

**INDEPENDENT AUDITORS' REPORT**

To  
**The Members of  
Prime Gourmet Private Limited.**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of **Prime Gourmet Private Limited** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**2. Management's Responsibility for the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act as applicable.

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

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on 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 thereunder.



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

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

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

#### **4. Opinion**

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

#### **5. Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, the statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.






- d) in our opinion, the aforesaid financial statement comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014;
- e) on the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- the Company does not have any pending litigations which would impact its financial statements.
  - the Company did not have any long term contracts, including derivative contracts outstanding as at March 31, 2017 for which there were any material foreseeable losses; and
  - there are no amounts required to be transferred to the Investor Education and Protection Fund, by the Company.
  - the Company has provided requisite disclosures in its financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 29 to the financial statements

**For GUPTA SANJIV & CO.**

Chartered Accountants

Firm Regn. No. 05365N



(SANJIV GUPTA)

Partner

M.No. 84118



Place : New Delhi

Date : 28.06.2017

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 5 of the Independent Auditor's Report to the Members of **PRME GOURMET PRIVATE LIMITED** on the financial statement for the year ended **31<sup>st</sup> March, 2017**.

1. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, the fixed assets are physically verified by the management in accordance with a phased programme designed to cover all items of fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain categories of fixed assets at certain locations have been physically verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations provided to us, the company is not holding any immovable property. Therefore paragraph 3(i)(c) of the Order is not applicable to the company.
2. a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations are obtained.  
  
b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.  
  
c) According to the information and explanations given to us, and on the basis of our examination of the records of inventories, we are of the opinion that the company is maintaining proper records of inventory. As informed to us, the discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. The company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii) of the said Order are not applicable to the Company
4. In our opinion and according to information and explanations given to us, Company has not given any loan to the parties covered under Section 185 & 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.





5. According to the information and explanation given to us, the company has not accepted any deposit from the public within the meaning of section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
6. As per information & explanation given by the management, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
7. (a) According to the information and explanations given to us and the records examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, service tax, income tax, wealth tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities. There are no outstanding undisputed dues which are overdue for more than six months as on 31st March 2017.  
  
(b) According to the information and explanations given to us, there is no amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
8. According to information and explanations given to us, the company has not defaulted in repayment of dues to banks & financial institutions. The company has not issued any debentures.
9. According to information and explanations given to us, the Company has applied the money raised by way of term loans from Banks, for the purpose for which they were raised. The company has not raised any money by way of initial public offer or further public offer.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. According to information and explanations given to us, as the company is a private company, therefore paragraph 3 (xi) of the order is not applicable to the company.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly paragraph 3 (xii) of the order is not applicable



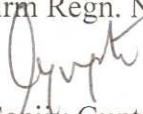
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, transaction with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and details has been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to information and explanations given to us, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to information and explanations given to us and based on our examination of the records of the company, Company has not entered into any non-cash transaction with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to information and explanations given to us and based on our examination of the records of the company, Company is not liable for obtaining registration certificate under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

Subject to our separate report of even date.

**For GUPTA SANJIV & CO.**

Chartered Accountants

Firm Regn. No. 05365N

  
(Sanjiv Gupta)  
Partner  
M. No. 84118



Place : New Delhi.

Dated : 28.06.2017



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls 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 **Prime Gourmet Private Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

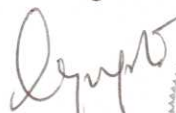
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Subject to our separate report of even date

**For GUPTA SANJIV & CO**

Chartered Accountants

Firm Regn. No. 05365N

  
(Sanjiv Gupta)

Partner

M. No. 84118



Place: New Delhi.

Dated: 28.06.2017



**PRIME GOURMET PRIVATE LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2017**

PARTICULARS	NOTES	<u>As at 31st March, 2017</u> (Rs.)	<u>As at 31st March, 2016</u> (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
Share Capital	2	194,277,630	35,300,000
Reserves and Surplus	3	(88,816,343)	(30,865,965)
<b>2. Non-Current Liabilities</b>			
Long Term Borrowings	4	-	27,956,199
Deferred Tax Liabilities (Net)	5	-	-
Long Term Provisions	6	402,602	413,170
<b>3. Current Liabilities</b>			
Short-Term Borrowings	7	-	76,961,609
Trade Payables	8	4,772,167	4,487,511
Other Current Liabilities	9	10,298,090	20,794,360
Short Term Provisions	10	828	1,465
<b>Total</b>		<u>120,934,974</u>	<u>135,048,349</u>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	64,182,230	77,753,457
Intangible Assets	11	21,821,130	21,600,789
Capital Work in Progress	11	34,000	-
Long Term Loans & Advances	12	23,354,651	21,643,397
<b>2. Current Assets</b>			
Inventories	13	3,258,904	4,492,866
Trade Receivables	14	10,627	108,808
Cash and Cash Equivalents	15	931,353	3,210,701
Short Term Loans and Advances	16	7,342,079	6,238,331
<b>Total</b>		<u>120,934,974</u>	<u>135,048,349</u>

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached  
FOR GUPTA SANJIV & CO.  
Chartered Accountants  
Firm Regn. No. 05365N

  
(SANJIV GUPTA)  
Partner  
M.No. 84118



Place : New Delhi

Dated : 28.06.2017

  
Mohankumar R  
Chief Financial Officer

For and on behalf of Board of Directors

  
SAMEER BHASIN  
Director  
DIN : 07699857

  
RAOOF RAZAK DHANANI  
Director  
DIN : 00174654

**PRIME GOURMET PRIVATE LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31st MARCH 2017**

PARTICULARS	NOTES	For the Year	For the Year
		ended 31st March, 2017 (Rs.)	ended 31st March, 2016 (Rs.)
<b>1. INCOME</b>			
a. Revenue From Operation	17	131,462,680	135,834,447
b. Other Income	18	97,967	55,637
		<u>131,560,647</u>	<u>135,890,084</u>
<b>2. EXPENSES</b>			
a. Cost of Material Consumed	19	46,633,420	41,839,524
b. Employee Benefit Expenses	20	35,092,572	30,781,873
c. Occupancy cost and other operating expenses	21	79,724,326	66,257,855
<b>Total Expenses (a+b+c)</b>		<u>161,450,318</u>	<u>138,879,252</u>
<b>3. Earning/(outgoing) before exceptional items, finance cost, tax, depreciation and amortisation (EBIDTA) (1-2)</b>		(29,889,671)	(2,989,168)
4. Finance Costs	22	6,246,516	4,256,410
5. Depreciation and Amortization Expenses	11	18,314,545	15,186,372
<b>6. Profit/(loss) before exceptional items, extra ordinary items and tax</b>		<u>(54,450,731)</u>	<u>(22,431,949)</u>
7. Exceptional Items	23	3,499,646	2,326,102
<b>8. Profit/(loss) before tax (6 - 7)</b>		(57,950,377)	(24,758,051)
9. Tax Expenses/(benefits)			
Deferred Tax		-	(336,737)
<b>10. Profit/(Loss) for the Year (5-6)</b>		(57,950,377)	(24,421,314)
<b>11. Earning Per Equity Share</b>			
- Basic		(4.86)	(6.92)
- Dilluted		(4.86)	(6.92)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached  
FOR GUPTA SANJIV & CO.  
Chartered Accountants  
Firm Regn. No. 05365N

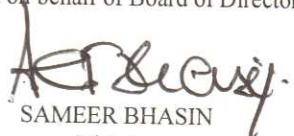
  
(SANJIV GUPTA)  
Partner  
M.No. 84118

Place : New Delhi

Dated : 28.06.2017

  
**Mohankumar R**  
Chief Financial Officer

For and on behalf of Board of Directors

  
SAMEER BHASIN  
Director  
DIN : 07699857

  
RAOOF RAZAK DHANANI  
Director  
DIN : 00174654



**PRIME GOURMET PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2017**

<u>Particulars</u>	31 March 2017 (Rs.)	31 March 2016 (Rs.)
<b>Cash Flow from Operating Activity</b>		
Net Profit Before Tax and extraordinary item	(54,450,731)	(22,431,949)
Adjustment for :		
Finance Costs	6,246,516	3,410,582
Depreciation	18,314,545	15,186,372
Provision no longer required for Gratuity	(11,205)	179,658
<b>Operating Profit Before Working Capital Change</b>	<b>(29,900,876)</b>	<b>(3,655,338)</b>
<b>Adjustments for:</b>		
Inventories	1,233,962	(556,971)
Long Term Loans and Advances	(1,711,254)	(6,273,649)
Short Term Loans and Advances	(1,103,748)	(3,798,392)
Trade payables	284,656	1,423,096
Other Current Liabilities	(10,496,270)	10,724,985
Trade Receivables	98,181	(108,228)
<b>Cash generated from Operation</b>	<b>(41,595,348)</b>	<b>(2,244,497)</b>
<b>Cash flow before extra-ordinary item</b>	<b>(41,595,348)</b>	<b>(2,244,497)</b>
Payment for Interest on Statutory Liabilities	-	(2,090,302)
<b>Net Cash from Operating Activity</b>	<b>(A) (41,595,348)</b>	<b>(4,334,799)</b>
<b>Cash Flow from Investing activity</b>		
Purchase of Fixed Assets	(8,463,306)	(24,630,117)
Investment in Capital Work-in-progress	(34,000)	-
<b>Net Cash used in investing activities</b>	<b>(B) (8,497,306)</b>	<b>(24,630,117)</b>
<b>Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowings	(27,956,199)	11,565,895
Proceeds from Short Term Borrowings	(76,961,609)	20,961,609
Share Capital Issue	158,977,630	-
Finance Cost	(6,246,516)	(3,410,582)
<b>Net Cash from Financing Activity</b>	<b>(C) 47,813,306</b>	<b>29,116,922</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>	<b>(A+B+C) (2,279,348)</b>	<b>152,006</b>
Cash & Cash Equivalents at the beginning of the year	3,210,701	3,058,695
<b>Cash &amp; Cash Equivalents as at the end of year</b>	<b>931,353</b>	<b>3,210,701</b>
<b>Cash and Cash equivalents includes:</b>		
a. Cash in hand	288,784	710,034
b. Balance with Banks		
i. Current Accounts	642,569	2,500,667
	<b>931,353</b>	<b>3,210,701</b>

This is the Cash Flow Statement referred to in our report of even date.  
Cash Flow has been prepared by the indirect method as per Accounting Standard - 3, Cash Flow Statement.

**FOR GUPTA SANJIV & CO.**

Chartered Accountants  
Firm Regn. No. 05365N

(SANJIV GUPTA)  
Partner  
M.No. 84118

Place : New Delhi

Dated : 28.06.2017



**Mohankumar R**  
Chief Financial Officer

For and on behalf of the Board of Directors

**SAMEER BHASIN**  
Director  
DIN : 07699857

**RAOOF RAZAK DHANANI**  
Director  
DIN : 00174654

## **PRIME GOURMET PRIVATE LIMITED**

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

### **1. NOTES ON ACCOUNTS**

#### **A. BACKGROUND AND NATURE OF OPERATIONS**

Prime Gourmet Private Limited was incorporated on 04th September, 2012 under the Companies Act 1956. The Company is engaged in providing Hospitality Services. The company has the exclusive rights to develop and operate Johnny Rockets Licensing LLC Restaurants & Burger Brand in India.

#### **B. SIGNIFICANT ACCOUNTING POLICIES**

##### **a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) in India, under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule 7 of Companies (Account) Rules 2014, the provisions of the Act (to the extent notified).

The financial statements have been prepared on accrual basis and under the historical cost convention

##### **b) USE OF ESTIMATES**

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

##### **c) OPERATING CYCLE**

Based on the nature of the company's products 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.

##### **d) TANGIBLE ASSETS AND INTANGIBLE ASSETS**

###### **Tangible Assets**

- i.** Fixed Assets are stated at cost less accumulated depreciation.
- ii.** Cost comprises the purchase price, borrowing costs and any other attributable costs of bringing the asset to its working condition for its intended use.
- iii.** When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss account.





## **PRIME GOURMET PRIVATE LIMITED**

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

#### **Intangible Assets**

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

#### **Capital work-in-progress**

Direct/indirect expenditure incurred on new restaurants/ substantial expansion, pending allocation to individual asset is shown under "Capital work in progress" and are carried at cost, comprising of direct cost and related incidental expenses.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion only that portion is capitalized which represents the marginal increase in such expenditure as a result of capital expansion.

#### **e) DEPRECIATION AND AMORTIZATION**

##### **Tangible Assets**

i. Depreciation has been provided as under :

Depreciation has been provided on Straight Line Method at the useful lives as prescribed in Schedule II to the Companies Act, 2013. In respect of certain assets, the management has estimated the useful life to be lower than the prescribed useful life as per Schedule II to the Companies Act 2013. In such cases the depreciation has been provided at the higher rates based on the useful life estimated by the management.

- ii. Leasehold Improvements is amortized over the primary lease period of the leasehold premises or useful life whichever is shorter.
- iii. Depreciation is calculated on pro-rata basis from the date of installation till the date the assets are sold or disposed.

##### **Intangible Assets**

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

The License fees is paid to the franchisor for running and operating the franchise. The license fees is amortized over the period during which the Company shall be deriving economic benefit from the same.

#### **f) OPERATING LEASE**

Assets acquired under Leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. The lease payments under operating lease are recognized as revenue expenditure.



## **PRIME GOURMET PRIVATE LIMITED**

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

### **g) INVENTORIES**

**Inventories are valued as follows :**

#### **Raw materials, Stores, Spares and Packing Materials :**

At cost as determined on the basis of First in First Out (FIFO). However, materials and item held for use in the production of inventories are not written down below cost as the finished products in which they will be incorporated are expected to be sold at or above cost.

### **h) REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow the Company and the revenue can be reliably measured.

#### **Sale of goods**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer which coincides with the delivery of goods to the customer.

### **i) EMPLOYEE BENEFITS**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits (Revised 2005) "Revised AS 15"

#### **a. Defined contribution plan**

The Company makes contribution to statutory provident fund and Employee State Insurance Corporation in accordance with Employees Provident Fund and Employee State Insurance Act, 1948 respectively. The plans are defined contribution plans and contribution paid or payable is recognized as an expenses in the statement of profit and loss in the period in which service are rendered by the employee.

#### **b. Gratuity**

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method as at balance sheet date.

Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are charged or credited to the Profit and Loss account in the year in which such gains or losses arises.

#### **c. Other short term benefits**

Expenses in respect of other short term benefits including bonus and leave encashment are recognized on the basis of amount paid or payable for the period during which service are rendered by the employee.





## **PRIME GOURMET PRIVATE LIMITED**

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

### **j) FOREIGN EXCHANGE TRANSACTIONS**

#### **a. Initial Recognition**

Transactions in foreign currency are recorded in the reporting currency by applying to the foreign currency amount the exchange rate prevailing on the date of the transaction.

#### **b. Conversion**

Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rate prevailing on that date.

#### **c. Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### **k) BORROWING COSTS**

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets is capitalized as part of the respective assets. Other borrowings costs are recognized as expenses in the period in which they are incurred.

### **l) TAXATION**

Tax expenses comprises both current and deferred taxes.

Provision for current taxation is ascertained on the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961 ('the Act').

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

### **m) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash and cash on deposit with bank. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### **n) EARNING PER SHARE**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of dilutive potential equity shares.



## **PRIME GOURMET PRIVATE LIMITED**

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

### **o) CONTINGENT LIABILITIES AND PROVISIONS**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible future obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

### **p) IMPAIRMENT OF ASSETS**

The Company assesses at the balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### **q) RESEARCH AND DEVELOPMENT**

Revenue Expenditure on research and development is charged as an expenses in the year in which it is incurred under respective heads of accounts. Expenditure which results in the creation of capital assets is capitalized and depreciation is provided on such assets as applicable.





**PRIME GOURMET PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
<b>2 SHARE CAPITAL</b>		
<b><u>1. Authorised</u></b>		
2,00,00,000 Equity Shares of Rs. 10/- each (Previous year 40,00,000 equity shares of Rs. 10/- Each)	200,000,000	40,000,000
<b><u>2. Issued, Subscribed and Fully Paid up</u></b>		
1,94,27,763 Equity Shares of Rs. 10/- each (Previous year 35,30,000 equity shares of Rs. 10/- Each)	194,277,630	35,300,000
	194,277,630	35,300,000

**a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

	Current Year		Previous Year	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
<b>Equity Shares</b>				
At the beginning of the period	3,530,000	35,300,000	3,530,000	35,300,000
Add: Issued during the period	15,897,763	158,977,630	-	-
<b>Outstanding at the end of the period</b>	19,427,763	194,277,630	3,530,000	35,300,000

**b. Description of the rights, preferences and restrictions attached to each class of shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

**b. Details of shares held by the holding company**

	Current Year	Previous Year
	No. of Share	No. of Share
<b>Equity Shares</b>		
Barbeque Nation Hospitality Limited	19,427,763	-
	19,427,763	-

**c. Details of shareholders holding more than 5% of shares in company**

Name of the Shareholder	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Gaurav Sharma	-	-	1,176,167	33.33%
Vishal Chaudhary	-	-	-	-
Capricorn Resources Pvt. Ltd.	-	-	1,175,666	33.33%
Concept Studio Pvt. Ltd.	-	-	1,175,667	33.33%
Barbeque Nation Hospitality Limited	19,427,763	100%	-	-
	19,427,763	100%	3,527,500	100%



**PRIME GOURMET PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
<b>3 RESERVES &amp; SURPLUS</b>		
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	(30,865,965)	(6,444,652)
Add: Loss for the Year	(57,950,377)	(24,421,314)
Balance at the end of the year	<u>(88,816,343)</u>	<u>(30,865,966)</u>
<b>4 LONG TERM BORROWINGS</b>		
Loans and Advances (secured)		
Loan from Banks	-	18,411,682
Loan from other	-	11,590,353
Less: Current Maturities of Long Term Debts	-	2,045,836
Loans and Advances (unsecured)	-	27,956,199
Loan from others	-	2,975,793
Less: Current Maturities of Long Term Debts	-	2,975,793
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>27,956,199</u>

Nature of Security	Original Amount of Borrowing	Tenor at inception (in Months)	Terms of Repayment	Month in which last Installment is due	Repayment Schedule installments with Interest	Balance as on 31st March, 2017	Balance as on 31st March, 2016	Prevailing Interest Rate Per Annum
	Rs.				Rs.	Rs.	Rs.	
<b>Secured</b>								
<b>Rupee Term Loans</b>								
Secured against the personal properties of the Directors and their personal guarantee.	20200000*	116	Monthly	Apr-24	289812	-	18,411,682	11.35%
	6,000,000	180	Monthly	Jan-31	70092	-	5,974,695	11.50%
	5,700,000	84	Monthly	Jan-23	103694	-	5,615,658	13.00%
<b>Unsecured</b>								
<b>Rupee Term Loans</b>								
	5000000	30	Daily	Oct-16	15731	-	2,975,793	25.73%
<b>Sub Total</b>						-	32,977,828	
<b>Less: Current Maturities of Long Term Debt (Refer note 9)</b>						-	5,021,629	
<b>Total</b>						-	27,956,199	

**5 DEFERRED TAX LIABILITIES**

<b>On Depreciation</b>		
Opening Balance	-	336,737
Add: During the Year	-	(336,737)
Total	<u>-</u>	<u>-</u>

**6 LONG TERM PROVISIONS**

Provision for Employee Benefits		
Gratuity	402,602	413,170
	<u>402,602</u>	<u>413,170</u>





**PRIME GOURMET PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
	Rs.	Rs.
<b>7 <u>SHORT TERM BORROWINGS</u></b>		
Loans repayable on demand (secured)*		
From Bank	-	4,361,609
Loans and Advances (unsecured)		
Loan from Related Parties	-	72,600,000
	<u>-</u>	<u>76,961,609</u>

\*Loan is secured by Hypothecation on credit cards receivables of the company and personal guarantees of the Directors of the company.

**8 TRADE PAYABLES**

Total outstanding dues of Micro, Small and Medium Enterprises	-	-
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	4,772,167	4,487,511
	<u>4,772,167</u>	<u>4,487,511</u>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Officer Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no over dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further the Company has not received any claim for interest from any supplier under the said Act.

**9 OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debts		
Term Loan from Banks & other (Secured) ( Refer Note 4)	-	2,045,836
Term Loan from others (unsecured)	-	2,975,793
Other Liabilities		
Payable in respect of Statutory Dues	1,780,687	2,983,489
Expenses Payables	6,321,590	9,898,238
Payable against Capital Goods	1,593,579	2,875,004
Security Deposits	140,500	16,000
Payable to holding company	461,734	-
	<u>10,298,090</u>	<u>20,794,360</u>

**10 SHORT TERM PROVISIONS**

Provision for Employee Benefits		
Gratuity	828	1,465
	<u>828</u>	<u>1,465</u>



**PRIME GOURMET PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2017**

**Note -11 : FIXED ASSETS**

**A) Tangible Assets**

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2016	Addition	Written off	As on 31.03.2017	Addition	Adjustment	As on 31.03.2017	As on 31.03.2016
Plant & Machinery	42,910,979	439,608	143,033	43,207,554	4,850,588	26,521	12,121,376	35,613,671
Leasehold Improvements	37,930,902	209,000	3,354,580	34,785,322	4,204,473	434,925	10,349,168	31,351,282
Furniture & Fixture	10,542,918	420,553	88,328	10,875,143	1,826,885	34,178	4,415,625	7,920,000
Computer	4,928,787	587,545	-	5,516,332	1,255,669	-	3,315,952	2,868,504
<b>Total (A)</b>	<b>96,313,586</b>	<b>1,656,706</b>	<b>3,585,941</b>	<b>94,384,351</b>	<b>12,137,615</b>	<b>495,624</b>	<b>30,202,121</b>	<b>77,753,457</b>
<b>Previous Year</b>	<b>73,657,489</b>	<b>22,681,098</b>	<b>25,000</b>	<b>96,313,586</b>	<b>10,144,415</b>	<b>5,247</b>	<b>18,560,130</b>	<b>65,238,527</b>

**B) Intangible Assets**

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2016	Addition	Sale	As on 31.03.2017	Addition	Adjustment	As on 31.03.2017	As on 31.03.2016
License Fees Software	32,381,500 156,694	6,755,000 51,600	489,457	38,647,043 208,294	6,150,815 26,116	80,128	17,002,582 31,625	21,449,605 151,185
<b>Total (B)</b>	<b>32,538,194</b>	<b>6,806,600</b>	<b>489,457</b>	<b>38,855,337</b>	<b>6,176,931</b>	<b>80,128</b>	<b>17,034,207</b>	<b>21,600,789</b>
<b>Previous Year</b>	<b>30,564,175</b>	<b>1,974,019</b>	<b>-</b>	<b>32,538,194</b>	<b>5,045,203</b>	<b>-</b>	<b>10,937,405</b>	<b>24,671,973</b>
<b>Total (A+B)</b>	<b>128,851,780.44</b>	<b>8,463,306</b>	<b>4,075,398</b>	<b>133,239,688</b>	<b>18,314,545</b>	<b>575,752</b>	<b>47,236,328</b>	<b>99,354,246</b>
<b>C) Capital Work-in-progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,000</b>





**PRIME GOURMET PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
	Rs.	Rs.
<b>12 <u>LONG TERM LOANS AND ADVANCES</u></b> (Unsecured, Considered Good)		
Security Deposits	20,470,300	21,616,789
Capital Advances	2,884,351	26,608
	<u>23,354,651</u>	<u>21,643,397</u>
<b>13 <u>INVENTORIES</u></b> (Valued at lower of cost or net realisable value)		
Material and Stores	3,258,904	4,492,866
	<u>3,258,904</u>	<u>4,492,866</u>
<b>14 <u>TRADE RECEIVABLES</u></b> (Unsecured, considered good unless otherwise stated.)		
Trade Receivables outstanding for a period exceeding Six months	-	-
Other Trade Receivables	10,627	108,808
	<u>10,627</u>	<u>108,808</u>
<b>15 <u>CASH &amp; CASH EQUIVALENTS</u></b>		
Cash in hand	288,784	710,034
Balance with Banks		
Current Accounts	642,569	2,500,667
	<u>931,353</u>	<u>3,210,701</u>
<b>16 <u>SHORT TERM LOANS &amp; ADVANCES</u></b> (Unsecured and Considered Good)		
Prepaid Expenses	592,360	927,765
Balance with excise and custom authorities	6,297,119	4,142,862
Cenvat/Vat credit recoverable	254,811	875,858
Advance Tax & TDS Recoverable (Net of Tax)	27,630	29,116
Other Advances	528,305	
Less: Provision for Doubtful Advances	<u>360,000</u>	262,729
Accrued Interest on FDR	1,854	-
	<u>7,342,079</u>	<u>6,238,331</u>



**PRIME GOURMET PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the year ended 31st March, 2017</b>	<b>For the year ended 31st March, 2016</b>
	Rs.	Rs.
<b>17 <u>REVENUE FROM OPERATION</u></b>		
Sales of Products	128,438,420	132,376,080
Other Operating Income	3,024,260	3,458,367
	<u>131,462,680</u>	<u>135,834,447</u>
<b>18 <u>OTHER INCOME</u></b>		
Interest Received	4,161	35,049
Provision no longer required for Gratuity	11,205	-
Other Non-Operating Income	82,601	20,588
	<u>97,967</u>	<u>55,637</u>
<b>19 <u>COST OF MATERIAL CONSUMED</u></b>		
Opening stock of raw material	4,492,866	3,935,895
Add: Purchase During the year	45,399,458	42,396,495
Less: Closing stock of raw material	3,258,904	4,492,866
Cost of Material Consumed	<u>46,633,420</u>	<u>41,839,524</u>
<b>20 <u>EMPLOYEE BENEFIT EXPENSES</u></b>		
Salary, Wages and Bonus	32,379,875	27,873,227
Contribution to Provident and Other Funds	2,368,022	2,312,046
Welfare Expenses	344,675	596,600
	<u>35,092,572</u>	<u>30,781,873</u>





**PRIME GOURMET PRIVATE LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the year ended 31st March, 2017</b>	<b>For the year ended 31st March, 2016</b>
	Rs.	Rs.
<b>21 <u>OCCUPANCY AND OTHER OPERATING EXPENSES</u></b>		
Royalty & Fee	8,437,921	6,618,803
Advertisement	2,625,947	3,649,251
Product Development & Business Promotion	493,237	280,194
Electricity & Water Exp.	7,744,676	5,925,774
Fuel & Gas	2,217,824	1,912,641
Consumable Stores	779,873	1,920,592
Brokerage and Commission	335,613	251,078
Rent	34,625,062	29,144,320
Repair & Maintenance		
Building	9,989,305	6,888,805
Other	2,643,602	1,793,504
Rate, Fee & Taxes	4,213,853	2,862,200
Insurance	216,680	181,275
Telephone, Internet & Postage	362,679	389,146
Legal & Professional Charges	1,109,530	1,045,708
Provision for Doubtful Advances	-	360,000
Auditor's Remuneration	80,000	60,000
Travelling & Conveyance	1,713,309	1,078,979
Other Miscellaneous Exp.	2,135,215	1,895,585
	<u>79,724,326</u>	<u>66,257,855</u>
<b>22 <u>FINANCE COST</u></b>		
Interest on Borrowings		
- Bank	2,063,101	3,038,075
- Other	233,187	-
Finance & Processing Charges	3,950,228	1,218,335
	<u>6,246,516</u>	<u>4,256,410</u>
<b>23 <u>EXCEPTIONAL ITEM</u></b>		
Interest on Statutory Liabilities	-	2,090,302
Fixed Assets Written off	3,499,646	235,800
	<u>3,499,646</u>	<u>2,326,102</u>



## PRIME GOURMET PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

24. (i). Additional Information :-

	Current Year	Previous Year
a. Contingent Liabilities	Nil	Nil
b. Capital contract remaining to be executed	55,11,350	Nil
c. Detail of sales Food items	12,84,38,420/-	13,23,76,080/-
d. Detail of Raw Material Consumed Food Items & Others	4,66,33,420	4,18,39,524/-

(ii). Imported and Indigenous Raw Material, Stores and spares Consumed

a) Composition of Raw Material Consumed :

Item	Current Year %	Current Year Amount (Rs.)	Previous Year %	Previous Year Amount (Rs.)
Indigenous	100%	4,63,62,700	100%	41,839,524
Imported	Nil	Nil	Nil	Nil

	Current Year	Previous Year
b) Earnings in foreign Currency	Nil	Nil
c) Expenditure in Foreign Currency		
i. Travelling Expenses	Nil	Nil
ii. Royalty & Fees	84,37,921	66,18,803
iii. License Fees	67,55,000	15,01,825
iv. Advertisement	9,63,265	9,92,821
d) Advance against capital goods	9,78,021	Nil





## PRIME GOURMET PRIVATE LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

#### 25. Related Party Disclosures

Related party disclosures as required under Accounting Standard -18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below:

##### a) **Enterprises controlled by the Key Management personnel.**

1. ARR Advisory Pvt Ltd
2. Capricorn Resource Pvt Ltd

##### b) **Key management personnel and their relatives**

1. Gaurav Sharma (Director) (Resigned on 06.09.2016)
2. Vishal Chaudhary (Director) (Resigned on 06.09.2016)
3. Bakshish Dean (Director)
4. Sachin Goel (Director) (Resigned on 06.09.2016)
5. Akansha Dean (Director's relative)
6. Raof Razak Dhanani (Director)
7. Rahul Agrawal (Director)
8. Sameer Bhasin (Director)

##### c) **Holding Company**

Barbeque Nation Hospitality Limited (Holding Company)

##### c) **Enterprises over which key management personnel and their relatives are able to exercise significant influence - NIL**

#### Transactions with Related Parties during the year

##### Nature of transactions

##### Nature of transactions

	Related Party			
	As referred in (a) above		As referred in (b) above	
	Current Year (Rs.)	Previous Year (Rs.)	Current Year (Rs.)	Previous Year (Rs.)
Remuneration to key personnel Management	-	-	1,04,93,356	76,82,004
Professional Charges	1,60,350	2,46,000	-	-
Salary	-	-	1,50,000	3,07,200
Repayment of Loan	53,33,340	15,00,000	7,97,65,650	-
Loan Taken During the year	-	15,00,000	1,24,98,990	1,76,00,000
Reimbursement of expenses by company	2,81,820	1,50,000	-	-
	-	-	-	-
<b><u>Balance Outstanding as at the year end</u></b>				
Loans	-	53,33,340	-	6,72,66,660



**PRIME GOURMET PRIVATE LIMITED**

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

<u>Nature of transactions</u>	Holding Company (As referred in (c) above)	
	Current Year	Previous Year
Expense paid on behalf of Company	10,66,175	-
Share Capital Issued	15,89,77,630	-
<b>Balance as at end of the year</b>		
Other payable	4,61,734	-

**26. Payments to auditor-**

	Current Year	Previous Year
As auditors		
i) Statutory audit	80,000	60,000
ii) Certification charges	78,893	30,911
iii) Taxation Matters	1,06,883	30,000
Service Tax*	22,476	4,270
Total	<b>2,88,252</b>	<b>1,31,349</b>

\*Credit taken by the Company

**27. Employee benefits**

**a) Defined contribution plan:**

- i. Company's contribution to Provident Fund Rs. 16,39,881/- (P.Y. Rs. 15,54,438/-)
- ii. Company's contribution to Employee's State Insurance Rs. 7,17,040/- (P.Y. Rs. 5,68,150/-)
- iii. Company's contribution to Labour Welfare Fund Rs. 11,101/- (P.Y. Rs. 9,800)

**b) Defined benefit plans :**

i. Provision towards gratuity is based upon actuarial valuation done by an independent actuary using Projected Unit Credit method and it covers all regular employees. Gain and losses on changes in actuarial assumptions are accounted for in the profit and loss account.

ii. The charge on account of provision for gratuity has been included in 'Salary, bonus and other allowances'.

iv. Actuarial valuation of gratuity has been done with the following assumptions.

Particulars	Gratuity (Unfunded) Current Year	Gratuity (Unfunded) Previous Year
	<b>Principal actuarial assumptions :</b>	
Discount rate	7.00%	7.80%
Rate of increase in compensation levels	8.00%	8.00%
Rate of return of plan assets	0%	0%
Mortality	IALM (2006-08)	IALM (2006-08)



**PRIME GOURMET PRIVATE LIMITED**

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

	Ultimate	Ultimate
<b>Change in the present value of obligation :</b>		
Present value of obligation as at beginning of the year	4,14,635	2,34,977
Interest cost	31,927	18,328
Current service cost	1,84,461	2,73,315
Benefits paid	---	---
Actuarial (gain)/loss on obligations	(2,27,593)	(1,11,985)
Present value of obligation as at end of the year	4,03,430	4,14,635
<b>Current portion of defined benefit obligation</b>	828	1,465
<b>Non-Current portion of defined benefit obligation</b>	4,02,602	4,13,170

**Reconciliation of present value of defined benefit obligation and  
The fair value of assets :**

Present value of unfunded obligation as at beginning of the year	4,03,430	4,14,635
Fair value of plan assets as at the end of the period funded status	--	--
Present value of unfunded obligation as at end of the year	4,03,430	4,14,635

**Expenses recognized in the Profit and Loss Account :**

Current service cost	1,84,461	2,73,315
Interest cost	31,927	18,328
Expected return on plan assets	---	---
Settlement cost / credit	---	---
Net actuarial (gain)/loss recognized in the period	(2,27,593)	(1,11,985)
Total expenses recognized in the Profit & Loss Account	(11,205)	1,79,658

**28. Earning Per Share**

	<u>Current year</u>	<u>Previous Year</u>
a. Net Profit after Tax as per Profit & loss Statement attributable to Equity Shareholders	(5,79,50,377)	(2,44,21,314)
b. Number of equity shares of Rs. 10 each at the beginning of the year	35,30,000	35,30,000
c. Number of equity shares of Rs. 10 each at the end of the year	1,94,27,763	35,30,000
d. Weighted Average number of Equity Shares of Rs. 10/- each at the end of the year for calculation of basic and diluted EPS	1,19,32,583	35,30,000
e. Basic and diluted Earning Per Shares	(4.83)	(6.92)
f. Face Value per Equity Share (Rs.)	10	10





**PRIME GOURMET PRIVATE LIMITED**

NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

29. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	4,58,500	74	4,58,574
Add: Permitted receipts		38,42,055	38,42,055
Less: Permitted Payments		2,84,680	2,84,680
Less: Deposited in Banks	4,58,500	28,49,323	33,07,823
Closing cash in hand as on 30.12.2016	-	7,08,126	7,08,126

30. Disclosures for operating leases under Accounting Standard 19 – “Leases”:

Disclosures in respect of the agreements entered for taking on leave and license/under operating leases; the residential/office premises and warehouses, including furniture fittings therein as applicable, and machinery are given below:

Sr No	Particulars	2016-17 Rs. In Lacs	2015-16 Rs. In Lacs
1.	Lease payments recognised in the Statement of Profit and Loss for the year	344.62	290.50
2.	Future minimum payments under the agreements, which are non-cancellable.	-	-
	(All the lease agreements are cancellable)		

31. In the opinion of the board of Directors of the company, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount stated in the Balance Sheet and Provision for all known liabilities has been made.



**PRIME GOURMET PRIVATE LIMITED**

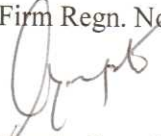
NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017

32. Exceptional items represent Fixed Assets written off on closure of unit, for Rs. 34,99,646/- (Previous Year : Rs. 2,35,800/-).
33. The company has written off Capital Work in progress of Rs Nil (Previous Year Rs. 2,35,800/-) during the year as the project for which the expenditure was incurred has been shelved
34. The previous year's figures have been regrouped/ reclassified to keep in conformity with the current year's figures.

As per our report of even date.

For and on behalf of the board of Directors

For **GUPTA SANJIV & CO.**  
Chartered Accountants  
Firm Regn. No. 05365N


  
(Sanjiv Gupta)  
Partner  
M. No. 84118



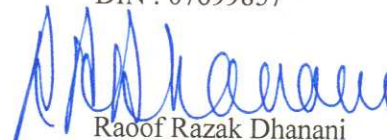
**Mohankumar R**  
**Chief Financial Officer**

Place: New Delhi.

Dated: 28.06.2017



Sameer Bhasin  
(Director)  
DIN : 07699857



Raof Razak Dhanani  
(Director)  
DIN: 00174654