

B S R & Associates LLP

Chartered Accountants

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Limited review report on unaudited quarterly consolidated financial results under Regulation 33 of the Listing Regulations

To Board of Directors of Westlife Development Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Westlife Development Limited ("the Parent") and its subsidiary, Hardcastle Restaurants Private Limited (the Parent and its subsidiary together referred to as "the Group") for the quarter ended 30 June 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the subsidiary, Hardcastle Restaurants Private Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Limited review report on unaudited quarterly consolidated financial results under Regulation 33 of the Listing Regulations (*Continued*)

Westlife Development Limited

6. Attention is invited to the fact that the figures for the corresponding quarter ended 30 June 2018 including the reconciliation of profit under Ind AS of the corresponding quarter with profit reported under previous GAAP, as reported in these consolidated financial results have been approved by the Parent's Board of Directors but have not been subject to review.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Shabbir Readymadewala

Partner

Membership No: 100060

UDIN:19100060AAAABL6358

Mumbai
25 July 2019

WESTLIFE DEVELOPMENT LIMITED

Regd. Office : 1001, Tower - 3, 10th Floor, Indiabulls Finance Centre,

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(Rs. in Lacs)

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2019

Particulars	Quarter ended	
	30/06/2019	30/06/2018
	Unaudited	Unaudited
1 Income		
(a) Revenue from operations	38,186.24	34,167.95
(b) Other Income	302.21	356.02
Total Income	38,488.45	34,523.97
2 Expenses		
(a) Cost of materials consumed	13,757.26	12,384.24
(b) Employee benefits expense	5,022.12	4,584.87
(c) Finance costs	2,028.92	402.74
(d) Depreciation and amortisation expense	3,316.87	1,864.16
(e) Other expenses	14,528.73	13,897.00
Total expenses	38,653.90	33,133.01
3 Profit / (Loss) before tax (2-3)	(165.45)	1,390.96
4 Tax expense:		
(a) Current tax	229.11	47.85
(b) Deferred tax	(281.91)	440.83
5 Net Profit / (Loss) for the period (3-4)	(112.65)	902.28
6 Other Comprehensive Income		
(A) (a) Items that will not be reclassified to Profit or Loss	7.00	3.21
(b) Income tax on items that will not be reclassified to Profit or Loss	(2.42)	(1.11)
(B) (a) Items that will be reclassified to Profit or Loss	-	-
Total Comprehensive income for the period (5 + 6)	(117.23)	900.18
7 Paid-up equity share capital - (Face value of Rs 2 each)	3,113.05	3,112.07
8 Earnings Per Share (not annualised) - (Face value of Rs 2 each)		
Basic (in Rs.)	(0.08)	0.58
Diluted (in Rs.)	(0.08)	0.58



Notes :-

- 1 A comparison of the consolidated results as reported under the newly adopted Ind AS framework (Refer note 2 below) vis-à-vis under previous GAAP is given below :
(Rs. in Lacs)

Particulars	Quarter ended June 30, 2019 (as reported)	Changes due to Ind AS increase / (decrease)	Quarter ended June 30, 2019 (previous GAAP)	Quarter ended June 30, 2018 (previous GAAP)
Revenue from operations (A)	38,186.24	-	38,186.24	34,167.95
Other income (B)	302.21	(64.50)	237.71	87.55
Cost of materials consumed (C)	13,757.26	(140.24)	13,617.02	12,287.79
Employee benefits expense (D)	5,022.12	7.00	5,029.12	4,567.35
Other expenses (E)	14,528.73	1,894.74	16,423.47	13,923.12
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A+B-C-D-E)	5,180.34	1,826.00	3,354.34	3,477.24
Finance costs	2,028.92	(1,569.25)	459.67	402.74
Depreciation and amortisation expense	3,316.87	(1,228.47)	2,088.40	1,864.16
Profit before tax	(165.45)	(971.72)	806.27	1,210.34
Profit after tax	(112.65)	(689.80)	577.15	1,162.49

- 2(a) The Company adopted Indian Accounting Standards ("Ind AS") from April 01, 2019 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of Companies Act, 2013 read with the relevant rules issued there under. The date of transition to Ind AS is April 01, 2018. The impact of transition has been accounted for in opening reserves and the comparative period results have been restated accordingly. The opening balance sheet as at April 01, 2018 and the results of the subsequent periods would get finalised along with the annual financial statements for the year ending March 31, 2020.
- 2(b) The Company has adopted modified retrospective approach as per para C8 (c) (ii) of Ind AS 116 - "Leases" to its leases effective from annual reporting period beginning April 01, 2019. This has resulted in recognising a Right of Use asset (an amount equal to Lease liability adjusted by prepaid lease rent of Rs. 2,293.08 lacs) of Rs. 72,266.64 lacs and a lease liability of Rs. 69,973.56 lacs as on April 01, 2019. In the statement of profit and loss for the current period, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation and amortisation expense for the right of use asset and finance costs for interest accrued on lease liability. To the extent of Ind AS 116 adjustments, the performance for the current period ended June 30, 2019 is not comparable with the previous period results.
- 3 The consolidated financial results for the quarter ended June 30, 2018 have not been audited or reviewed and have been presented based on the information compiled by the management after making the necessary adjustment to give a true and fair view of the results in accordance with Ind AS.
- 4 Reconciliation of net profit or loss reported under previous GAAP and as per Ind AS :

(Rs.in Lacs)

Particulars	Quarter ended June 30, 2018
Net Profit as per previous GAAP	1,162.49
Add / (Less) : Ind AS adjustments	
Interest income on security deposits	53.00
Amortisation of prepaid rent	(70.33)
Measurement of investments at fair value	215.47
Remeasurement gain on defined benefit plan	3.21
Employee share based payment at fair value	(20.73)
Deferred tax on Ind AS adjustments	(440.83)
Net Profit after tax as per Ind AS	902.28
Other Comprehensive Income (net of tax)	(2.10)
Total Comprehensive Income	900.18

- 5 The Group operates McDonald's chain of restaurants in Western and Southern India and the management considers that these restaurants constitute a single business segment and hence disclosure of segment wise information is not required under AS-17 - "Segment Reporting". The Group has only one geographical segment as it caters to the needs of the domestic market only.
- 6 The standalone financial results are available on the Company's website "www.westlife.co.in" and on the website of the stock exchange www.bseindia.com. Key numbers of standalone results of the Company are as under :-

(Rs.in Lacs)

Particulars	Quarter ended	
	June 30, 2019	June 30, 2018
	Unaudited	Unaudited
Revenue from operations (net)	-	-
Net Profit / (Loss) for the period	(5.26)	(4.94)
Total Comprehensive income for the period	(5.26)	(4.94)

- 7 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 25, 2019.

For and on behalf of the Board


Amit Jatia
Vice-Chairman

Westlife Development Limited



Comparable Operating Performance (consolidated)
Excludes impact of IND AS

(As per Indian GAAP)

In ₹ million

Particulars	Quarter ended		Growth % in Q1 FY20 over Q1 FY19	Quarter ended	Growth % in Q1 FY20 over Q4 FY19
	June 30, 2019	June 30, 2018		Mar 31, 2019	
REVENUES					
Sales	3,802.6	3,405.2		3,336.4	
Other Operating Income	16.0	11.6		55.3	
Other Trading Revenues	-	-		-	
TOTAL REVENUES	3,818.6	3,416.8	11.8%	3,391.7	12.6%
OPERATING COSTS AND EXPENSES					
Store Operating Cost and Expense					
Food & Paper	1,361.7	1,228.8		1,216.9	
Payroll and Employee Benefits	391.5	341.3		377.7	
Royalty	174.9	157.6		153.8	
Occupancy and Other Operating Expenses	1,375.2	1,157.5		1,174.1	
Total	3,303.2	2,885.2		2,922.5	
RESTAURANT OPERATING MARGIN (RoM)	515.3	531.6	-3.1%	469.2	9.8%
RoM (% of Total Revenues)	13.5%	15.6%		13.8%	
General & Administrative Expense	188.1	177.3		197.3	
Other Trading Operating Cost and Expenses	-	-		-	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	327.2	354.3	-7.7%	271.9	20.3%
Operating EBITDA (% of Total Revenues)	8.6%	10.4%		8.0%	
Other (Income) / Expense, net	(23.7)	(7.4)		(72.2)	
Extraordinary Expenses*	15.5	14.0		24.2	
Depreciation	208.8	186.4		210.0	
Financial Expense (Interest & Bank Charges), net	46.0	40.3		49.2	
PROFIT/(LOSS) BEFORE TAX (PBT)	80.6	121.1		60.7	32.8%
PBT (% of Total Income)	2.1%	3.5%		1.8%	
Deferred Tax	-	-		(16.90)	
Income Tax	22.9	4.7		6.2	
PROFIT/(LOSS) AFTER TAX (PAT)	57.7	116.3		71.4	-19.2%
PAT (% of Total Income)	1.5%	3.4%		2.1%	
Cash Profit (INR million)	282.1	317.3		297.7	
New Restaurants Opened	4	4		8	
Comparable Sales %	6.7%	24.1%		5.6%	

Note:

* One-time expenses on account of assets written-off pertaining to restaurants relocation/closure

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Limited review report on unaudited quarterly standalone financial results under Regulation 33 of the Listing Regulations

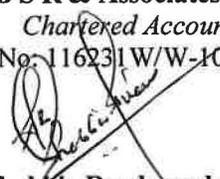
To Board of Directors of Westlife Development Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Westlife Development Limited ("the Company") for the quarter ended 30 June 2019 ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Attention is invited to the fact that the figures for the corresponding quarter ended 30 June 2018 including the reconciliation of loss under Ind AS of the corresponding quarter with loss reported under previous GAAP, as reported in these standalone financial results have been approved by the Company's Board of Directors but have not been subject to review.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231 W/W-100024


Shabbir Ready Madewala

Partner

Membership No: 100060

UDIN:19100060AAAABK8375

Mumbai
25 July 2019

WESTLIFE DEVELOPMENT LIMITED

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(Rs. in lacs)

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2019

	Particulars	Quarter ended	
		30/06/2019	30/06/2018
		Unaudited	Unaudited
1	Income		
	(a) Revenue from operations	-	-
	(b) Other Income	10.71	9.88
	Total Income	10.71	9.88
2	Expenses		
	(a) Employee benefits expense	-	-
	(b) Legal and Professional fees	2.47	1.59
	(c) Director's sitting fees	5.90	8.67
	(d) Depreciation and amortisation expense	0.06	0.06
	(e) Listing and Membership fees	1.96	2.05
	(f) Other expenses	5.58	2.45
	Total expenses	15.97	14.82
3	Profit / (Loss) before tax (1-2)	(5.26)	(4.94)
4	Tax expense:		
	(a) Current tax	-	-
	(b) Deferred tax	-	-
5	Net Profit / (Loss) for the period (3-4)	(5.26)	(4.94)
6	Other Comprehensive Income		
	(a) Items that will not be reclassified to Profit or Loss	-	-
	(b) Items that will be reclassified to Profit or Loss	-	-
7	Total Comprehensive Income for the period (5+6)	(5.26)	(4.94)
8	Paid-up equity share capital (Face value of Rs 2 each)	3,113.05	3,112.07
9	Earnings Per Share (not annualised) - (Face value of Rs 2 each)		
	Basic (in Rs.)	(0.00)	(0.00)
	Diluted (in Rs.)	(0.00)	(0.00)



Notes:-

- 1) The Company adopted Indian Accounting Standards ("Ind AS") from April 01, 2019 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of Companies Act, 2013 read with the relevant rules issued there under. The date of transition to Ind AS is April 01, 2018. The impact of transition has been accounted for in opening reserves and the comparative period results have been restated accordingly. The opening balance sheet as at April 01, 2018 and the results of the subsequent periods would get finalised along with the annual financial statements for the year ending March 31, 2020.
- 2) The financial results for the quarter ended June 30, 2018 have not been audited or reviewed and have been presented based on the information compiled by the management after making the necessary adjustment to give a true and fair view of the results in accordance with Ind AS.
- 3) Reconciliation of net profit or loss reported under previous GAAP and as per Ind AS :

Particulars	(Rs. in lacs)
	Quarter ended June 30, 2018 (Unaudited)
Net Profit / (Loss) as per previous GAAP	(14.82)
Add / (Less) : Ind AS adjustments	
Measurement of investments at fair value	9.88
Tax adjustment on above Ind AS adjustments	-
Total Comprehensive income for the period as per Ind AS	(4.94)

- 4) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 25, 2019.

For and on behalf of the Board



Amit Jatia
Vice-Chairman

Mumbai
July 25, 2019

