [A+B]		403.22	450.80
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	0.53	0.53
Other equity	12	115.54	152.31
Equity attributable to owners of the Company [C]		116.07	152.84
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	5.75	0.89
Lease Liability	14	165.71	196.83
Provisions	15	5.74	5.61
Total Non-current liabilities [D]		177.20	203.33
Current liabilities			
Financial Liabilities			
Borrowings	16	3.38	8.74
Lease Liability	14	34.06	31.81
Trade payables	17	60.48	44.26
Other financial liabilities	18	7.52	5.93
Other current liabilities	19	4.27	5.28
Provisions	20	0.24	0.13
Current tax liabilities (Net)	21	-	(1.52)
Total current liabilities [E]		109.95	94.63
Total liabilities [F= [D+E]]		287.15	297.96
Total equity and liabilities [F+C]		403.22	450.80

Significant Accounting Policies

1-3

Accompanying Notes form an integral part of financial statements

4-40

As per our report of even date

For Sadashiv Prasad & Co
Chartered Accountants
FRN: 010621S

For and on behalf of Board of Directors of
M/s Red Apple Kitchen Consultancy Pvt Ltd

Sadashivappa Rudra Prasad
Senior partner
M. No.: 214193

Goudhaman B
Director
DIN: 01854313

Jean M Jasserand
Director
DIN: 02199800

Place: Bengaluru
Date: 18.05.2021

Amit V Betala
CFO

Red Apple Kitchen Consultancy Private Limited
Standalone Statement of Profit and Loss for the year ending 31st March 2021
(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Note No	For the year ended	For the year ended
		31-Mar-21	31-Mar-20
Revenue			
Revenue from operations	22	226.43	449.27
Other income	23	33.18	10.69
Total (A)		259.61	459.96
Expenses			
Cost of food and beverages consumed	24	50.46	119.25
Employee benefits expenses	25	77.89	125.50
Other operating expenses	26	70.69	118.26
Total (B)		199.04	363.01
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		60.57	96.95
Finance costs (D)	27	25.88	27.18
Depreciation and amortisation expense (E)	4	78.44	62.21
Profit before tax and exceptional items (F) = (C-D-E)		(43.75)	7.56
Exceptional items (G)	28	-	0.17
Profit before tax (H) = (F-G)		(43.75)	7.39
Tax expense / (benefit):			
Current tax		-	3.55
Deferred tax	29	(6.98)	(0.89)
Net tax expense / (benefit) (I)		(6.98)	2.66
Net Profit for the period / year (J) = (H-I)		(36.77)	4.73
Earnings per share	30		
Basic (in Rs.) (Face value of Rs.5 each)		(6,980)	1,170
Diluted (in Rs.) (Face value of Rs.5 each)		(6,980)	1,170

Significant Accounting Policies

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Accompanying Notes form an integral part of financial statements

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As per our report of even date

For Sadashiv Prasad & Co

Chartered Accountants

FRN: 010621S

For and on behalf of Board of Directors of

M/s Red Apple Kitchen Consultancy Pvt Ltd

Sadashivappa Rudra Prasad

Senior partner

M. No.: 214193

Goudhaman B

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Jean M Jasserand

Director

DIN: 02199800

Place: Bengaluru

Date: 18.05.2021

Amit V Betala

CFO

Red Apple Kitchen Consultancy Private Limited
Standalone Cash Flow Statement for the year ended 31st March 2021
(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars for the period/year ended	31-Mar-21	31-Mar-20
A. Cash flow from operating activities		
Profit / (loss) before tax	(43.75)	7.39
Adjustments for:		
Depreciation and amortisation	78.44	62.21
Profit on early termination of lease	-	(0.76)
Interest expense on borrowings	1.28	0.39
Interest on lease liabilities	21.58	22.29
Rent Concession due to Covid 19	(30.17)	-
Interest income	(3.01)	(2.62)
Provision no longer required	-	2.10
Provision for doubtful receivables and advances	0.27	5.89
Operating profit before working capital changes	24.64	96.89
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(0.33)	(1.88)
Trade receivables	4.12	16.97
Other assets (financial & non financial)	2.92	38.63
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	15.95	(14.94)
Other liabilities	1.49	8.77
Non-current provisions	0.13	1.41
Current provisions	0.11	0.13
Cash generated from operations	49.03	145.98
Net income tax (paid) / refunds	1.52	0.71
Net cash flow from / (used in) operating activities (A)	50.55	146.69
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including Right-of-use assets, CWIP and capital advances	(9.79)	(113.34)
Investment in subsidiary	-	11.66
Interest received	3.01	-
Net cash flow from / (used in) investing activities (B)	(6.78)	(101.68)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	10.00	5.00
Repayment of long-term borrowings	(4.84)	(1.19)
Net increase / (decrease) in working capital borrowings	(5.36)	-
Payments of interest portion of lease liabilities	(21.58)	(22.29)
Payments of principal portion of lease liabilities	(9.46)	(35.67)
Interest paid	(1.28)	(0.62)
Net cash flow from financing activities (C)	(32.52)	(54.77)
Net increase in cash and cash equivalents (A+B+C)	11.25	(9.76)
Cash and cash equivalents at the beginning of the year	7.13	16.89
Cash and cash equivalents at the end of the year	18.38	7.13
Cash and cash equivalents as per Balance Sheet	18.38	7.13
Cash and cash equivalents at the end of the year	18.38	7.13

Significant Accounting Policies 1-3
 Accompanying Notes form an integral part of financial statements 4-40

As per our report of even date

For Sadashiv Prasad & Co
 Chartered Accountants
 FRN: 010621S

For and on behalf of Board of Directors of
 M/s Red Apple Kitchen Consultancy Pvt Ltd

Sadashivappa Rudra Prasad
 Senior partner
 M. No.: 214193

Goudhaman B
 Director
 DIN: 01854313

Jean M Jasserand
 Director
 DIN: 02199800

Place: Bengaluru
 Date: 18.05.2021

Amit V Betala
 CFO

Red Apple Kitchen Consultancy Private Limited**Standalone 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-21	31-Mar-20
Opening balance	0.53	0.50
Changes in equity share capital during the year		
Add: Issued during the year /debentures converted into shares	-	0.03
Closing balance	0.53	0.53

(b) Other equity

Particulars	Reserves and Surplus		Total other equity
	Securities premium	Retained earnings	
Balance as at 01 April 2020	29.99	122.32	152.31
Profit /(loss) for the year	-	(36.77)	(36.77)
Remeasurements of the defined benefit plans (net of tax)	-	-	-
Total comprehensive income/(loss)	-	(36.77)	(36.77)
Balance as at March 31, 2021	29.99	85.55	115.54

As per our report of even date

For Sadashiv Prasad & Co

Chartered Accountants

FRN: 010621S

For and on behalf of Board of Directors of

M/s Red Apple Kitchen Consultancy Pvt Ltd

Sadashivappa Rudra Prasad

Senior partner

M. No.: 214193

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Jean M Jasserand

Director

DIN: 02199800

Place: Bengaluru

Date: 18.05.2021

Amit V Betala

CFO

Red Apple Kitchen Consultancy Private Limited

Notes forming part of the standalone financial statements

Note No.

1 Corporate information

Red Apple Kitchen Consultancy Private Limited ('the Company') is primarily engaged in the business of operating casual dining restaurants in India. The registered office of the company is situated at Sy No. 62, Site No 13, 6th Cross NS Palya BTM Layout, Bengaluru - 560076, Karnataka, INDIA

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. All assets and liabilities have been classified as current and non-current as per the Company's normal cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classifications of assets and liabilities. The previous year's figures have been re-grouped and re-classified wherever required to present the financial statements as per Schedule III of the Companies Act, 2013.

The company has adopted IND AS notified u/s 133 of the act from FY 2019-20, the comparative information is restated as per Ind AS from the period beginning from FY 2017-18.

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year. The Depreciation policy was changed from WDV basis to SLM basis to align the policies with those of Holding Company from the financial year 2019-20.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

2.3 Inventories

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

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

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

2.5 Cash flow statement

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

Red Apple Kitchen Consultancy Private Limited

Notes forming part of the standalone financial statements

Note No.

2.6 Revenue recognition

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

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

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

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

In respect of gift vouchers, the income is recognised when the vouchers are redeemed by the customers or on completion of the validity period.

2.7 Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

2.8 Fixed Assets (Tangible / Intangible)

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), and directly attributable expenditure in making the asset ready for its intended use, other incidental expenses. Subsequent expenditure relating to fixed assets is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

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

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 sale proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

Capital work-in-progress:

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

Red Apple Kitchen Consultancy Private Limited

Notes forming part of the standalone financial statements

Note No.

2.9 Depreciation and amortisation

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

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

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

-Leasehold land is amortised over the duration of the lease.

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

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

- a) Liquor licenses with perpetual term purchased for restaurant chain business are amortised over the lease term of the respective restaurants.
- b) Software and other licenses are amortised over the estimated useful life of 3 years.

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, if any.

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

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

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

2.11 Investments

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

Red Apple Kitchen Consultancy Private Limited

Notes forming part of the standalone financial statements

Note No.

2.12 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

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

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

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

Long-term employee benefits

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

2.13 Borrowing costs

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

Note No.

2.14 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.

2.15 Earnings per share

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

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

In the current year, based on the amendment provided to the income tax act 1961, vide ordinance No 15 of 2019 dated September 20, 2019 of Government of India, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the condition mentioned under the amendment provisions. One such condition is non applicability of MAT provisions to the company, hence no tax credits will be recognised in future under this provision.

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

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

Red Apple Kitchen Consultancy Private Limited

Notes forming part of the standalone financial statements

Note No.

2.17 Impairment of assets

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

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

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

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

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

2.18 Provisions and contingencies

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

2.19 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.

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.

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.

4 PPE Schedule As at 31-Mar-2021

Particulars	Gross Block				Depreciation / Amortisation			Net Block		
	As at 31-Mar-2020	Additions/ deductions/ Impairment	Deductions / adjustments during the year	As at 31-Mar-2021	As at 31-Mar-2020	Provided during the year	Other Reversals	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2020
4.1 Tangible Assets										
Building	7.64	-	-	7.64	5.57	0.12	-	5.69	1.95	2.07
Computers	3.82	0.31	-	4.13	2.21	0.77	-	2.97	1.16	1.62
Furniture and Fixtures	29.97	0.24	-	30.21	16.06	2.21	-	18.28	11.94	13.91
Lease Hold Premises	143.71	1.71	-	145.42	47.59	15.01	-	62.60	82.81	96.12
Plant and Machinery	20.00	0.49	-	20.49	5.95	1.16	-	7.11	13.38	14.05
Service Equipments	53.17	0.86	-	54.03	23.71	6.76	-	30.47	23.56	29.46
Office Equipments	8.90	0.04	-	8.95	3.42	1.32	-	4.74	4.21	5.49
Vehicles	3.58	-	2.54	1.04	2.29	0.15	1.40	1.04	0.00	1.29
Total	270.80	3.64	2.54	271.90	106.79	27.50	1.40	132.89	139.00	164.00
4.2 Intangible Assets										
	-	-	-	-	-	-	-	-	-	-
	2.25	-	-	2.25	-	2.25	-	2.25	-	2.25
	-	-	-	-	-	-	-	-	-	-
Total	2.25	-	-	2.25	-	2.25	-	2.25	-	2.25
Grand Total	273.05	3.64	2.54	274.15	106.79	29.75	1.40	135.14	139.00	166.25

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**5 Lease right-of-use asset**

Particulars	Rs.
As at April 1, 2018	174.13
Additions	162.84
Deletions	-
As at March 31, 2019	336.97
Additions	27.05
Add : Transfer from leasehold improvements	
Deletions	-9.31
As at March 31, 2020	354.71
Additions	11.15
Add : Transfer from leasehold improvements	
Deletions	-
As at March 31, 2021	365.86

Particulars	Rs.
Accumulated depreciation	
As at April 1, 2018	84.14
Depreciation charge for the year	29.20
Add : Transfer from leasehold improvements	
Deletions	-
As at March 31, 2019	113.34
Depreciation charge for the period	41.99
Add : Transfer from leasehold improvements	-
Deletions	-6.85
As at March 31, 2020	148.48
Depreciation charge for the period	48.68
Add : Transfer from leasehold improvements	
Deletions	-
As at March 31, 2021	197.16

Net Book Value

As at March 31, 2021	168.70
As at March 31, 2020	206.23
As at March 31, 2019	223.63
As at March 31, 2018	89.99

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**6 Loans & Deposits**

(Classified under non-current assets)

Particulars	31-Mar-21	31-Mar-20
Unsecured, considered good		
Security deposits	28.22	25.85
Total	28.22	25.85

7 Inventories

Particulars	31-Mar-21	31-Mar-20
(At lower of cost and net realisable value)		
Food & beverages	8.30	9.62
Stores & consumables	1.23	0.51
Less:- Provision against inventory write off due to COVID 19 Lockdown	-	-0.93
Total	9.53	9.20

8 Trade receivables

Particulars	31-Mar-21	31-Mar-20
Trade receivables (unsecured) consist of following		
Considered good	3.97	8.09
Considered doubtful	-	-
	3.97	8.09
Allowance for doubtful receivables (expected credit loss allowance)	-	-
Total	3.97	8.09

9 Cash and cash equivalents

Particulars	31-Mar-21	31-Mar-20
Balances with banks		
In current accounts	11.72	6.80
In deposit accounts	6.21	-
Cash on hand	0.45	0.33
Cash and cash equivalents as per balance sheet	18.38	7.13

10 Other current assets

Particulars	31-Mar-21	31-Mar-20
Advance to employees	0.29	1.22
Security Deposits	9.18	10.68
Less: Allowance for bad and doubtful advances & deposit	(4.87)	(4.87)
Prepaid expenses	1.72	1.22
Advances paid for supply of materials / rendering of services		
Unsecured, considered good	0.45	0.51
Doubtful	1.00	1.00
	1.45	1.51
Less: Allowance for bad and doubtful advances & deposit	(1.00)	(1.00)
	0.45	0.51
Balance with Government authorities	4.87	8.17
Unamortised share issue expenses *	-	-
Total	11.64	16.93

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**11 Equity Share capital**

Particulars	As at	
	31-Mar-21	31-Mar-20
Authorised 7,000 (as at 31 March 2019 5000) equity shares of Rs. 100/- each	7,00,000	7,00,000
Issued, subscribed and fully paid up capital 5,268 (as at 31 March 2019 5000) equity shares of Rs. 100/- each	0.53	0.53
Total	0.53	0.53
Instruments entirely equity in nature		
Compulsorily Convertible debentures 268@ 112000	-	30.02
Add:-Interest accrued	-	0.23
Total	-	30.25
Grand Total	0.53	30.78

(a) Reconciliation of the number of shares and amount outstanding as

Particulars	31-Mar-21		31-Mar-20	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 100/- each:				
Opening balance	5,268	0.53	5,000	0.50
Add: Issued during the year /debentures converted into shares	-	-	268	0.03
Closing balance	5,268	0.53	5,268	0.53

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

Particulars	As at			
	31-Mar-21		31-Mar-20	
	No. of Shares	% holding	No. of Shares	% holding
Jean Michel Marcel Jasserand	1,222	23.20%	1,222	23.20%
Barbeque-Nation Hospitality Limited	3,232	61.35%	3,232	61.35%
Balasubramanian Goudhaman	814	15.45%	814	15.45%
Total	5,268	100%	5,268	100%

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**12 Other equity**

Particulars	31-Mar-21	31-Mar-20
Securities premium	29.99	29.99
Retained earnings	85.55	122.32
Total	115.54	152.31

Particulars	31-Mar-21	31-Mar-20
Securities premium account		
Opening balance	29.99	-
Add: Premium on shares issued during the year	-	29.99
Less : Share issue expenses	-	-
Closing balance	29.99	29.99
Retained earnings		
Opening balance	122.32	117.59
Add: Profit /(loss) for the year / period	(36.77)	4.73
Less: Remeasurement profit/loss recognised in Other comprehensive Income (net of tax)	-	-
Less: Dividend on equity shares (refer note below)	-	-
Closing balance	85.55	122.32

Particulars	31-Mar-21	31-Mar-20
The amount of dividends proposed before the financial statements were approved for issue but not recognised as a distribution to owners during the year	-	-

Nature and purpose of reserves

Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings: Retained earnings are the profits / loss that the Company has earned / incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

13 Borrowings

Particulars	31-Mar-21	31-Mar-20
Secured at amortised cost:		
Term loan from banks (Refer notes below)	5.75	0.89
Total	5.75	0.89

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**15 Provisions**

Particulars	31-Mar-21	31-Mar-20
Provision for employee benefits:		
Compensated absences	0.76	0.47
Gratuity	4.98	5.14
Total	5.74	5.61

16 Borrowings

Particulars	31-Mar-21	31-Mar-20
Secured loans repayable on demand from banks:		
Unsecured		
(i) Overdraft facility	0.38	8.74
Repayable on demand and carries and interest rate of 1 month MCLR		
(ii) Loan from director	3.00	-
Total	3.38	8.74

17 Trade payables

Particulars	31-Mar-21	31-Mar-20
Other than Acceptances,		
Total outstanding dues of micro enterprises and small enterprises		
(i) More than 45 days	0.00	1.62
(ii) Less than 45 days	0.10	-
Total outstanding dues of creditors other than micro enterprises		
(i) More than 6 months	13.57	7.68
(ii) Less than 6 months	46.81	34.96
Total	60.48	44.26

The above includes payable to private companies in which a director of the Company is a

Particulars	31-Mar-21	31-Mar-20
Sara Suole Private Limited	0.26	-
Samar Retail Private Limited	0.32	0.28

Disclosure required under section 22 of the micro, small and Medium Enterprises

Particulars	31-Mar-21	31-Mar-20
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year / period	0.10	1.62
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year / period	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year / period	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year / period	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**18 Other financial liabilities**

Particulars	31-Mar-21	31-Mar-20
Current maturities of long-term borrowings		
From banks	3.22	-
Interest accrued but not due on borrowings	-	-
Payables on purchase of property, plant and equipment	1.80	4.14
Advance Received against sale of fixed assets (service Equipment) & Other	2.50	-
Total	7.52	4.14

19 Other current liabilities

Particulars	31-Mar-21	31-Mar-20
Payable towards statutory remittances	4.27	5.28
Contract liability		
Gift card liability	-	-
Deferred government grant	-	-
Total	4.27	5.28

Note: The Company recognised revenue from contractual liability in the statement of profit and loss in the following year.

20 Provisions

Particulars	31-Mar-21	31-Mar-20
Provision for employee benefits:		
Compensated absences	0.08	0.05
Gratuity	0.16	0.08
Total	0.24	0.13

21 Current tax liabilities (Net)

Particulars	31-Mar-21	31-Mar-20
Provision - Others:		
Income Tax (net of advance income tax)	-	(1.52)
Total	-	(1.52)

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**14 Lease liabilities**

Particulars	31-Mar-21	31-Mar-20
Opening balance	228.64	243.08
Addition	10.76	24.44
Accretion of interest	21.58	22.29
Payments	(31.04)	(57.96)
Rent Concessions	(30.17)	
Deletions	-	(3.21)
Closing balance	199.77	228.64
Current	34.06	31.81
Non-Current	165.71	196.83
Maturity Analysis - contractual undiscounted cash flows		
Less than one year	51.69	52.52
One to five years	143.09	191.68
More than five years	78.55	78.55
Total Undiscounted Lease Liability	273.33	322.75

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**22 Revenue from operations**

Particulars	31-Mar-21	31-Mar-20
Sale of food & beverages	224.35	445.57
Other operating revenues (net of expenses directly attributable to such income) (Refer note (i) below)	2.08	3.70
Total	226.43	449.27

(i) Other operating revenue

Particulars	31-Mar-21	31-Mar-20
Share of profits and income from royalty	2.07	3.69
Others	0.01	0.01
Total	2.08	3.70

23 Other income

Particulars	31-Mar-21	31-Mar-20
Interest income on		
financial assets at amortised cost	2.78	2.16
fixed deposits and loans	0.23	0.46
Income From Partnership Firm	-	5.97
Provision no longer required	-	2.10
Rent Concession income due to Covid*	30.17	-
Total	33.18	10.69

*Rent concession income - The restaurant operations were shut during the mandatory lockdown period due to COVID-19 pandemic. The rental payments for this period were waived off by the respective landlords. As the lease rental payments are already recorded in the books under ROU & OLL, the management has opted for the practical expedient on the lease rental payment waivers and recognized the waivers as concession income under other incomes.

24 Cost of food and beverages consumed

Particulars	31-Mar-21	31-Mar-20
Opening stock	8.69	6.91
Add: Purchases	50.07	121.03
	58.76	127.94
Less Closing stock	(8.30)	(8.69)
Total	50.46	119.25

25 Employee benefits expenses

Particulars	31-Mar-21	31-Mar-20
Salaries and wages	61.07	91.44
Contributions to provident and other funds	4.02	7.11
Gratuity expenses	0.07	2.13
Staff welfare expenses	12.73	24.82
Total	77.89	125.50

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**26 Other operating expenses**

Particulars	31-Mar-21	31-Mar-20
Consumption of stores & operating supplies	5.43	6.25
Power and fuel	10.61	18.80
Rent including lease rentals	17.09	30.11
Repairs and maintenance:		
<i>Buildings</i>	0.25	0.32
<i>Machinery</i>	1.40	1.98
<i>Others</i>	0.77	1.26
House keeping services	1.02	3.40
Water charges	0.68	1.73
Insurance	0.15	0.49
Rates and taxes	2.80	3.00
Communication	0.38	0.42
Travelling and conveyance	0.80	1.30
Printing and stationery	0.48	2.30
Laundry expenses	0.63	3.11
Security service charges	0.93	1.57
Business promotion	2.42	8.35
Legal and professional	8.65	12.06
Payments to auditors (Refer note below)	0.35	0.35
Parking Charges	0.22	0.45
Loss on sale of fixed assets	1.08	-
Provision for doubtful receivables and advances	0.27	5.89
Miscellaneous expenses	14.28	15.12
Total	70.69	118.26
Note:		
Payment to auditors		
For statutory audit and quarterly reviews	0.30	0.30
Other services (including reimbursement of expenses)	0.22	0.14
Taxes thereon	0.09	0.08
Total	0.61	0.52

27 Finance costs

Particulars	31-Mar-21	31-Mar-20
Interest expense on:		
Borrowings	1.28	0.39
Interest on lease liabilities	21.58	22.29
Others	0.26	0.23
Receivable discounting charges	-	-
Other bank charges	2.76	4.27
Total	25.88	27.18

28 Exceptional items

Particulars	31-Mar-21	31-Mar-20
Profit on early termination of lease	-	(0.76)
Provision against inventory write off due to COVID 19 Lockdown	-	0.93
Total	-	0.17

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.

29 Deffered Tax Assets

Particulars	31-Mar-21			
	As per FS	As per ITR	Difference	Tax impact
Deffered Tax Assets recognised for timing difference due to:				
Difference between taxes on Fixed Assets as Tax and Books (WDV)	139.00	179.57	40.57	10.21
Deffered Tax Assets recognised due to timing Difference due to:				
Impact of Gratuity			0.32	0.08
Impact of Leave Encashment			-0.08	-0.02
ROU			-168.70	-42.46
OLL			199.77	50.28
Closing DTA Bal				18.09
Opening DTA				11.11
Total DTA for the current year				6.98

30 Earnings Per share

Particulars	31-Mar-21	31-Mar-20
I. Basic Earnings per share		
(a) Net profit available to equity share holders (I)	-36.77	4.73
(b) Weighted average no. of shares outstanding(refer working below)(II)	0.01	0.00
(c) Basic earnings per share (I)/(II)	(6,980)	1,170

(B) Calculation of weighted average no.of equity shares outstanding during the period

Period/ date of issue	Shares	Weighting (days)	Weighted average no.of shares
31-03-2021	5,268	365	5,268
Total	5,268		5,268

II. Diluted Earnings per share

The Company does not have any outstanding diluted potential equity shares as at March 31, 2021, consequently, the basic and diluted earnings per share of the company are same.

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.**31 Contingent liabilities and commitments**

The Company does not have any contractual obligations that would result in contingent liabilities or commitments which need provisioning during the year ended March 31, 2021.

32 Details on foreign currency transactions and unhedged foreign currency exposures

Particulars	31-Mar-21	31-Mar-20
(i) Receipts – realizations	5.50	22.24
(ii) Expenditure	Nil	Nil

The Company does not have any unhedged Foreign Currency exposure during the year ended March 31, 2021.

33 Employee Benefits**(a) Defined contribution plans**

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

Particulars	31-Mar-21	31-Mar-20
Contribution to Provident Fund and Employee State Insurance Scheme	4.71	8.73

(b) Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. The said plan is not cash funded by investing into any typically available products for such schemes offered by the market. The company has only created a provision for the liability in its books based on actuarial valuation done as per Ind AS 19. The company follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore the scheme is fully unfunded, and no assets are maintained by the company and asset values are taken as zero; The actuarial valuation is summarised as follows-

Gratuity: The principal assumptions used for the purposes of the actuarial

Particulars	Valuation as at	
	31-Mar-21	31-Mar-20
Discount rate	7.19%	6.85%
Salary escalation	7.00%	7.00%
Withdrawal Rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Amounts recognised in Profit and loss account are as follows in respect of these defined benefit plans are as follows:

Particulars	31-Mar-21	31-Mar-20
Service cost:		
Current service cost	1.22	1.68
Net periodic benefit cost recognised in Profit and Loss	0.07	2.13
Re-Measurements recognised in OCI	0.37	0.23
Present value of defined benefit obligation	5.14	5.22
Fair value of plan assets	-	-
Net asset / (liability) recognised in the Balance Sheet	(5.14)	(5.22)

Current Service Cost represents the cost associated with the current fiscal year benefit accruals and the past service cost where the change in the Defined Benefit Obligation is resulting from changes in the benefit plan provisions for employee service in prior periods. Total Employer expense is the expense under (Ind AS) 19 inclusive of Current Service Cost and net interest.

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

Note No.

34 Related Party Disclosures

(a) Names of related parties and description of relationship:

Sl no	Description of relationship	Names of related parties
(i)	Key Management Personnel (KMP): Managing Director Director Director Director Director	Mr. Jean Michel Jasserand Mr. Goudhaman Balasubramaniam Mr. Raoof Razak Dhanani Mr. Kayum Razak Dhanani Mr. Abhay Chintaman Chaudhari
(ii)	Holding Company	M/s Barbeque Nation Hospitality Limited
(iii)	Associated Entities	M/s Samar Retail Private Limited M/s Sara Suole Private Limited M/s Liberty Restaurant Private Limited M/s Blue Planet Foods Private Limited M/s La Terrace - Mysore

(b) Summary of transactions during the period with related parties:*

Sl no	Nature of transactions	KMP/Associate Company	31-Mar-21	31-Mar-20
(i)	Remuneration	Mr. Goudhaman Balasubramaniam	0.64	7.26
(ii)	Remuneration	Mr. Jean Micheal Jasserand	6.44	7.26
(iii)	Marketing Expenses	M/s Blue Planet Foods Pvt. Ltd.	-	4.91
(iv)	Purchases	M/s Samar Retail Pvt. Ltd	0.94	1.73
(v)	Rent	M/s Samar Retail Pvt. Ltd	-	0.83
(vi)	Rent	M/s Sara Suole Pvt. Ltd	-	0.26
(vii)	Loan	Mr. Goudhaman Balasubramaniam	6.20	-
(viii)	Royalty Charges	M/s Barbeque Nation Hospitality Private Limited	-	0.77
(ix)	Sale of motor bike	Mr. R Sudagar (Partner in M/s La Terrace - Mysore)	0.06	-

(c) Trade Receivables balance w.r.t. Associated Enterprise

Sl no	Particulars	Opening Balance	Receivables	Closing Balance
1	M/s Brown House Baking Pvt Ltd	0.58	-	-

*The above information has been determined to the extent such parties have been identified on the basis of information provided by the management, which has been relied upon by the auditors.

35 Current Assets, Loans and advances

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

The company had paid a liquor licence advance of Rs. 48,65,000/- to M/s. Hoysala Hospitality & Services Private Limited in the year 2013. M/s Hoysala Hospitality & Services Private Limited have neither transferred the licence nor returned the advance even after repeated intimations and notices. Hence the company has filed a civil recovery case against M/s Hoysala Hospitality and Services Private Limited on 5th February 2019 vide O.S. No. 1006/2009. This amount has been carried in the books at investment till this year. The amount has been written off on 31.03.2020.

Red Apple Kitchen Consultancy Private Limited

Notes to Standalone Financial Statements

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

36 Impacts on business due to Covid-19 pandemic -

a. Going Concern

The Restaurant units have remained shut for operations during the mandatory Lockdown imposed by the Central and State government due to Covid-19 pandemic, which has resulted in a 50% reduction in the total revenue of the company for FY 2020-21 as against the revenue recorded in FY 2019-20. In spite of the above, after thorough analysis of the situation, the Management has concluded that the Company is a going concern

b. Employee Benefit Expenses

There is a reduction in the number of Employees by% due to the Covid-19 pandemic due to layoff/ resignations. A reduction of 33% is noted in the Salaries and Wages paid during the period and a corresponding reduction of 43% is noted in the contributions made to Provident and other funds.

c. Other Operating Expenses

A reduction of 65% is noted in the other operating expenses of the company for the current financial year, as the restaurant units were not fully operational for all the days or were running in limited operations during the lockdowns.

d. Impact on earnings/ profit

The total EBITDA of the Company is reduced by 38% and depreciation expenses have increased by 26%, which has collectively resulted in a loss in the current year of Rs. 437 Lakhs. The profit has decreased by 679% as compared to PY profit of Rs. 75.6 Lakhs.

e. Impact on Assets & Liabilities

The Non-Current Assets is reduced by 12% and Non-Current Liabilities by 13%. The Non-Current Asset Turnover ratio is reduced by 43% as compared to Previous Year. Whereas there is an increase in Current Assets by 5% and in Current Liabilities by 14%, resulting in a deficit of working capital by 21% as compared to Previous Year.

37 Principle Business Activities of the Company – The details of the business activities contributing 10 % or more of the total turnover of the company are as follows:

S.No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the company
1	Bars and Restaurants with bars.	56301	100

38 Details of the policy developed and implemented by the Company on its Corporate Social Responsibility:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

39 Figures in brackets indicate negative figures.

40 Previous year figures are re-grouped and re-classified where ever necessary to conform to current financial year classifications.