

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BARBEQUE-NATION HOSPITALITY LIMITED**

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and applicable to the Company, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 0080725)



S. Sundaresan
Partner
(Membership No. 025776)

BENGALURU
May 21, 2018

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of BARBEQUE-NATION HOSPITALITY LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

S. Sundaresan

S. Sundaresan
Partner
(Membership No. 025776)

BENGALURU
May 21, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.



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(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax or Goods and Service Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

| Name of Statute | Nature of dues | Forum where the dispute is pending | Period to which the amount relates | Amount disputed (Rs. in Million) |
|--|-----------------|--|------------------------------------|----------------------------------|
| Andhra Pradesh Value Added Tax Act, 2005 | Value Added Tax | Commercial Tax Officer, Hyderabad | 2014-2016 | 3.14 |
| Rajasthan Value Added Tax Act, 2003 | Value Added Tax | Commercial Tax Officer, Jaipur | 2010-11 to October 2014 | 0.24 |
| Punjab Value Added Tax Act, 2005 | Value Added Tax | Commercial Tax Officer, Chandigarh | 2011-2014 | 1.37 |
| Maharashtra Value Added Tax, 2002 | Value Added Tax | Commercial Tax Officer, Maharashtra | 2011-2014 | 0.91 |
| Gujarat Value Added Tax Act, 2005 | Value Added Tax | Commercial Tax Officer, Gujarat | January 2013 to December 2016 | 3.67 |
| Income Tax Act, 1961 | Income tax | Assistant Commissioner of Income tax, Indore | 2013-2014 | 1.42 |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions or from government. The Company also has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).



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- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration during the year and hence reporting under clause (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment or private placement of shares during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 - (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



S. Sundaresan
Partner
(Membership No. 025776)

BENGALURU
May 21, 2018

Barbeque-Nation Hospitality Limited
 Standalone 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 | 01-Apr-16 |
|---|---------|-----------------|-----------------|-----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 5 (a) | 2,065.00 | 1,664.26 | 1,408.66 |
| Capital work-in-progress | | 119.67 | 149.54 | 142.18 |
| Goodwill | 6 | 189.66 | 189.66 | 189.66 |
| Other Intangible assets | 5(b) | 44.37 | 42.43 | 41.25 |
| Financial Assets | | | | |
| Investments | 7 | 275.66 | 225.31 | 95.07 |
| Other financial assets | 8 | 189.51 | 178.39 | 147.65 |
| Deferred tax assets (net) | 34 | 38.53 | 31.18 | 34.05 |
| Other non-current assets | 9 | 90.60 | 80.61 | 79.11 |
| Total Non-current assets [A] | | 3,013.00 | 2,561.38 | 2,137.63 |
| Current assets | | | | |
| Inventories | 10 | 175.01 | 150.07 | 121.11 |
| Financial assets | | | | |
| Investments | 11 | 0.01 | 27.89 | 30.05 |
| Trade receivables | 12 | 65.41 | 40.68 | 47.95 |
| Cash and cash equivalents | 13 | 355.83 | 44.35 | 10.45 |
| Loans | 14 | 149.10 | 0.23 | 23.32 |
| Other financial assets | 15 | 52.82 | 17.29 | 1.91 |
| Other current assets | 16 | 172.00 | 97.01 | 96.72 |
| Total current assets [B] | | 970.18 | 377.52 | 331.51 |
| Total assets [A+B] | | 3,983.18 | 2,938.90 | 2,469.14 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity Share capital | 17 | 138.00 | 135.12 | 133.12 |
| Other equity | 18 | 2,094.32 | 1,397.26 | 1,209.92 |
| Equity attributable to owners of the Company [C] | | 2,232.32 | 1,532.38 | 1,343.04 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial Liabilities | | | | |
| Borrowings | 19 | 469.32 | 524.29 | 362.44 |
| Provisions | 20 | 76.98 | 68.90 | 46.20 |
| Other non-current liabilities | 21 | 1.71 | 2.44 | 3.05 |
| Total Non-current liabilities [D] | | 548.01 | 595.63 | 411.69 |
| Current liabilities | | | | |
| Financial Liabilities | | | | |
| Borrowings | 22 | 185.12 | 14.26 | 10.09 |
| Trade payables | 23 | 628.13 | 386.87 | 297.62 |
| Other financial liabilities | 24 | 239.01 | 268.37 | 287.07 |
| Other current liabilities | 25 | 65.25 | 73.16 | 52.07 |
| Provisions | 26 | 32.20 | 24.88 | 26.03 |
| Current tax liabilities (Net) | 27 | 53.14 | 43.35 | 41.58 |
| Total current liabilities [E] | | 1,202.85 | 810.89 | 714.41 |
| Total liabilities [F= [D+E]] | | 1,750.86 | 1,406.52 | 1,126.10 |
| Total equity and liabilities [F+C] | | 3,983.18 | 2,938.90 | 2,469.14 |

See accompanying notes to the Standalone Ind AS Financial Statements

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

S. Sundaresan

S. Sundaresan
 Partner



Bengaluru, 21 May 2018

For and on behalf of the Board of Directors

Rayum Dhanani

Rayum Dhanani
 Managing Director
 Din No:- 00987597

Rahul Agrawal
 Rahul Agrawal
 Chief Financial Officer

T.N Unni

T.N Unni
 Director
 Din No:- 00079237

Nagamani C Y
 Nagamani C Y
 Company Secretary

Bengaluru, 21 May 2018

Barbeque-Nation Hospitality Limited
 Standalone 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 | 27 | 5,711.66 | 4,894.90 |
| Other income | 28 | 51.38 | 22.06 |
| Total (A) | | 5,763.04 | 4,916.96 |
| Expenses | | | |
| Cost of food and beverages consumed | 29 | 1,925.82 | 1,742.25 |
| Employee benefits expenses | 30 | 1,174.68 | 871.83 |
| Occupancy cost and other operating expenses | 31 | 1,758.09 | 1,585.91 |
| Total (B) | | 4,858.59 | 4,199.99 |
| Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B) | | 904.45 | 716.97 |
| Finance costs (D) | 32 | 173.45 | 141.56 |
| Depreciation and amortisation expense (E) | 5 | 318.62 | 301.31 |
| Profit before tax and exceptional items (F) = (C-D-E) | | 412.38 | 274.10 |
| Exceptional items (G) | 33 | 13.77 | 8.01 |
| Profit before tax (H) = (F-G) | | 398.61 | 266.09 |
| Tax expense / (benefit): | 34 | | |
| Current tax | | 154.46 | 88.51 |
| Deferred tax | | (5.10) | 3.69 |
| Net tax expense / (benefit) (I) | | 149.36 | 92.20 |
| Net Profit for the year (J) = (H-I) | | 249.25 | 173.89 |
| Other Comprehensive Income / (Losses) (K) | | | |
| Items that will not be reclassified to Statement of profit and loss | | | |
| Remeasurements of the defined benefit plans | | (6.51) | (2.45) |
| Income tax on the above | | 2.25 | 0.85 |
| Total comprehensive income for the year (J + K) | | 244.99 | 172.29 |
| Earnings per share | 42 | | |
| Basic (in Rs.) (Face value of Rs.5 each) | | 9.22 | 6.45 |
| Diluted (in Rs.) (Face value of Rs.5 each) | | 9.16 | 6.43 |

See accompanying notes to the Standalone Ind AS Financial Statements

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

S. Sundaresan
 S. Sundaresan
 Partner



For and on behalf of the Board of Directors

Kayum Dhanani
 Kayum Dhanani
 Managing Director
 Din No:- 00987597

T.N Unni
 T.N Unni
 Director
 Din No:- 00079237

Rahul Agrawal
 Rahul Agrawal
 Chief Financial Officer

Nagamani C Y
 Nagamani C Y
 Company Secretary

Bengaluru, 21 May 2018

Bengaluru, 21 May 2018

Barbeque-Nation Hospitality Limited
Standalone Statement of Changes in Equity
(Amount in Rupees Millions except for share data or as otherwise stated)

(a) Equity share capital

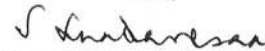
| Particulars as at | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
|---|-----------|-----------|-----------|
| Opening balance | 135.12 | 133.12 | 133.12 |
| Changes in equity share capital during the year | | | |
| Issue of the equity share during the year | 2.88 | 2.00 | - |
| Closing balance | 138.00 | 135.12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

(b) Other equity

| Particulars | Reserves and Surplus | | | Total other equity |
|---|----------------------|-----------------------------------|-------------------|--------------------|
| | Securities premium | Share options outstanding account | Retained earnings | |
| Balance as at 01 April 2016 | 742.80 | - | 467.12 | 1,209.92 |
| Profit for the year | - | - | 173.89 | 173.89 |
| Remeasurements of the defined benefit plans (net of tax) | - | - | (1.60) | (1.60) |
| Total comprehensive income | - | - | 172.29 | 172.29 |
| Premium received on shares issued during the year | 122.00 | - | - | 122.00 |
| Amounts recorded on grant of employee stock options during the year | - | 9.62 | - | 9.62 |
| Dividend and tax there on | - | - | (24.04) | (24.04) |
| Adjustment on account of merger of Favorite Restaurants Private Limited | - | - | (92.53) | (92.53) |
| Balance as at 31 March 2017 | 864.80 | 9.62 | 522.84 | 1,397.26 |
| Balance as at 01 April 2017 | 864.80 | 9.62 | 522.84 | 1,397.26 |
| Profit for the year | - | - | 249.23 | 249.23 |
| Remeasurements of the defined benefit plans (net of tax) | - | - | (4.26) | (4.26) |
| Total comprehensive income | - | - | 244.99 | 244.99 |
| Premium received on shares issued during the year | 475.53 | - | - | 475.53 |
| Share issue expenses | (9.90) | - | - | (9.90) |
| Amounts recorded on grant of employee stock options during the year | - | 18.96 | - | 18.96 |
| Dividend and tax there on | - | - | (32.52) | (32.52) |
| Balance as at 31 March 2018 | 1,330.43 | 28.58 | 735.31 | 2,094.32 |

See accompanying notes to the Standalone Ind AS Financial Statements

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


S. Sundaresan
Partner



Bengaluru, 24 May 2018

For and on behalf of the Board of Directors


Kayum Dhanani
Managing Director
Din No:- 00987597


T.N Unni
Director
Din No:- 00079237


Rahul Agrawal
Chief Financial Officer


Nagamani C Y
Company Secretary

Bengaluru, 24 May 2018

Barbeque-Nation Hospitality Limited
Standalone Cash Flow Statement

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

| Particulars for the year ended | 31-Mar-18 | 31-Mar-17 |
|---|-----------------|-----------------|
| A. Cash flow from operating activities | | |
| Profit / (loss) before tax | 398.61 | 266.09 |
| Adjustments for: | | |
| Depreciation and amortisation | 318.62 | 301.31 |
| Net loss relating to relocation of restaurant units during the year | 13.77 | 8.01 |
| Interest expense | 103.94 | 76.35 |
| Interest income | (23.12) | (16.28) |
| Income from government grant | (2.07) | (2.57) |
| Profit on sale/fair value of investments in mutual funds | (2.83) | (3.21) |
| Expense on employee stock option scheme | 18.96 | 9.62 |
| Expense on phantom option scheme | 17.17 | 3.33 |
| Provision no longer required written back | (20.50) | - |
| Provision for doubtful receivables and advances | 2.50 | 7.46 |
| Operating profit before working capital changes | 825.05 | 650.11 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | (24.94) | (28.62) |
| Trade receivables | (27.23) | 7.79 |
| Other assets | (68.33) | (34.23) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 231.36 | 87.88 |
| Other current liabilities | (8.80) | 16.52 |
| Short-term provisions | 0.86 | (8.29) |
| Long-term provisions | 0.84 | 11.75 |
| Cash generated from operations | 928.81 | 702.91 |
| Net income tax (paid) / refunds | (144.67) | (86.74) |
| Net cash flow from / (used in) operating activities (A) | 784.14 | 616.17 |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances | (630.38) | (634.38) |
| Proceeds from sale of fixed assets | 1.22 | 4.35 |
| Investment in subsidiary | (50.35) | (225.31) |
| Loan given to subsidiary | (218.22) | (22.84) |
| Receipt towards repayment of loan from subsidiary | 69.35 | 5.73 |
| Deposits placed for margin money | - | (13.93) |
| Deposits held as margin money released | 13.69 | - |
| Interest received | 2.57 | 5.41 |
| Sale of investment in mutual fund | 2.83 | 3.21 |
| Net cash flow from / (used in) investing activities (B) | (809.29) | (877.76) |
| C. Cash flow from financing activities | | |
| Proceeds from issue of equity shares | 478.41 | 124.00 |
| Expenses towards proposed Initial Public Offering | (67.39) | (5.39) |
| Proceeds from longterm borrowings | 390.00 | 400.00 |
| Repayment of longterm borrowings | (534.52) | (134.75) |
| Net increase / (decrease) in working capital borrowings | 170.86 | 4.17 |
| Dividend paid (including tax on dividend) | (32.52) | (24.04) |
| Interest paid | (96.09) | (74.86) |
| Net cash flow from financing activities (C) | 308.75 | 289.13 |



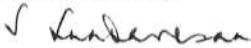
Barbeque-Nation Hospitality Limited
Standalone Cash Flow Statement

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

| Particulars for the year ended | 31-Mar-18 | 31-Mar-17 |
|--|---------------|--------------|
| Net increase in cash and cash equivalents (A+B+C) | 283.60 | 27.54 |
| Cash and cash equivalents at the beginning of the year | 72.24 | 40.50 |
| Add: Cash and cash equivalents pertaining on merger of subsidiary | - | 4.20 |
| Cash and cash equivalents at the end of the year | 355.84 | 72.24 |
| Reconciliation of cash and cash equivalents with the Balance Sheet: | | |
| Cash and cash equivalents as per Balance Sheet | 355.83 | 44.35 |
| Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements | 0.01 | 27.89 |
| Cash and cash equivalents at the end of the year | 355.84 | 72.24 |

See accompanying notes to the Standalone Ind AS Financial Statements

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

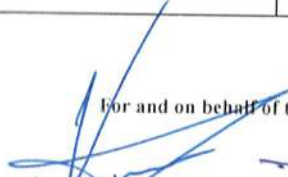


S. Sundaresan
Partner



Bengaluru, 21 May 2018

For and on behalf of the Board of Directors


Kayum Dhanani
Managing Director
Din No.- 00987597


T.N Unni
Director
Din No.- 00079237


Rahul Agrawal
Chief Financial Officer


Nagamani
Company Secretary

Bengaluru, 21 May 2018

Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

1 Corporate information

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

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

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

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

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

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

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

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

2.3 Summary of significant accounting policies

Revenue Recognition

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

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

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

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

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

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

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

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

Business combinations

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

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

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

Goodwill

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

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

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

Property, Plant and Equipment

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

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

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

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

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.



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

Intangible assets

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

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

Liquor licenses with perpetual term purchased for restaurant chain business Amortised over the lease term of the respective restaurants

Software and other licenses

3 Years

Brand name

Indefinite useful life

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

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

Investments in subsidiary

Investment in subsidiaries are measured at cost less impairment.

Inventories

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

Financial Instruments

Financial assets and financial liabilities:

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

Initial recognition and measurement:

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

Subsequent measurement:

Financial assets at amortised cost-

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

Financial Assets at fair value through other comprehensive Income-

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

Financial assets at fair value through profit or loss-

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

Financial liabilities

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

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

Equity Instrument

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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.

Derecognition of financial liabilities

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

Share issue expense

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

Cash and cash equivalents

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

Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (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 financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2017), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Employee Benefits

Defined Contribution Plan

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

Long-term employee benefits

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

Share based payment transaction

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

The Company had formulated Phantom Option Scheme (POS) under which eligible members are granted phantom shares entitling them to receive cash payments for the amounts measured as a difference between market value of share and the exercise price after the completion of specified period from the date of grant. Fair value of such cash-settled options is measured at every reporting date and is recognised as expense to the Statement of Profit and loss over the remaining vesting period on a straight-line basis with a corresponding adjustment recognised as liability.

Borrowing Costs

Borrowing costs include:

- interest expense calculated using the effective interest rate method,
- finance charges in respect of finance leases, and
- 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.



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

Leases

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

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

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

Income Taxes

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the period

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

Provisions and Contingent Liabilities

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

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

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.



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

Earnings per share

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

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

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

Operating Cycle

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

First-time adoption of Ind AS

Overall Principle:

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

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

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

Deemed cost for investment in subsidiary:

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

Past business combinations:

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

Determining whether an arrangement contains a lease:

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

Derecognition of Financial Assets and Liabilities:

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

Impairment of financial assets:

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

Exchange difference on long-term foreign currency monetary items

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

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

3 Use of estimates and judgements

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

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

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

Impairment of goodwill

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

Impairment of investments in subsidiaries

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

Useful lives of property, plant and equipment

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

Uncertain tax positions

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note**No.****4 Ind AS adoption reconciliations****Reconciliation of Equity**

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

Reconciliation of Total Comprehensive Income

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

Reconciliation of statement of cash flow:

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

4 Ind AS adoption reconciliations

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

5 Property, plant and equipment and intangible assets

| Particulars | Cost | | | | Accumulated depreciation/amortisation | | | Net Book Balance as at 31-Mar-18 |
|---|-------------------------|---------------|--|-------------|---------------------------------------|--|----------------------------------|----------------------------------|
| | Balance as at 01-Apr-17 | Additions | Added or account of merger during the year (Refer note 35) | Deletions | Balance as at 31-Mar-18 | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | |
| 5(a) Property, plant and equipment (owned) | | | | | | | | |
| Lease hold improvements | 585.39 | 257.26 | - | 1.26 | 855.39 | 104.63 | 0.65 | 191.32 |
| Furniture and fixtures | 578.57 | 144.12 | - | 0.20 | 722.89 | 75.58 | 0.04 | 145.05 |
| Plant & machinery | 365.58 | 157.77 | - | 5.11 | 519.64 | 34.74 | 0.97 | 59.06 |
| Service equipments | 385.06 | 123.80 | - | 0.31 | 511.55 | 80.31 | 0.19 | 185.36 |
| Computer equipments | 45.72 | 23.76 | - | - | 64.48 | 16.78 | - | 32.58 |
| Vehicles | 3.22 | 1.58 | - | 0.05 | 4.75 | 0.48 | 0.05 | 3.74 |
| Total | 1,967.34 | 718.29 | - | 6.93 | 2,678.70 | 312.52 | 1.90 | 613.70 |
| 5(b) Intangible assets (others) | | | | | | | | |
| Liquor licenses | 7.41 | - | - | - | 7.41 | 1.22 | - | 4.62 |
| Software and licenses | 11.89 | 5.80 | - | - | 17.69 | 4.88 | - | 7.83 |
| Brand name | 25.48 | 2.24 | - | - | 31.72 | - | - | - |
| Total | 43.78 | 8.04 | - | - | 56.82 | 6.10 | - | 12.45 |
| Grand Total | 2,011.12 | 726.33 | - | 6.93 | 2,735.52 | 318.62 | 1.90 | 626.15 |
| | | | | | | | | 2,109.37 |

| Particulars | Cost | | | | Accumulated depreciation/amortisation | | | Net Book Balance as at 31-Mar-17 |
|---|-------------------------|---------------|--|--------------|---------------------------------------|--|----------------------------------|----------------------------------|
| | Balance as at 01-Apr-16 | Additions | Added or account of merger during the year (Refer note 35) | Deletions | Balance as at 31-Mar-17 | Added on account of merger during the year (Refer note 35) | Eliminated on disposal of assets | |
| 5(a) Property, plant and equipment (owned) | | | | | | | | |
| Lease hold improvements * | 422.79 | 135.24 | 17.55 | 6.19 | 589.39 | 3.62 | 3.28 | 87.34 |
| Furniture and fixtures | 416.99 | 142.91 | 20.40 | 1.33 | 578.97 | 4.71 | 0.25 | 69.51 |
| Plant & machinery * | 260.98 | 110.56 | 2.08 | 6.64 | 366.98 | 0.28 | 2.37 | 25.29 |
| Service equipments | 281.29 | 95.18 | 12.92 | 1.33 | 388.06 | 4.78 | 0.54 | 105.24 |
| Computer equipments | 25.12 | 14.54 | 1.52 | 0.46 | 40.72 | 0.97 | 0.34 | 15.12 |
| Vehicles | 1.49 | 0.58 | 1.15 | - | 3.22 | 0.22 | - | 0.58 |
| Total | 1,408.65 | 519.01 | 55.62 | 15.95 | 1,967.34 | 14.58 | 6.78 | 303.08 |
| 5(b) Intangible assets (others) | | | | | | | | |
| Liquor licenses | 7.41 | - | - | - | 7.41 | - | - | 3.40 |
| Software and licenses | 6.73 | 4.60 | 0.54 | 0.03 | 11.89 | 0.32 | - | 2.95 |
| Brand name | 27.05 | - | 2.42 | - | 29.48 | - | - | - |
| Total | 41.25 | 4.60 | 2.96 | 0.03 | 48.78 | 0.32 | - | 6.35 |
| Grand Total | 1,449.91 | 523.61 | 58.58 | 15.98 | 2,016.12 | 14.90 | 6.78 | 309.43 |
| | | | | | | | | 1,706.69 |

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



Note
No.

6 Goodwill

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

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

7 Investments

(Classified under non-current assets)

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

- (a) The Company subscribed for 13,000,000 equity shares of Rs. 10 each of Prime Gourmet Private Limited (PGPL) at face value on August 29, 2016. Pursuant to this investment of Rs. 130, the Company acquired 78.64% stake in PGPL. Subsequently, the Company acquired remaining stake in PGPL for Rs. 47.73 during November 2016. Further, the Company made additional investments in PGPL of Rs. 28.97 during the previous year and Rs. 50.35 during the year ended 31 March 2018.

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

- (b) On March 25, 2015, the company incorporated a wholly owned subsidiary, Barbeque Nation Holdings Limited as an Offshore Company with a Limited Liability in Dubai. The Company invested AED 1 Million (Rs. 18.61) in shares of Barbeque Nation Holdings Limited, Dubai (BNHL, Dubai) during December 2016. BNHL, Dubai has in turn invested AED 147,000 for 49% stake in Barbeque-Nation Restaurant LLC, Dubai (BNR LLC). Although BNHL, Dubai holds less than half of the share capital in BNR LLC, the BNR LLC is considered subsidiary of BNHL, Dubai pursuant to its control over relevant activities of BNR LLC.

8 Other financial assets

(Classified under non-current assets)

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

9 Other non-current assets

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note
No.

10 Inventories

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

11 Investments

(Classified under current assets)

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

12 Trade receivables

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

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

Movement in allowance for doubtful debts is as follows:

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

13 Cash and cash equivalents

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

14 Loans

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

15 Other financial assets

(Classified under current assets)

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

16 Other current assets

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

Note: The Company has incurred expenses of Rs. 72.78 as at 31 March 2018 (Rs. 5.39 as at 31 March 2017) towards proposed Initial Public Offering of its equity shares. The Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

17 Equity Share capital

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

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

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

| Particulars | 31-Mar-18 | | 31-Mar-17 | |
|---|-------------------|---------------|-------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount |
| Equity shares of Rs. 10/ each: | | | | |
| Opening balance | 27,024,014 | 135.12 | 13,312,007 | 133.12 |
| Add: Issued during the year # | 575,000 | 2.88 | 200,000 | 2.00 |
| Equity shares of Rs. 5 each as at December 15, 2016 pursuant to sub-division of shares with effect from December 15, 2016 | - | - | 27,024,014 | 135.12 |
| Closing balance | 27,599,014 | 138.00 | 27,024,014 | 135.12 |

575,000 equity shares of Rs. 5 each were issued to Alchemy India Long-term Fund Ltd at a premium of Rs. 827 per share on March 29, 2018.

200,000 equity shares of Rs. 10 each were issued to Mr. Kayum Razak Dhanani, the Managing Director of the Company at a premium of Rs. 610 per share on May 12, 2016

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

| Particulars | 31-Mar-18 | | 31-Mar-17 | | 01-Apr-16 | |
|--------------------------------------|---------------|-----------|---------------|-----------|---------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding | No. of Shares | % holding |
| Sayaji Housekeeping Services Limited | 12,621,116 | 45.73% | 12,621,116 | 46.70% | 6,310,558 | 47.41% |
| Tamara Private Limited | 6,078,402 | 22.02% | 6,445,940 | 23.85% | 3,222,970 | 24.21% |
| Pace Private Limited | 3,182,964 | 11.53% | 3,375,426 | 12.49% | 1,687,713 | 12.68% |
| Kayum Razak Dhanani | 1,398,684 | 5.07% | 1,395,788 | 5.16% | 497,894 | 3.74% |

(c) Number of equity shares reserved for issuance

| Name of shareholders | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
|--|-----------|-----------|-----------|
| Equity shares of Rs. 10/- each to eligible employees under Employee Stock Option Scheme | - | - | 266,240 |
| Equity shares of Rs. 5/- each to eligible employees under Employee Stock Option Scheme | 532,480 | 532,480 | - |

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note
No.

18 Other equity

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

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

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

19 Borrowings

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



Note
No.

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

| Terms of repayment and security | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
|--|-----------|-----------|-----------|
| Term loans from banks | | | |
| (i) Term loan 1 : | | | |
| Non -Current portion | - | - | 47.00 |
| Current maturities of long-term debt | - | 47.00 | 48.00 |
| Repayment terms: Repayable in 55 defined monthly instalments from September 2013 to March 2018 and carries an interest rate of 10.60% p.a | | | |
| Security : First pari passu charge by way of hypothecation on entire current assets and movable fixed assets of the Company (both present and future) | | | |
| (ii) Term loan 2 : | | | |
| Non -Current portion | - | - | 42.00 |
| Current maturities of long-term debt | - | 42.00 | 42.00 |
| Repayment terms: Repayable in 63 defined monthly instalments from January 2013 to March 2018 and carries an interest rate of 10.60% p.a | | | |
| Security : First pari passu charge by way of hypothecation on entire current assets and movable fixed assets of the Company (both present and future) | | | |
| (iii) Term loan 3: | | | |
| Non -Current portion | - | 159.67 | 185.38 |
| Current maturities of long-term debt | - | 60.00 | 41.62 |
| Repayment terms: Repayable in 60 monthly instalments from May 2016 to April 2021 and carries an interest rate of Base rate + 0.85% p.a | | | |
| Security : 1) First pari passu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First pari passu charge on entire current assets and security deposits of the Company, both present and future. 3) First pari passu charge by way of hypothecation over the Brand of the Company | | | |
| (iv) Term loan 4: | | | |
| Non -Current portion | 43.73 | 62.35 | 88.06 |
| Current maturities of long-term debt | 18.73 | 20.15 | 18.90 |
| Repayment terms: USD loan - Repayable in 60 defined monthly instalments from May 2016 to April 2021 and carries an interest rate of 6 months LIBOR + 450 base points | | | |
| Security : 1) First pari passu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First pari passu charge on entire current assets and security deposits of the Company, both present and future. 3) First pari passu charge by way of hypothecation over the Brand of the Company | | | |
| (v) Term loan 5: | | | |
| Non -Current portion | 81.00 | - | - |
| Current maturities of long-term debt | 9.00 | - | - |
| Repayment terms: Repayable in 60 equal monthly instalments from October 2018 to September 2023 and carries an interest rate of 12 month MCLR plus 1% p.a | | | |
| Security : 1) First pari passu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. 2) First pari passu charge on entire current assets and security deposits of the Company, both present and future. 3) First pari passu charge by way of hypothecation over the Brand of the Company | | | |



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

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

| Terms of repayment and security | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
|---|---------------|---------------|---------------|
| (vi) Term loan 6: | | | |
| Non -Current portion | | | |
| Current maturities of long-term debt | 34.40 | - | - |
| Repayment terms: | 14.40 | - | - |
| Repayable in 42 defined monthly instalments from March 2018 to May 2022 and carries an interest rate of 12 month MCLR plus 1% p.a | | | |
| Security : | | | |
| 1)First pari passu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future. | | | |
| 2)First pari passu charge on entire current assets and security deposits of the Company, both present and future. | | | |
| 3)First pari passu charge by way of hypothecation over the Brand of the Company | | | |
| (vii) Term loan 7: | | | |
| Non -Current portion | | | |
| Current maturities of long-term debt | 202.94 | 216.67 | - |
| Repayment terms: | 90.20 | 66.67 | - |
| Repayable in 54 equal monthly instalments from January 2017 to June 2021 and carries interest rate at 1 year MCLR plus 0.25% p.a | | | |
| Security : | | | |
| 1)First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future | | | |
| 2)First pari passu charge over the Brand of the Company | | | |
| (viii) Term loan 8: | | | |
| Non -Current portion | | | |
| Current maturities of long-term debt | 38.83 | 85.60 | - |
| Repayment terms: | 11.62 | 15.00 | - |
| Repayable in 20 equal quarterly instalments from July 2017 to April 2022 and carries an interest at yearly MCLR + 155 base points p.a later, rate to be reset annually. | | | |
| Security : | | | |
| 1)First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future | | | |
| 2)First pari passu charge over the Brand of the Company | | | |
| (ix) Term loan 9: | | | |
| Non -Current portion | | | |
| Current maturities of long-term debt | 68.42 | - | - |
| Repayment terms: | 21.05 | - | - |
| Repayable in 19 equal quarterly instalments from October 2017 to April 2022 and carries an interest at yearly MCLR + 155 base points p.a later, rate to be reset annually | | | |
| Security : | | | |
| 1)First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future | | | |
| 2)First pari passu charge over the Brand of the Company | | | |
| Total | 634.32 | 775.11 | 512.96 |
| Non-current portion | 469.32 | 524.29 | 362.44 |
| Current maturities of long-term debt | 165.00 | 250.82 | 150.52 |



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

20 Provisions

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

21 Other non-current liabilities

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

22 Borrowings

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

23 Trade payables

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

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

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

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

24 Other financial liabilities

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

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note
No.**25 Other current liabilities**

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

26 Provisions

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

27 Current tax liabilities (Net)

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

| No. | Particulars | 31-Mar-18 | 31-Mar-17 |
|------------|--|-----------------|-----------------|
| 27 | Revenue from operations | | |
| | Sale of food & beverages | 5,652.92 | 4,828.76 |
| | Other operating revenues (net of expenses directly attributable to such income) (Refer note (i) below) | 58.74 | 66.14 |
| | Total | 5,711.66 | 4,894.90 |
| (i) | Other operating revenue | | |
| | Revenue from displays and sponsorships | 24.27 | 28.97 |
| | Share of profits and income from royalty | 24.52 | 32.04 |
| | Government incentives | - | 2.74 |
| | Sale of scrap | 2.49 | 2.22 |
| | Other receipts from outdoor catering | 3.29 | 0.17 |
| | Guarantee commission | 2.88 | - |
| | Others | 1.29 | - |
| | Total | 58.74 | 66.14 |
| 28 | Other income | | |
| | Interest income on | | |
| | financial assets at amortised cost | 12.83 | 11.98 |
| | fixed deposits and loans | 10.29 | 4.30 |
| | Income from government grant | 2.07 | 2.57 |
| | Net gain on fair value / sale of investments in mutual funds | 2.83 | 3.21 |
| | Income from sublease of premises | 2.86 | - |
| | Provision no longer required | 20.50 | - |
| | Total | 51.38 | 22.06 |
| 29 | Cost of food and beverages consumed | | |
| | Opening stock | 114.58 | 98.03 |
| | Add: Stock of Favorite Restaurant Private Limited merged during the year | - | 0.21 |
| | Add: Purchases | 1,949.41 | 1,758.59 |
| | | 2,063.99 | 1,856.83 |
| | Less Closing stock | (138.17) | (114.58) |
| | Total | 1,925.82 | 1,742.25 |
| 30 | Employee benefits expenses | | |
| | Salaries and wages | 851.54 | 742.46 |
| | Contributions to provident and other funds | 42.35 | 43.63 |
| | Gratuity expenses | 7.01 | 4.72 |
| | Expense on employee stock option scheme | 18.96 | 9.62 |
| | Staff welfare expenses | 254.82 | 71.40 |
| | Total | 1,174.68 | 871.83 |



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

31 Occupancy cost and other operating expenses

| Particulars | 31-Mar-18 | 31-Mar-17 |
|--|------------------|------------------|
| Consumption of stores & operating supplies | 81.82 | 82.82 |
| Power and fuel | 437.70 | 388.53 |
| Rent including lease rentals | 589.53 | 526.23 |
| Repairs and maintenance: | | |
| Buildings | 7.18 | 6.53 |
| Machinery | 23.52 | 23.21 |
| Others | 26.12 | 22.38 |
| House keeping services | 145.15 | 133.64 |
| Water charges | 28.79 | 25.41 |
| Insurance | 8.94 | 5.01 |
| Rates and taxes | 61.23 | 56.41 |
| Communication | 29.39 | 25.96 |
| Travelling and conveyance | 33.31 | 27.84 |
| Printing and stationery | 22.57 | 23.56 |
| Laundry expenses | 12.38 | 10.46 |
| Security service charges | 21.72 | 21.08 |
| Recruitment expenses | 2.14 | 2.55 |
| Business promotion | 93.13 | 96.28 |
| Vehicle hiring charges | 10.41 | 11.73 |
| Legal and professional | 46.05 | 38.98 |
| Expense on phantom stock option scheme | 17.17 | 3.33 |
| Payments to auditors (Refer note below) | 3.25 | 2.65 |
| Parking Charges | 7.79 | 7.03 |
| Corporate social responsibility | 2.16 | 0.70 |
| Provision for doubtful receivables and advances | 2.50 | 7.46 |
| Miscellaneous expenses | 44.14 | 36.13 |
| Total | 1,758.09 | 1,585.91 |
| Payment to auditors * | | |
| Particulars | 31-Mar-18 | 31-Mar-17 |
| For audit of Standalone and Financial Statements and quarterly reviews | 2.60 | 2.20 |
| For audit of Consolidated Financial Statements | 0.35 | 0.30 |
| Reimbursement of expenses | 0.30 | 0.15 |
| Total | 3.25 | 2.65 |

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

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

32 Finance costs

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

33 Exceptional items

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

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



Barbeque-Nation Hospitality Limited
Notes to the Standalone Ind AS Financial Statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note
No.

34 Tax expense / (benefit):

Tax expenses recognised in Statement of Profit and Loss

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

Movement in deferred tax balances

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

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

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

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



Note
No.

35 Merger of Favorite Restaurants Private Limited, a wholly-owned subsidiary of the Company, with the Company:

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

Accounting treatment in accordance with the terms of the Scheme:

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

Following table provides details of carrying value of assets, liabilities and reserves merged with the Company as on January 1, 2017 (remeasured under Ind AS)

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

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

36 Contingent liabilities and commitments (to the extent not provided for)

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

37 Employee benefit plans

Defined contribution plans

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

| Particulars | (Rs. in Million) | |
|--|------------------|-----------|
| | 31-Mar-18 | 31-Mar-17 |
| Contribution to Provident Fund and Employee State Insurance Scheme | 66.21 | 64.43 |



Note
No.

Defined benefit plans

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

Investment risk

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

Interest risk

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

Longevity risk

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

Salary risk

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

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

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

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

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

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The 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 | (Rs. in Million) | |
|--|------------------|--------------|
| | 31-Mar-18 | 31-Mar-17 |
| Present value of funded defined benefit obligation | 37.78 | 26.76 |
| Fair value of plan assets | (1.94) | (1.79) |
| Funded status | 35.84 | 24.97 |
| Restrictions on asset recognised | - | - |
| Net liability arising from defined benefit obligation | 35.84 | 24.97 |
| Current | 10.61 | 3.90 |
| Non-current | 25.23 | 21.07 |



Note
No.

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

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

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

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

| Discount Rate | (Rs. in Million) | |
|---|------------------|-----------|
| | 31-Mar-18 | 31-Mar-17 |
| 1 Effect on defined benefit obligation due to 100 bps increase in Discount Rate | 36.05 | 20.30 |
| 2 Effect on defined benefit obligation due to 100 bps decrease in Discount Rate | 38.66 | 29.83 |

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

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

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

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

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

| Financial year | (Rs. in Million) | |
|----------------|------------------|-----------|
| | 31-Mar-18 | 31-Mar-17 |
| Year 1 | 12.96 | 8.75 |
| Year 2 | 11.78 | 9.18 |
| Year 3 | 10.68 | 8.55 |
| Year 4 | 9.71 | 8.18 |
| Year 5 | 8.28 | 8.01 |
| Year 6 to 10 | 20.84 | 18.91 |



Note

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

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

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

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

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

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

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

Employee stock options details as on the Balance Sheet date (considering the effect of sub-division of shares) are as follows:

| Particulars | (Rs. in Million) | |
|--|-------------------|--|
| | Options (Numbers) | Weighted average exercise price per option (Rs.) |
| Options outstanding at the beginning of the financial year 2016-17: | | |
| Granted during the year 2016-17: | - | - |
| Lapsed during the year 2016-17: | 213,528 | 155.69 |
| Options outstanding at the end of the financial year 2016-17: | 59,610 | 193.69 |
| Options available for grant as at 31 March 2017 | 153,918 | 140.97 |
| Options outstanding at the beginning of 01 April 2017 | 378,562 | |
| Granted during the year ended 31 March 2018 | 153,918 | 140.97 |
| Lapsed during the year ended 31 March 2018 | 302,859 | 435.73 |
| Options outstanding at the end of 31 March 2018 | 26,542 | 278.47 |
| Options available for grant as at 31 March 2018 | 430,235 | 339.98 |
| | 102,245 | |

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

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



**Note
No.**

39 Phantom Stock Options Scheme

The Board of Directors in their meeting on December 1, 2015 approved the issue of 22,242 Phantom options under the Scheme titled "Phantom Option Scheme 2015 (POS 2015)". The POS 2015 allows the issue of options to the consultants of the Company and its subsidiaries. The option holder is entitled for cash equal to the difference between market value of equity shares of face value Rs. 10/- and the exercise price of each option. On April 1, 2016, the Company granted 22,242 options under said scheme for eligible personnel. Pursuant to the sub-division of equity share of Rs. 10 each into 2 equity shares of Rs. 5 each, the Company had cancelled 22,242 options issued earlier and re-issued 44,484 Phantom options wherein the option holder is entitled for cash equal to the difference between market value of equity shares of face value Rs. 5/- and the exercise price of each option.

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

Liability in respect of such options is measured as a difference between the fair value of market price of underlying shares and the exercise price of such options and is recognised over the vesting period on a straight-line basis.

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

40 Segment information

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

41 Disclosures in respect of Operating leases

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

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

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

| Particulars | (Rs. in Million) | | |
|--|------------------|-----------|----------|
| | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
| Future minimum lease payments: | | | |
| Upto One year | 202.74 | 206.70 | 119.59 |
| More than one year and upto five years | 144.48 | 115.87 | 150.24 |
| More than five years | - | - | - |

42 Earnings per share

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|-------------------|-------------------|
| Basic and Diluted Earnings Per Share (Rs.) | | |
| Basic Earnings Per Share (Basic EPS) | | |
| Net profit after tax attributable to equity shareholders (Rs. in Million) | 249.25 | 173.89 |
| Weighted average number of Equity Shares outstanding | 27,028,740 | 26,979,082 |
| Basic EPS in Rs. | 9.22 | 6.45 |
| Face value in Rs. | 5.00 | 5.00 |
| Diluted Earnings Per Share (Diluted EPS) | | |
| Net profit after tax attributable to equity shareholders (Rs. in Million) | 249.25 | 173.89 |
| Weighted average number of shares used for calculating Basic EPS | 27,028,740 | 26,979,082 |
| Add: Effect of ESOPs and share warrants which are dilutive | 174,023 | 51,561 |
| Weighted average number of shares considered for calculating Diluted EPS | 27,202,763 | 27,030,643 |
| Diluted EPS in Rs. | 9.16 | 6.43 |
| Face value in Rs. | 5.00 | 5.00 |

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



Note
No.

44 Financial instruments

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

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

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

Fair value hierarchy

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

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

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

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

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

Financial risk management

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

Credit risk

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

Liquidity risk

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

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

The working capital position of the Company is given below:

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



Note
No.

44 Financial instruments

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

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

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

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

Foreign currency risk

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

The following table presents unhedged foreign currency risk from financial instruments

| Particulars | (Rs. in Million) | | |
|-------------------|------------------|-----------|-----------|
| | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
| Borrowings in USD | 62.78 | 82.50 | 103.26 |

Foreign currency rate sensitivity analysis

| Particulars | (Rs. in Million) | |
|---------------------------|---|-----------|
| | After tax impact of profit for the year ended | |
| | 31-Mar-18 | 31-Mar-17 |
| Depreciation of USD by 5% | | |
| Increase in profit | 2.04 | 2.68 |
| Appreciation of USD by 5% | | |
| Decrease in profit | (2.04) | (2.68) |

Interest rate risk

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

Interest rate sensitivity analysis

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

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



Barbeque-Nation Hospitality Limited
Notes to the Standalone Ind AS Financial Statements

Note
No.

44 Financial instruments

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

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Barbeque-Nation Hospitality Limited
Notes to the Standalone Ind AS Financial Statements

Note
No.

45 Related party transactions

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

45 Transactions and Balances with Related Parties

| Particulars of transactions with related parties as at | 31-Mar-18 | 31-Mar-17 |
|---|-----------|-----------|
| Reimbursement of expenses paid | | |
| Subsidiaries: | | |
| Prime Gourmet Private Limited | - | 0.46 |
| Barbeque Nation Holdings Limited | 21.81 | 16.03 |
| Barbeque Nation Holdings Pvt Ltd- Mauritius | 1.10 | - |
| Barbeque Nation Holdings LLC- Singapore | 0.72 | - |
| Barbeque Nation (Malaysia) Sdn. Bhd. | 1.08 | - |
| Purchase of goods and reimbursement of expenses | | |
| Subsidiaries: | | |
| Favorite Restaurants Private Limited | - | 1.23 |
| Purchase of consumables | | |
| Entity in which KMP / Relatives of KMP can exercise significant influence | | |
| Sara Soule Private Limited | - | 4.03 |
| Sale of materials | | |
| Subsidiary company: | | |
| Prime Gourmet Private Limited | 0.25 | - |
| Services received | | |
| Investing party for which the Company is an Associate : | | |
| Sayaji Hotels Limited | 1.25 | 1.05 |
| Rental income | | |
| Subsidiary company: | | |
| Prime Gourmet Private Limited | 2.86 | - |
| Services rendered | | |
| Investing party for which the Company is an Associate : | | |
| Sayaji Hotels Limited | 11.72 | 16.11 |
| Royalty income | | |
| Subsidiary company: | | |
| Barbeque Nation Holdings Limited | 8.16 | - |
| Guarentee commission | | |
| Subsidiary company: | | |
| Barbeque Nation Holdings Limited | 2.88 | - |
| Rent and maintenance charges | | |
| Entity in which KMP / Relatives of KMP can exercise significant influence | | |
| Sara Soule Private Limited | 4.46 | 4.96 |
| Investing party for which the Company is an Associate | | |
| Sayaji Hotels Limited | 18.26 | 16.67 |
| Issue of equity shares | | |
| KMP/ Relatives of KMP | | |
| Kayum Dhanani | - | 124.00 |



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

45 Transactions and Balances with Related Parties

| Particulars of transactions with related parties as at | 31-Mar-18 | 31-Mar-17 |
|--|-----------|-----------|
| Security deposit paid | | |
| Entities in which KMP / relatives of KMP have significant influence: | | |
| Sara Soule Private Limited | 0.21 | 0.18 |
| Refund received of security deposit paid | | |
| Entities in which KMP / relatives of KMP have significant influence: | | |
| Sara Soule Private Limited | 0.23 | - |
| Investment made during the year in | | |
| Subsidiaries: | | |
| Prime Gourmet Private Limited | 50.35 | 28.98 |
| Barbeque Nation Holdings Limited | - | 18.61 |
| Loan granted | | |
| Subsidiaries: | | |
| Favorite Restaurants Private Limited | - | 22.84 |
| Prime Gourmet Private Limited | 31.11 | - |
| Barbeque Nation Holdings Limited | 187.11 | - |
| Receipt towards repayment of loan granted | | |
| Subsidiaries: | | |
| Favorite Restaurants Private Limited | - | 5.73 |
| Prime Gourmet Private Limited | 8.04 | - |
| Barbeque Nation Holdings Limited | 61.31 | - |
| Receipt towards interest on loan granted | | |
| Subsidiaries: | | |
| Favorite Restaurants Private Limited | - | 0.88 |
| Barbeque Nation Holdings Limited | 2.98 | - |
| Interest income on loan granted | | |
| Subsidiaries: | | |
| Favorite Restaurants Private Limited | - | 3.05 |
| Prime Gourmet Private Limited | 0.57 | - |
| Barbeque Nation Holdings Limited | 7.90 | - |



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

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

Note

No.

45 Transactions and Balances with Related Parties

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

Compensation of key management personnel

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

| Particulars | For the year ended | |
|--------------------------|--------------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Short-term benefits | 18.41 | 17.09 |
| Post-employment benefits | - | - |
| Other long-term benefits | - | - |
| Share-based payments | 2.87 | 0.09 |
| Termination benefits | - | - |
| Total | 21.28 | 17.18 |

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



Barbeque-Nation Hospitality Limited

Notes to the Standalone Ind AS Financial Statements

Note Standards / amendments not yet effective

46 Ind AS 115- Revenue from Contract with Customers

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

The standard permits two possible methods of transition:

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

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

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

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

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

