

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Hardcastle Restaurants Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Hardcastle Restaurants Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies.

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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 made thereunder.

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.

Independent Auditor's Report (Continued)

Hardcastle Restaurants Private Limited

Auditor's Responsibility (Continued)

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 are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained 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 accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended 31 March 2017 and 31 March 2016 dated 11 May 2017 and 6 May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report (Continued)

Hardcastle Restaurants Private Limited

Report on Other Legal and Regulatory Requirements (Continued)

2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, 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 as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 with reference to financial statements 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; - Refer Note 34 to the 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.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. Corresponding amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W/W-100024

Mumbai
15 September 2018

SHADUR KADYMADEWALA
Partner
Membership No. 100060

Hardcastle Restaurants Private Limited

'Annexure A' to the Independent Auditor's Report - 31 March 2018 on the Standalone Financial Statements

(Referred to in our report of even date)

With reference to Annexure A referred to in the Independent Auditors' Report to the Members of Hardcastle Restaurants Private Limited ('the Company') on the standalone financial statements for the year ended 31 March 2018, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the Company has carried out the physical verification of certain assets during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or provided any guarantee or security in respect of which provisions of Section 185 of the Act are applicable and hence not commented upon. The Company has complied with the applicable provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph (v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the goods sold and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, goods and services tax, duty of custom, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

Hardcastle Restaurants Private Limited

'Annexure A' to the Independent Auditor's Report - 31 March 2018 on the Standalone Financial Statements (*Continued*)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales-tax, service tax, goods and services tax, duty of custom, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable, except Rs 0.46 million unpaid on account of pending profession tax registration for the state of Gujarat.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute except as shown below:

Name of the statute	Nature of the disputed dues	Amount Rs (millions)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Duty of excise	44.06	2000-01 to 2005-06	Appellate Tribunal, Mumbai
Bombay Sales Tax Act, 1959	Sales-tax	2.54	2003-04 to 2004-05	Commissioner of Sales Tax (Appeal), Mumbai
Karnataka Value Added Tax, 2003	Sales-tax	496.79	2008-09 to 2013-14	High court of Karnataka

*Net of amounts deposited under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a bank. The Company did not have any outstanding dues to debenture holders, Government or to any financial institutions during the year. Accordingly, paragraph (viii) of the Order is not applicable to the Company.
- (ix) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

Hardcastle Restaurants Private Limited

'Annexure A' to the Independent Auditor's Report - 31 March 2018 on the Standalone Financial Statements (Continued)

- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided remuneration to managerial person in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. In earlier years, the Company had applied for the approval of the Central Government for payment of remuneration in excess of the limit specified under the applicable Companies Act to its two whole time directors for the period April 2013 to March 2014 and for the period April 2014 to March 2015. During the year, these applications were disposed off by the Central Government by partly approving payment of excess remuneration. Consequently, the unapproved amount of excess remuneration of Rs. 19.45 million for the aforesaid periods has been recovered from the directors and credited to employee benefits expense (refer Note 33 to the standalone Ind AS financial statements).
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and Section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

For B S R & Associates LLP

Chartered Accountants

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

Shabbir Readymadewala

Partner

Membership No: 100060

Mumbai
15 September 2018

Hardcastle Restaurants Private Limited

‘Annexure B’ to the Independent Auditor’s Report - 31 March 2018 on the Standalone Financial Statements

(Referred to in our report of even date)

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 with reference to financial statements of Hardcastle Restaurants Private Limited (“the Company”) as of 31 March 2018 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal controls 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 (“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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 control system with reference to financial statements.

Hardcastle Restaurants Private Limited

‘Annexure B’ to the Independent Auditor’s Report - 31 March 2018 on the Standalone Financial Statements (*Continued*)

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

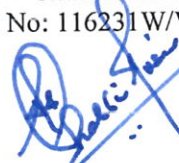
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

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



Shabbir Readymadewala

Partner

Membership No: 100060

Mumbai
15 September 2018

Hardcastle Restaurants Private Limited

Balance Sheet

as at March 31, 2018

(Rs. in millions)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	5	4,631.94	4,393.41	4,142.52
(b) Capital work-in-progress	5	197.37	171.55	184.34
(c) Investment property	5	6.58	6.85	7.51
(d) Other intangible assets	5	434.60	441.18	408.59
(e) Financial Assets				
(i) Investments	6	1,294.34	598.55	263.73
(ii) Loans	7	390.27	339.10	295.12
(iii) Others	8	2.03	0.77	0.09
(f) Income tax assets (net)	13	43.98	19.96	17.62
(g) Deferred tax assets	18	222.50	-	-
(h) Other assets	9	514.99	495.07	471.90
Total non-current assets		7,738.60	6,466.44	5,791.42
2 Current assets				
(a) Inventories	10	336.82	302.39	278.23
(b) Financial assets				
(i) Investments	6	535.55	1,092.06	1,322.22
(ii) Trade receivables	11	64.31	49.22	42.04
(iii) Cash and cash equivalents	12	109.06	68.39	67.22
(iv) Loans	7	23.36	34.84	16.09
(v) Others	8	65.71	83.92	49.56
(c) Other assets	9	85.21	156.64	298.59
Total current assets		1,220.02	1,787.46	2,073.95
TOTAL ASSETS		8,958.62	8,253.90	7,865.37
II EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity share capital	14	1,747.63	402.63	310.00
(b) Other equity		3,286.63	3,820.29	444.18
Total equity		5,034.26	4,222.92	754.18
2 LIABILITIES				
1 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	-	440.46	3,812.12
(ii) Others (other than those specified above)	16	3.42	2.73	2.73
(b) Provisions	17	15.00	-	-
(c) Deferred tax liabilities (net)	18	-	22.58	347.66
Total non-current liabilities		18.42	465.77	4,162.51
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	1,835.19	1,829.02	1,232.54
(ii) Trade Payables	20	-	-	-
Total outstanding due to micro enterprises and small enterprises		-	-	-
Total outstanding dues other than to micro enterprises and small enterprises		1,139.43	782.49	676.83
(iii) Others (other than those specified above)	16	670.99	684.13	810.21
(b) Provisions	17	54.27	65.53	70.33
(c) Current tax liabilities (net)		2.93	2.93	2.93
(d) Other liabilities	21	203.13	201.11	155.84
Total Current Liabilities		3,905.94	3,565.21	2,948.68
TOTAL EQUITY AND LIABILITIES		8,958.62	8,253.90	7,865.37

Significant accounting policies

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For BSR & Associates LLP

Chartered Accountants

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

Shabbir Readymadewala

Partner

Membership No: 100060

Mumbai

September 15, 2018



For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited

Banwari Lal Jatia

Director

Seema Anora Nambiar

Director

Suresh Lakshminarayanan
Chief Financial Officer

Radha Jain
Company Secretary

Mumbai

September 15, 2018

Hardcastle Restaurants Private Limited

Statement of Profit and Loss

for the year ended March 31, 2018

(Rs. in millions)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	22	11,348.74	9,305.90
Other income	23	195.15	187.09
Total income		11,543.89	9,492.99
Expenses			
Cost of materials consumed	24	4,301.70	3,713.00
Employee benefits expense	25	1,725.64	1,417.91
Finance costs	26	1,055.23	983.07
Depreciation and amortisation expense	27	672.57	637.24
Other expenses	28	4,577.58	3,733.67
Total expenses		12,332.72	10,484.89
Loss before tax		(788.83)	(991.90)
Less : Tax expense			
- Current tax	29	-	-
- Deferred tax credit	29	(244.65)	(326.35)
Total tax expense		(244.65)	(326.35)
Profit / (Loss) for the year		(544.18)	(665.55)
Other comprehensive income:			
Items that will not be reclassified to profit and loss :			
Re-measurements of defined benefit plan		(1.28)	4.14
Income tax on items that will not be reclassified to profit and loss		0.43	(1.28)
Other comprehensive income for the year		(0.85)	2.86
Total comprehensive income for the year		(545.03)	(662.69)
Earnings per equity share :			
- Basic and Diluted	43	(989.37)	(2,141.66)

Significant accounting policies

3

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

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

Shabbir Readymadewala

Partner

Membership No: 100060

Mumbai

September 15, 2018



For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited

Banwari Lal Jatia
Director

Seema Arora Nambiar
Director

Suresh Lakshminarayanan
Chief Financial Officer

Radha Jain
Company Secretary

Mumbai

September 15, 2018

Hardcastle Restaurants Private Limited

Cash flow Statement

for the year ended March 31, 2018

(Rs. in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(788.83)	(991.90)
Adjustments for :		
Depreciation	672.57	637.24
Loss on sale / write off of property, plant and equipment	71.37	29.65
Finance cost	1,055.23	983.07
Interest income	(25.92)	(24.06)
Gain on sale of current investment	(144.59)	(142.28)
Operating profit before working capital changes	839.83	491.72
B. Movements in Working Capital		
Decrease/(Increase) in inventories	(34.43)	(24.17)
Decrease/ (Increase) in trade receivables	(15.09)	(7.18)
Decrease/ (Increase) in non-current assets	(51.17)	(43.98)
Decrease/ (Increase) in current loans	11.48	(18.75)
Decrease/ (Increase) in other non-current financial assets	(1.26)	(0.68)
Decrease/ (Increase) in other current financial assets	28.14	(34.13)
Decrease/ (Increase) in other non current assets	11.35	(25.72)
Decrease/ (Increase) in other current assets	71.43	141.95
(Decrease)/Increase in trade payables	356.94	105.65
(Decrease)/Increase in other non-current financial liabilities	0.69	54.09
(Decrease)/Increase in current other financial liabilities	113.65	58.86
(Decrease)/Increase in non-current provisions	15.00	-
(Decrease)/Increase in current provisions	(11.26)	(4.80)
(Decrease)/Increase in other current liabilities	13.38	56.53
Cash generated from operations	1,348.68	749.39
Tax refund received / (taxes paid)	(24.02)	(0.50)
C. NET CASH FROM OPERATING ACTIVITIES	1,324.66	748.89
D. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets and capital work-in-progress	(1,063.43)	(917.37)
Proceeds from sale of fixed assets	4.17	9.93
Interest income	15.99	21.99
(Investment in) / maturity of fixed deposits (With original maturity of three months or more)	(0.12)	0.20
Purchase of investments	(2,893.38)	(6,149.22)
Proceeds from sale of investments	2,898.70	6,186.86
NET CASH USED IN INVESTING ACTIVITIES	(1,038.07)	(847.61)
E. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	-	4,125.00
Repayment of inter corporate deposits to holding company	-	(4,125.00)
Proceeds of short-term borrowings	9,280.00	16,792.54
Repayment of short-term borrowings	(9,100.00)	(16,217.54)
Repayment of long term borrowings	(75.00)	(187.50)
Interest paid	(153.15)	(205.46)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(48.15)	182.04
NET INCREASE IN CASH AND CASH EQUIVALENTS	238.44	83.32



Hardcastle Restaurants Private Limited

Cash flow Statement (Continued)

for the year ended March 31, 2018

(Rs. in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash and cash equivalents at the beginning of the year	(148.24)	(231.56)
Cash and cash equivalents at the end of the year	90.20	(148.24)
NET INCREASE IN CASH AND CASH EQUIVALENTS	238.44	83.32
Components of cash and cash equivalents		
Cash and bank balances (refer note 12)	109.06	68.39
Less : not considered as cash and cash equivalents		
Fixed deposit with remaining maturity of more than three months	0.03	1.17
Less: Bank Overdrafts (refer note 19)	0.19	174.02
Less : Book Overdrafts (refer note 16)	18.64	41.44
Total cash and cash equivalents	90.20	(148.24)


The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

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


Shabbir Readymadewala

Partner


Membership No: 100060

Mumbai

September 15, 2018



For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited


Banwari Lal Jatia
Director


Suresh Lakshminarayanan
Chief Financial Officer

Mumbai

September 15, 2018


Seema Arora Nambiar
Director


Radha Jain
Company Secretary

Hardcastle Restaurants Private Limited

Statement of change in equity

for the year ended 31 March 2018

(Rs. in millions)

(a) Equity share capital

Particulars	Note	Amount
Balance as at April 1, 2016		310.00
Changes in equity share capital during 2016-17	14	92.63
Balance as at March 31, 2017		402.63
Changes in equity share capital during 2017-18	14	1,345.00
Balance as at March 31, 2018		1,747.63

(b) Other Equity

for the year ended March 31, 2017

Particulars	Equity Contribution	Reserves and Surplus		Other Comprehensive Income Remeasurements of Actuarial gain and losses	Total
		Securities Premium	Retained earnings		
Balance as at April 01, 2016	2,760.00	-	(2,315.82)	-	444.18
Premium received on issue of equity shares	-	4,032.37	-	-	4,032.37
Other comprehensive income (Refer note 4 (C) (3))	-	-	-	2.86	2.86
Re-measurements of employee stock option cost at fair value	6.43	-	-	-	6.43
Loss for the year ended March 31, 2017	-	-	(665.55)	-	(665.55)
Balance as at March 31, 2017	2,766.43	4,032.37	(2,981.37)	2.86	3,820.29

for the year ended March 31, 2018

Particulars	Equity Contribution	Reserves and Surplus		Other Comprehensive Income Remeasurements of Actuarial gain and losses	Total
		Securities Premium	Retained earnings		
Balance at the April 1, 2017	2,766.43	4,032.37	(2,981.37)	2.86	3,820.29
Other comprehensive income	-	-	-	(0.85)	(0.85)
Re-measurements of employee stock option cost at fair value	11.37	-	-	-	11.37
Profit for the year ended March 31, 2018	-	-	(544.18)	-	(544.18)
Balance as at March 31, 2018	2,777.80	4,032.37	(3,525.55)	2.01	3,286.63



Hardcastle Restaurants Private Limited

Statement of change in equity (Continued)

for the year ended 31 March 2018

(Rs. in millions)

(b) Other Equity (Continued)

Nature and purpose of reserves:

Equity contribution :

Equity contribution consists of fair valuation of long term borrowings and cumulative redeemable preference shares received from parent company.

Securities premium:

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of Section 52(2) of Companies Act, 2013.

Retained earnings:

The cumulative gain or loss arising from operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the statement of profit and loss to the retained earnings account.

Remeasurement of defined benefit (liability)/ asset:

Remeasurements of defined benefit (liability)/ asset comprises actuarial gains and losses and return on plan assets (excluding interest income).

Significant accounting policies

3

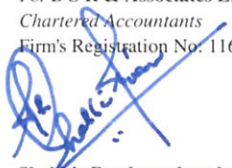
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

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



Shabbir Readymadewala

Partner

Membership No: 100060

Mumbai

September 15, 2018



For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited



Banwari Lal Jatia

Director

Suresh Lakshminarayanan

Chief Financial Officer

Mumbai

September 15, 2018

Seema Arora Nambiar

Director

Radha Jain

Company Secretary

Hardcastle Restaurants Private Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Rs. in millions)

1 Company background

Hardcastle Restaurants Private Limited ('the Company') was incorporated on August 7, 1995. The Company is engaged in operating McDonalds' chain of restaurants in the West and South Regions of India.

2 Basis of preparation

A Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act 2013, (the 'Act') and the Companies (Indian Accounting Standards) Amendment Rules 2016 and other provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

The Company has adopted all the Ind AS standards and the adoption is carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition is carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP or previous GAAP). Reconciliations and descriptions of the effect of the transition has been summarised in Note 4. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-Time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition of Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 4.

The financial statements were authorised for issue by the Company's Board of Directors on September 15, 2018

Details of the Company's accounting policies are included in Note 3.

B Functional and presentation

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in Indian rupee has been rounded to the nearest million unless otherwise indicated.

C Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

Items	Measurement basis
Net defined benefit (asset)/ liability less present value of defined obligations	Fair value of plan assets less present value of defined benefit plan

D Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

2 Basis of preparation (Continued)

E Use of estimates and judgements (Continued)

The preparation of the financial statements in conformity with Ind ASs, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit

The Company's gratuity plan is a defined benefit plan. The present value of the defined benefit obligation is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

F Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

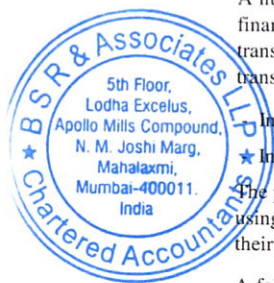
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

2 Basis of preparation (Continued)

F Measurement of fair values (Continued)

Significant valuation issues are reported to the Company's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

External valuers are involved for valuation of significant assets, such as property plant and equipment, and significant liabilities, such as gratuity and Employee stock option plan.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (Refer note 30)
- Disclosures for valuation methods, significant estimates and assumptions (Refer note 30)
- Quantitative disclosures of fair value measurement hierarchy (Refer note 30)
- Financial instruments (including those carried at amortised cost) (Refer note 30)

3 Significant accounting policies

a Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and net of taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligation in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax / value added tax (VAT) / goods service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue for food items is recognised when sold to the customer over the counter. Revenue on sale of other goods is recognised when significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods.

Sale of products – customer loyalty programme (deferred revenue)

For customer loyalty programmes, the fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Company has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

The fair value of the award credits has been estimated with reference to the fair value of products for which they could be redeemed. This is because the fair value of loyalty credits is not directly observable. The fair value of the customers' right to buy products at a discount for which the loyalty credits can be redeemed takes into account the amount of discount available to customers who have earned the loyalty credits remaining unutilised and the expected forfeiture rate.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

a Revenue recognition (Continued)

Other operating income

Franchisee income, space rental and alliance income and conducting fees are recognised on an accrual basis in accordance with terms of relevant agreement.

Other Income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

b Property, plant and equipment

- 1 Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Further contribution received from landlords in respect of leasehold improvements carried out to leasehold premises is deducted from leasehold improvement cost.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2 Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3 Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful lives	Useful life as per Schedule II
Building	28 years	28 years
Leasehold improvements (others)	15 years	15 years
Leasehold improvements (office)	9 years	9 years
Restaurant Equipments	5 -10 years	5 -10 years
Office equipment	5 years	5 years
Furniture and fixtures	5 -10 years	10 years
Computers	3 years	3 years
Vehicles	4 years	4 years



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

b Property, plant and equipment (Continued)

3 Depreciation (Continued)

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

4 Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Initial location & license fees for stores opened up to May 15, 2010, are amortised on a straight line basis over a period of twenty years. For stores opened after May 15, 2010, Initial location & license fees are amortised on a straight line basis over the remaining period of the Master Franchise Agreement.

The Company only has software as an intangible asset having a useful life of 5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

c Investment properties

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequently to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

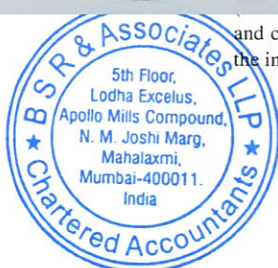
On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment property recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

Asset	Management estimate of useful lives	Useful life as per Schedule II
Building	28 years	28 years

d Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of materials has been determined on first-in-first out basis and condition. The comparison of cost and net realizable value is made on an item by item basis. The Company periodically assesses the inventory for obsolescence and slow moving stocks.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

e Employee benefits

Defined contribution plan

State governed Provident Fund, ESIC and Labour Welfare Fund is considered as defined contribution plan and contributions thereto are charged to the Statement of Profit and Loss for the year as they are incurred. There are no other obligations, other than the contribution payable to the respective funds.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefit

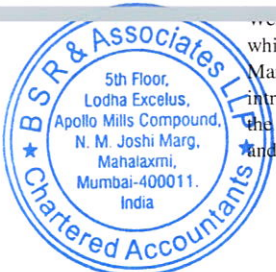
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Long-term employee benefit

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services. The present value of compensated absences obligation is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, as at year end. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Share-based payment transactions

Westside Development Limited ('WDL' or the 'Holding Company') has established an employee stock option scheme ('ESOP') which covers certain eligible employees of the subsidiary Company i.e Hardcastle Restaurants Private Limited. During the year ended March 31, 2018, an employee stock option plan (ESOP) was in existence. The holding company measures the cost of ESOP using the intrinsic value method and recovers this amount from the Company. However the Company is accounting basis fair value method and the difference between fair value and intrinsic value is taken to equity and the corresponding debit is recorded in the statement of profit and loss.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

f Foreign currency transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or an average rate if the average rate approximates the actual rate on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Exchange differences are recognised in the statement of profit or loss.

g Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax assets only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

h Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVTPL- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for one year or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is one year or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTPL, the loss allowance is charged to the statement of profit and loss.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

i Impairment (Continued)

(i) Impairment of financial instruments (Continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

k Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash at bank and in hand and short term investments with original maturity of three months or less.

l Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

m Leases

1 As a lessee

Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

m Leases (Continued)

2 As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

n Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

o Financial instruments

i Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

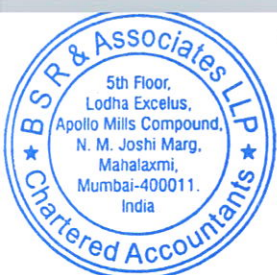
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at an individual asset level because this best reflects the way the business is managed and information is provided to management. The information considered includes:



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

o Financial instruments (Continued)

ii Classification and subsequent measurement (Continued)

Financial assets: Business model assessment (Continued)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividends represent a return of capital. Gains and losses are recognised in OCI and are not reclassified to profit or loss.

The Company does not have financial assets measured at FVOCI.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

o Financial instruments (Continued)

ii Classification and subsequent measurement (Continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

iii Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

iv Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

p Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

q Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker consists of the Chairman and whole time directors of the Company.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

3 Significant accounting policies (Continued)

r Recent Accounting Pronouncements- Standards issued but not yet effective.

Notification of 'Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly. The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its standalone financial statements. The quantitative impact of adoption of Ind AS 115 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Amendment to Ind AS 21 The Effects of Changes in Foreign Exchange Rates

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.

• Appendix B to Ind AS 21 applies when:

- a. Pays or receives consideration denominated or priced in a foreign currency and
- b. Recognises a non-monetary prepayment asset or deferred income liability – e.g. non-refundable advance consideration before recognising the related item at a later date.
- Date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.
- If there are multiple payments or receipts in advance, the entity should determine a date of the transaction for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not expected to be material.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

4 Reconciliation of Balance sheet between previous GAAP and Ind AS

Particulars	Note 4 (C)	As at March 31, 2017			As at April 01, 2016		
		Previous GAAP*	Ind AS Adjustments / Reclassification	Ind AS	Previous GAAP*	Ind AS Adjustments / Reclassification	Ind AS
I ASSETS							
1 Non-current assets							
(a) Property, plant and equipments	9	4,400.26	(6.85)	4,393.41	4,150.03	(7.51)	4,142.52
(b) Capital work-in-progress		171.55		171.55	184.34		184.34
(c) Investment property	9	-	6.85	6.85	-	7.51	7.51
(d) Other intangible assets		441.18		441.18	408.59		408.59
(e) Financial Assets							
(i) Investments	1	595.96	2.59	598.55	250.00	13.73	263.73
(ii) Loans	2 & 8	742.69	(403.59)	339.10	717.07	(421.95)	295.12
(iii) Others		0.77		0.77	0.09		0.09
(f) Income tax assets (Net)		19.96		19.96	17.62		17.62
(g) Deferred tax assets		-	-	-	-	-	-
(h) Other assets	2	183.57	311.50	495.07	139.43	332.47	471.90
Total non-current assets		6,555.94	(89.50)	6,466.44	5,867.17	(75.75)	5,791.42
2 Current assets							
(a) Inventories		302.39	-	302.39	278.23	-	278.23
(b) Financial assets							
(i) Investments	1	1,053.30	38.76	1,092.06	1,264.51	57.71	1,322.22
(ii) Trade receivable		49.22	-	49.22	42.04	-	42.04
(iii) Cash and cash equivalents		68.39	-	68.39	67.22	-	67.22
(iv) Loans		34.84	-	34.84	16.09	-	16.09
(v) Others	11	83.92	-	83.92	49.56	-	49.56
(c) Other assets	8	133.93	22.71	156.64	273.76	24.83	298.59
Total current assets		1,725.99	61.47	1,787.46	1,991.41	82.54	2,073.95
TOTAL ASSETS		8,281.93	(28.03)	8,253.90	7,858.58	6.79	7,865.37
II EQUITY AND LIABILITIES							
1 EQUITY							
(a) Equity share capital	7	1,747.63	(1,345.00)	402.63	1,655.00	(1,345.00)	310.00
(b) Other equity	13	2,966.36	853.93	3,820.29	(947.84)	1,392.02	444.18
Total equity		4,713.99	(491.07)	4,222.92	707.16	47.02	754.18
2 LIABILITIES							
1 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	7		440.46	440.46	4,200.01	(387.89)	3,812.12
(ii) Others (other than those specified above)		2.73	-	2.73	2.73	-	2.73
(b) Deferred tax liabilities	5	-	22.58	22.58	-	347.66	347.66
Total Non Current Liabilities		2.73	463.04	465.77	4,202.74	(10.13)	4,192.61
2 Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		1,829.02	-	1,829.02	1,232.54		1,232.54
(ii) Trade payables		782.49	-	782.49	676.83		676.83
(iii) Other financial liabilities		684.13	-	684.13	810.21		810.21
(b) Provisions		65.53	-	65.53	70.33		70.33
(c) Current tax liabilities (Net)		2.93	-	2.93	2.93		2.93
(d) Other liabilities		201.11	-	201.11	155.84		155.84
Total Current Liabilities		3,565.21	-	3,565.21	2,948.68	-	2,948.68
TOTAL EQUITY AND LIABILITIES		8,281.93	(28.03)	8,253.90	7,858.58	6.79	7,865.37

* Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

4 Reconciliation of Statement of Profit and Loss between previous GAAP and Ind AS as on March 31, 2017

Particulars	Notes to first-time adoption Note 4 (C)	Previous GAAP*	Ind AS adjustments	Ind AS
Income				
Revenue from operations		9,305.90	-	9,305.90
Other income	1, 2 & 8	198.82	(11.73)	187.09
Total Income		9,504.72	(11.73)	9,492.99
Expenses				
Cost of material consumed	12	3,661.13	51.87	3,713.00
Employee benefits expense	3	1,407.34	10.57	1,417.91
Finance Costs	10 & 11	153.75	829.32	983.07
Depreciation and amortization expenses		637.24	-	637.24
Other expenses	2 & 12	3,763.43	(29.76)	3,733.67
Total Expenses		9,622.89	862.00	10,484.89
Loss before tax		(118.17)	(873.73)	(991.90)
Tax expense		-	-	-
Current Tax		-	-	-
Deferred Tax		-	326.35	326.35
Total tax expense		-	326.35	326.35
Loss for the year		(118.17)	(547.38)	(665.55)
Other comprehensive income:				
Items that will not be reclassified to profit and loss :				
Re-measurements of defined benefit plan		-	4.14	4.14
Income tax on items that will not be reclassified to profit and loss		-	(1.28)	(1.28)
Other comprehensive income for the period		-	2.86	2.86
Total Comprehensive Income for the period		(118.17)	(544.52)	(662.69)

* Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at March 31, 2017 and April 01, 2016

	Note No.	March 31, 2017	April 01, 2016
Total equity (shareholder's funds) as per previous GAAP		4,713.99	707.16
Adjustments			
Classification of Cumulative redeemable preference shares into financial liability	7	(1,345.00)	(1,345.00)
Interest income on security deposits and interest free loan	2 & 8	111.99	93.63
Recognition of prepaid rent in relation to fair valuation of security deposits and interest free loan	2 & 8	(146.71)	(124.58)
Fair valuation of investments in Mutual Fund	1	41.35	71.44
Transaction cost incurred on borrowings	11	0.58	1.55
Fair value of Cumulative redeemable preference shares	7	958.63	958.63
Interest expenses recognised on the Cumulative redeemable preference shares	7	(54.09)	-
Fair value of Interest free loan from shareholder	10	1,797.10	1,797.10
Interest expenses on interest free loan recognised upto the date of repayment	10	(326.49)	-
Loss on repayment of the interest free loan	10	(447.76)	-
Interest expenses on fair valuation of shareholder' loan	7	(1,022.85)	(1,022.85)
Deferred tax impact on unabsorbed losses and on Ind AS adjustments	5	(57.82)	(382.90)
Total equity as per Ind AS		4,222.92	754.18

Adjustments to the statement of cash flows :

Particulars	For the year ended March 31, 2017		
	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	655.08	93.81	748.89
Net cash flow from / (used in) investing activities	(911.62)	64.01	(847.61)
Net cash flow from / (used in) financing activities	258.59	(76.55)	182.04
Net increase in cash and cash equivalents	2.05	81.27	83.32
Cash and cash equivalents as at April 01, 2016	65.17	(296.73)	(231.56)
Cash and cash equivalents as at March 31, 2017	67.22	(215.46)	(148.24)
Net increase in cash and cash equivalents	2.05	81.27	83.32

* Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

4 First-time adoption of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 April, 2017, with a transition date of 1 April 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS standalone financial statements for the year ended 31 March 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes:

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2016.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions

i Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii Share-based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

- (i) equity instruments that vested before the date of transition to Ind AS,
- (ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS

The Company has availed this exemption and has not applied fair value to the share options issued by the holding company, Westlife Development Limited to its employees that were vested and settled before the date of transition to Ind AS.

B. Mandatory Exceptions

i Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has applied the above assessment based on facts and circumstances existing at the transition date.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- i. Reconciliation of Balance Sheet as at 1 April 2016 (Transition Date).
- ii. Reconciliation of Balance Sheet as at 31 March 2017 and reconciliation of Statement of Profit and Loss for the year ended 31 March 2017.
- iii. Reconciliation of Equity as at 1 April 2016 and 31 March 2017.
- iv. Reconciliation of Statement of Cash Flows

The presentation requirements under previous GAAP differ from Ind AS and hence previous GAAP information has been regrouped to bring it in line with Ind AS. The regrouped previous GAAP information is derived from the Standalone Financial Statements of the Company prepared in accordance with the previous GAAP.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

4 First-time adoption of Ind AS (Continued)

C. Transition to Ind AS - Reconciliations (Continued)

Notes to explanation of transition to Ind AS

1 Fair value of Investments

Under previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, Investments have been fair valued on initial recognition and subsequently measured at Fair value through Profit and loss account (FVTPL).

2 Security Deposits

Under the previous GAAP, interest free lease deposits (that are refundable in cash on completion of the lease term) were recorded at their transaction value.

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 440.67 million as on 1 April 2016. However this was set off by the interest income of Rs. 69.14 million recognised on the date of transition. The prepaid rent decreased by Rs. 117.33 million and Rs. 19.74 million as on 1 April 2016 and March, 2017, respectively. Further, total comprehensive income for the year ended 31 March 2017 has decreased by Rs. 19.74 million due to amortisation of prepaid rent which is partially set off by the notional interest income of Rs. 12.30 million on security deposits.

The impact arising from the changes is summarised below :

Particulars	(Rs. in millions)	
	As at March 31, 2017	As at April 01, 2016
Other non-current loans (reclass of security deposit to prepaid rental expense)	(440.67)	(440.67)
Interest income recognised on fair valuation of security deposits	81.44	69.14
	(359.23)	(371.53)

3 Remeasurements of post-employment benefit obligations

Under Ind AS remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended 31 March 2017 increased by Rs. 2.86 million (net of tax). There is no impact on the total equity as at 31 March 2017.

4 Employee Stock Option Liability

Under previous GAAP, the cost of employee share-based plan were recognised using the intrinsic value method. Under Ind AS, this is recognised based on the fair value of the options as at the grant date. The holding company measures the cost of ESOP using the intrinsic value method and recovers this amount from the Company. However the Company is accounting basis fair value method and the difference between fair value and intrinsic value is taken to equity contribution under statement of changes in equity.

5 Deferred tax asset

Under previous GAAP, deferred tax assets has not been recognised on carried forward business loss, unabsorbed depreciation and other item of deferred tax assets, in absence of virtual certainty of its realisation. Under Ind AS, deferred tax assets has been recognised on unabsorbed depreciation and other items of deferred tax assets on the basis of reasonable certainty that the same will be utilized against taxable profits in future. Deferred tax is also recognised on the adjustments made on transition to Ind AS.

6 Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

The Company had issued 1,345,000 Cumulative Redeemable Preference Shares (CRPS) of Rs. 1000/- each to its parent company, Westlife Development Limited. The rate of dividend will be bank rate plus 3%, provided in no case dividend exceeds 11%, if declared by the Company. Under previous GAAP, these preference shares were classified as equity.

Under Ind AS, preference shares are classified as borrowings based on the terms of their contract. Interest on the liability component is recognised using the effective interest method and liability is recognised at fair value.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

4 First-time adoption of Ind AS (Continued)

C. Transition to Ind AS - Reconciliations (Continued)

Notes to explanation of transition to Ind AS (Continued)

8 Interest free loan given to landlord

The Company has given interest free loans, as per Ind AS 109, a financial instrument is initially measured at fair value. The fair value of the long-term loan that carries no interest can be measured as the present value of all future cash receipts discounted using the prevailing market rate of interest. The difference between the present value and the amount paid shall be recognised as a prepaid rent to be amortised over the period of the agreement. The unwinding of the loan as per the effective interest rate method will be recognised as an interest income over the period of the agreement.

(Rs. in millions)		
Particulars	As at March 31, 2017	As at April 01, 2016
Other non-current loans (reclass of interest free loan to prepaid rental expense)	(39.66)	(39.66)
Interest income recognised on fair valuation of interest free loan	30.55	24.49
Total	(9.11)	(15.17)

9 Investment property

The Company has rented out an identifiable part of its restaurant to earn rental income. On transition date, the company has reclassified part of this restaurant as investment property considering the future use is not determined. Upon initial recognition, an investment property is measured at cost. Subsequently to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

10 Interest free loan taken

The Company had taken interest free loan from its parent company, Westlife Development Limited. This was an unsecured loan which was taken towards capital expenditure, working capital and generate corporate requirements. The Company had recognised this loan at fair value and measured it at amortised cost using Effective interest rate method. The unwinding of the loan amount is recognised as interest cost till the time of repayment.

11 Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowings as part of the interest expense.

The impact arising on from the change is summarised as follows :

	March 31, 2017
Statement of profit and loss	
Finance Costs	0.58

12 Other Expenses - Promotion schemes

Price reductions, incentives given to customers and promotional campaigns which have been reclassified from 'marketing and promotions' within other expenses under Previous GAAP is recoded as cost of goods sold under Ind AS. In accordance with Ind AS 18, the free product has stand-alone value to the customer and is a separately identifiable component of the sales transaction. Purchase cost of free product and cost of additional toy which is given along with happy meal is recorded as part of cost of goods sold.

13 Other Equity

Equity contribution :

Equity contribution consists of fair valuation of long term borrowings and cumulative redeemable preference shares received from parent company.

Securities premium:

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of Section 52(2) of Companies Act, 2013.

Retained earnings:

The cumulative gain or loss arising from operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the statement of profit and loss to the retained earnings account.

Remeasurement of defined benefit (liability)/ asset:

Remeasurements of defined benefit (liability)/ asset comprises actuarial gains and losses and return on plan assets (excluding interest income).



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

5 Property, Plant, Equipments and Other Intangible Assets

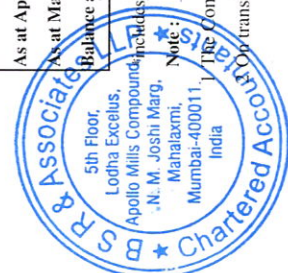
A Reconciliation of Carrying Amount

Particulars	Lease hold Land	Building*	Leasehold Improvements	Restaurant Equipments	Furniture & Fixtures	Office Equipments	Computers	Motor Vehicles	Total Initial Location & License Fee	Other Intangible assets Computer Software	Total
Cost or Deemed cost (Gross Carrying Amount)											
Balance as at April 1, 2016	8.14	49.17	2,121.02	1,615.81	318.06	11.49	1.72	17.12	4,142.52	30.60	408.59
Additions	-	-	379.44	336.12	90.19	0.47	2.73	-	868.95	27.64	77.45
Deletions	-	-	(62.43)	(34.45)	(20.52)	-	(1.17)	(0.45)	(119.02)	-	-
Balance as at March 31, 2017	8.14	49.17	2,438.03	1,977.48	387.73	11.96	3.28	16.67	4,892.45	58.24	486.04
Balance as at April 1, 2017	8.14	49.17	2,438.03	1,977.48	387.73	11.96	3.28	16.67	4,892.45	58.24	486.04
Offset on Transfer of Building to Investment Property	-	(0.52)	-	-	-	-	-	-	(0.52)	-	-
Additions	-	-	422.28	331.21	97.49	1.29	5.81	2.01	920.09	13.20	50.27
Deletions	-	(7.20)	(87.52)	(45.18)	(11.06)	(0.05)	-	(8.05)	(159.06)	-	-
Balance as at March 31, 2018	8.14	41.45	2,772.79	2,323.51	474.16	13.20	9.09	10.63	5,652.97	71.44	536.31
Accumulated Depreciation											
Balance as at April 1, 2016 (refer note 2 below)	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year (Refer note 26)	0.17	4.58	210.80	302.74	56.19	5.10	2.71	9.43	591.72	14.31	44.86
Deductions	-	-	(45.34)	(28.72)	(17.45)	-	(1.17)	-	(92.68)	-	-
Balance as at March 31, 2017	0.17	4.58	165.46	274.02	38.74	5.10	1.54	9.43	499.04	30.55	44.86
Balance as at April 1, 2017	0.17	4.58	165.46	274.02	38.74	5.10	1.54	9.43	499.04	30.55	44.86
Depreciation for the year (Refer note 26)	0.17	4.41	208.77	324.73	64.55	3.18	5.30	3.93	615.04	17.09	56.86
Deductions	-	(4.39)	(38.15)	(35.98)	(7.23)	(0.02)	-	(7.16)	(92.93)	-	-
Offset on Transfer of Building to Investment Property	-	(0.13)	-	-	-	-	-	-	(0.13)	-	-
Balance as at March 31, 2018	0.34	4.48	336.08	562.77	96.06	8.26	6.84	6.20	1,021.03	31.40	101.72
Carrying Amounts (Net)											
As at April 1, 2016	8.14	49.17	2,121.02	1,615.81	318.06	11.49	1.72	17.12	4,142.52	30.60	408.59
As at March 1, 2017	7.97	44.58	2,272.57	1,703.46	348.99	6.86	1.74	7.24	4,393.41	43.93	441.18
Balance as at March 31, 2018	7.80	36.97	2,436.71	1,700.74	378.10	4.94	2.25	4.43	4,631.94	40.04	434.60

ing constructed on leasehold land

has created a first pari-passu charge on moveable fixed assets (present and future) for availing loan facility with banks.

o Ind AS, the carrying values of all the property, plant and equipment under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer note 4(A)(i).



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued) for the year ended 31 March 2018

(Rs. in millions)

5 Property, Plant, Equipments and Other Intangible Assets (Continued)

B Capital work in progress

Capital work in progress mainly comprises of upcoming restaurants and restaurants under construction.

C Reclassification on to Investment property:

The Company has rented out an identifiable part of its restaurant to earn rental income. On transition date the Company has reclassified such portion of restaurant as investment property, considering that the future use is not determined after initial recognition, the Company has measured its investment property at cost.

Investment Property

Reconciliation of Carrying Amount

Cost or Deemed Amount	Cost (Gross Carrying Amount)	Amount
Balance as at April 1, 2016		7.51
Balance as at March 31, 2017		7.51
Balance as at April 1, 2017		7.51
Additions		0.52
Balance as at March 31, 2018		8.02
Accumulated depreciation		
Balance as at April 1, 2016 (refer 5 (A) note 2)		-
Additions (Refer note 27)		0.66
Balance as at March 31, 2017		0.66
Offset on Transfer of Building to Investment Property		0.13
Additions (Refer note 27)		0.67
Balance as at March 31, 2018		1.45
Carrying Amounts (Net)		
Balance as at April 1, 2016		7.51
Balance as at March 31, 2017		6.85
Balance as at March 31, 2018		6.58
Fair Value		
Balance as at April 1, 2016		7.51
Balance as at March 31, 2017		6.85
Balance as at March 31, 2018		6.58



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued) for the year ended 31 March 2018

(Rs. in millions)

5 Property, Plant, Equipments and Other Intangible Assets (Continued)

Amount recognised in Statement of Profit and Loss for investment properties

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Rental income derived from investment properties	4.43	3.52
Direct operating expenses (including repairs and maintenance)	0.26	0.14
Profit arising from investment properties before depreciation and indirect expenses	4.69	3.66
Less: Depreciation on investment properties before indirect expenses	0.67	0.66
Profit arising from investment properties	4.02	3.00

Description of valuation techniques used and key inputs to valuation on investment properties

Particulars	Valuation Technique (See Note below)	Fair value March 31, 2018	March 31, 2017
Land	Stamp duty reckoner rate	41.28	41.28

The above valuation of the investment properties are in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra for the purpose of levying stamp duty. The management has referred to the publications and government website for Ready Reckoner rates. The adjustments related to floor-, lifts and other factors are not considered for valuation of commercial property.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

6 Investment

Investment in mutual funds at Fair Value through Statement of Profit and Loss (FVTPL)

Non Trade		Non-Current		Current	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at April 1, 2016
a) Investment in Mutual Funds (unquoted)					
Face Value of Rs. 100 each					
262,981.6	(March 31, 2017: 90,765,829; April 1, 2016: 48,725,625) units of Birla Sunlife Floating Rate Fund Short Term plan-Growth-Regular Plan	-	-	19.63	9.81
Nil (Mare)	31, 2017: 114,473.32; April 1, 2016: Nil) units of Birla Sun Life Cash Plus-Growth-Regular Plan	-	-	29.82	-
Nil (Mare)	31, 2017: 24,622.558; April 1, 2015: Nil) units of ICICI Prudential - Liquid Plan- Growth	-	-	5.91	-
Nil (Mare)	31, 2017: Nil; April 1, 2016: 13,533) units of HDFC liquid fund- Growth	-	-	-	40.30
Nil (Mare)	31, 2017: 38,624.457; April 1, 2015: Nil) units of Reliance Liquid Fund- Treasury Plan-Growth- Growth Option	-	-	152.72	-
Nil (Mare)	31, 2017: 6,296,341.071; April 1, 2016: Nil) units of BSL Medium Term Plan Growth Regular Plan	-	-	128.51	-
Face Value of Rs. 10 each					
Nil (Mare)	31, 2017: Nil; April 1, 2016: 44,197,736) Units of Rs. 100 each (April 1, 2016: Rs 10) in HDFC Cash Management	-	-	-	-
Nil (Mare)	31, 2017: Nil; April 1, 2016: Nil) units of Kotak Mahindra Mutual Fund FMP Series - 31-1061 days Non Direct	-	-	-	-
Nil (Mare)	31, 2017: 5,000,000; April 1, 2016: 5,000,000) units of Reliance Fixed Horizon Fund XXIV Series-22-Growth Plan	-	-	61.48	-
Nil (Mare)	31, 2017: Nil; April 1, 2016: 8,188,000) units of L & T Mutual Fund FMP VII (April 1124 D A) Growth	-	-	-	106.95
Nil (Mare)	31, 2017: Nil; April 1, 2016: 19,325,916.15) units of IIFL Cash Opportunities Fund	-	-	-	204.86
Nil (Mare)	31, 2017: Nil; April 1, 2016: 4,338,563.33) units of IDFC Dynamic Bond Fund - Growth Regular Plan.	-	-	-	77.35
Nil (Mare)	31, 2017: Nil; April 1, 2016: 3,156,671) units of ICICI Prudential Money Market Fund - Growth	-	-	-	0.66
Nil (Mare)	31, 2017: Nil; April 1, 2016: 45,455.77) units of L & T Casa Fund- Growth	-	-	-	54.81
Nil (Mare)	31, 2017: Nil; April 1, 2016: 2,747,673.534) units of Kotak Treasury Advantage Fund Growth (Regular Plan)	-	-	-	66.35
Nil (Mare)	31, 2017: Nil; April 1, 2016: 13,150,000) units of Kotak Mahindra Mutual Fund FMP Series - 31-1061 days Non Direct	-	-	-	165.78
Growth					
Nil (Mare)	31, 2017: 6,321,472.14; April 1, 2016: Nil) units of ICICI Prudential Regular Plan- Income Fund- Growth	-	-	103.60	-
Nil (Mare)	31, 2017: 3,569,367.69; April 1, 2016: Nil) units of ICICI Prudential Regular Plan Savings Fund- Growth	-	-	62.00	-
Nil (Mare)	31, 2017: Nil; April 1, 2016: 3,551,347.53) units of ICICI Prudential Short term Plan-Regular Plan Growth	-	-	-	109.93
Nil (Mare)	31, 2017: Nil; April 1, 2016: 1,904,168.97) units of IDFC Super Saver Income Fund - Short- Term- Growth- (Regular Plan)	-	-	-	58.72
Nil (Mare)	31, 2017: 10,000,000; April 1, 2016: Nil) units of IIFL Income Opportunities Series-Debt Advantage (Category II)	-	-	103.64	-
Nil (Mare)	31, 2017: Nil; April 1, 2016: 3,725,568.32) units of HDFC Gilt Fund- Long term Growth	-	-	-	112.68
Nil (Mare)	31, 2017: 9,816,906.905; April 1, 2016: 13,581,967.15) units of Edelweiss Government Securities (erstwhile J.P. Morgan India Government Securities Fund) - Regular Plan Growth	-	-	134.34	169.31



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

6 Investments (Continued)

Investment in mutual funds at fair value through Statement of Profit and Loss (FVTPL) (Continued)

Investment	Non-current	As at March 31, 2018	Non-current As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	Current As at March 31, 2017	As at April 1, 2016	As at April 1, 2016
Investment in Mutual Funds (unquoted)								
Face Value of Rs. 100 each								
5,000,000 (March 31, 2017: 5,000,000, April 1, 2016: Nil) HDFC FMP 1309D September 2016 (1) Series 37 Regular Plan Growth		56.99	52.63	-	-	-	-	-
20,000,000 (March 31, 2017: 20,000,000, April 1, 2016: 20,000,000) units of HDFC FMP 1151 Days Feb 2016 (1) Growth		306.89	226.28	202.25	-	-	-	-
14,518.5 (March 31, 2017: 12,650,585, April 1, 2016: Nil) units of ICICI Prudential FMP series 76-1218 days Plan A- Cumulative		171.39	137.59	-	-	-	-	-
10,000.0 (March 31, 2017: 10,000,000, April 1, 2016: Nil) units of HDFC FMP 1188 D March-2017- Series 38- Regular Plan-Growth		108.06	100.13	-	-	-	-	-
Investment in structured products (unquoted)								
Debt								
Nil (March 31, 2017: 1,000, April 1, 2016: Nil) units of IIFL Wealth Finance Ltd of Rs. 107,640 each		-	-	-	-	107.67	-	-
800 (March 31, 2017: 800, April 1, 2016: Nil) units of IIFL Wealth Finance Ltd.		88.89	81.92	-	-	-	-	-
Nil (March 31, 2017: 335, April 1, 2016: Nil) units of ECL Finance Limited of Rs. 117,451 each		-	-	-	-	39.36	-	-
Nil (March 31, 2017: 289, April 1, 2016: Nil) units of Edelweiss Finance & Investments Ltd of Rs. 117,061 each		-	-	-	-	33.84	-	-
Nil (March 31, 2017: 1,000, April 1, 2016: Nil) units of ECL Finance Limited		-	-	-	-	104.37	-	-
Nil (March 31, 2017: Nil, April 1, 2016: 1,005) units of Reliance Capital Limited		-	-	-	-	-	-	124.78
18,227.6 (March 31, 2017: Nil, April 1, 2016: Nil) units of IIFL Dynamic Bond Fund Growth Regular of Rs. 13,715 each.		-	-	-	253.72	-	-	-
4,816.00 (March 31, 2017: Nil, April 1, 2016: Nil) units of ICICI Prudential Fixed Maturity Plan - Series 76 - 1185 Days - Plan H - Regular Plan - Growth of Rs. 13.33 each		-	-	-	64.32	-	-	-
50,000.0 (March 31, 2017: Nil, April 1, 2016: Nil) units of Reliance Fixed Horizon Fund XXXI Series 2- Growth Plan of Rs. 11.633 each		58.38	-	-	-	-	-	-
100 (March 31, 2017: Nil, April 1, 2016: Nil) units of IIFL Wealth Finance Ltd. of Rs. 1,087,056 each		110.40	-	-	-	-	-	-
50 (March 31, 2017: Nil, April 1, 2016: Nil) units of State Bank of India 8.15% BD Perpetual of Rs. 570,822 each		51.61	-	-	-	-	-	-
50 (March 31, 2017: Nil, April 1, 2016: Nil) units of ICICI Bank Limited at 9.2% BD Perpetual of Rs. 999,904 each.		51.55	-	-	-	-	-	-
50 (March 31, 2017: Nil, April 1, 2016: Nil) units of Axis Bank Limited 8.75% NCD Perpetual of Rs. 982,256 each		50.41	-	-	-	-	-	-
50 (March 31, 2017: Nil, April 1, 2016: Nil) units of HDFC Bank Base III 8.85% Perpetual Bond Series I of Rs. 995,848 each.		53.98	-	-	-	-	-	-
1,392.44 (March 31, 2017: Nil, April 1, 2016: Nil) units of HDFC Equity Savings Fund - Direct Plan - Growth Option of Rs. 35.91 each		-	-	-	50.29	-	-	-
15,900.0 (March 31, 2017: Nil, April 1, 2016: Nil) units of DSP Blackrock FMP Series of Rs. 11.635 each		185.79	-	-	-	-	-	-
1,000 (March 31, 2017: Nil, April 1, 2016: Nil) units of Ecap Equities Limited of Rs. 101,577 each		-	-	-	106.45	-	-	-
Equity								
Nil (March 31, 2017: Nil, April 1, 2016: 200) units of Reliance Capital Ltd 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India		-	-	-	-	-	-	19.91
Aggregate amount of unquoted investments		1,294.34	598.55	263.73	535.55	1,092.06	1,322.22	
Aggregate amount of impairment in value of investments		1,294.34	598.55	263.73	535.55	1,092.06	1,322.22	



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

7 Loans

Particulars	Non-current		As at April 1, 2016	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017		As at March 31, 2018	As at March 31, 2017	
(Unsecured, considered good)						
Security deposits to lessors*	321.50	253.09	195.03	9.45	16.24	5.00
Security deposits to others	41.46	38.64	40.14	-	-	0.40
Loan to others	27.31	47.37	59.95	13.91	18.60	10.69
Total	390.27	339.10	295.12	23.36	34.84	16.09

* Security deposits to lessors include Rs. 35 million (March 31, 2017 : Rs. 15.50 million, April 1, 2016 : Rs. 9.50 million) deposit given to related party (refer note 33).

8 Financial assets - Others

Particulars	Non-current		As at April 1, 2016	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017		As at March 31, 2018	As at March 31, 2017	
(Unsecured, considered good)						
Bank deposits with original maturity beyond 12 months	2.03	0.77	0.09	-	-	-
Leasehold improvements contributions receivable	-	-	-	27.10	30.76	38.33
Interest accrued on fixed deposits	-	-	-	0.12	0.30	0.07
Interest accrued on Investments	-	-	-	10.11	-	-
Other receivables	-	-	-	28.38	52.86	11.16
Total	2.03	0.77	0.09	65.71	83.92	49.56

9 Other assets

Particulars	Non-current		As at April 1, 2016	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017		As at March 31, 2018	As at March 31, 2017	
(Unsecured, considered good)						
Capital advances	39.21	7.94	10.49	-	-	-
Advances other than capital advances						
Prepaid expenses	286.47	317.53	339.71	51.64	38.35	38.71
Advance to employees	-	-	-	2.05	3.89	4.82
Advance to supplier **	-	-	-	31.52	69.51	48.52
Balances with government authorities	189.31	169.60	121.70	-	44.31	204.99
Deferred transaction cost on borrowings	-	-	-	-	0.58	1.55
Total	514.99	495.07	471.90	85.21	156.64	298.59

**Advances to suppliers includes Rs. 5.98 million (March, 2017 : Rs. 5.95 million, April 01, 2016 : Rs. Nil) advance given to related party (refer note 33)



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued) for the year ended 31 March 2018

(Rs. in millions)

10 Inventories

(Valued at lower of cost and net realisable value)

Particulars	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017	
Raw materials			
- Food items (includes goods in transit Rs. 17.42 million (March 31, 2017 Rs. 6.22 million, April 01, 2016 Rs. 1.36 million)	195.41	150.22	138.81
- Paper Products (includes goods in transit Rs. 2.51 million (March 31, 2017 Rs. 0.72 million, April 01, 2016 Rs. 0.52 million)	60.36	47.63	46.12
Toys & Premiums	52.23	50.94	34.40
Stores, spares & Consumables (includes good in transit Rs. 0.38 million (March 31, 2017 Rs. Nil, April 01, 2016 Rs. 0.03 million)	28.82	53.60	58.90
Total	336.82	302.39	278.23

For details of security refer note 15 and 19

11 Trade receivables

Particulars	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017	
(Unsecured, considered good)			
Trade receivables	64.31	49.22	42.04
Total	64.31	49.22	42.04

For details of security refer note 15 and 19

Trade receivables includes Rs. 0.03 million (March 31, 2017 : Rs. 0.01 million, April 01, 2016 : Rs. 0.01 million) receivable from related party (refer note 33)

12 Cash and Bank Balances

Particulars	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017	
Cash and cash equivalents			
Balances with banks:			
- On current accounts	32.81	18.54	9.07
Cash on hand	76.22	48.68	56.10
Other bank balances			
- Deposits with remaining maturity for less than 12 months**	0.03	1.17	2.05
Total	109.06	68.39	67.22

** includes fixed deposits with lien in favour of statutory authorities Rs. Nil (March 31, 2017 Rs. 0.15 million, April 01, 2016 Rs. 1.63 million)

13 Income tax assets (net)

Particulars			As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017	
Advance tax including tax deducted at source	43.98	19.96	17.62
	43.98	19.96	17.62



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

14 Share Capital

	As at March 31 2018	As at March 31, 2017	As at April 1, 2016
Authorised Shares			
1,765,000 (March 31, 2017 : 410,000 , April 1, 2016 : 315,000) Equity Shares of Rs 1,000 each	1,765.00	410.00	315.00
Nil (March 31, 2017: 1,355,000, April 1, 2016: 1,355,000) Cumulative Redeemable Preference Shares of Rs. 1,000 each	-	1,355.00	1,355.00
	1,765.00	1,765.00	1,670.00
Issued, subscribed and fully paid-up equity shares			
1,747,628 (March 31, 2017: 402,628, April 1, 2016: 310,000) equity Shares of Rs. 1,000 each fully paid up	1,747.63	402.63	310.00
Total issued, subscribed and fully paid-up equity share capital	1,747.63	402.63	310.00

Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Equity shares

	March 31, 2018		March 31, 2017		April 1, 2016	
Particulars	No. of shares	(Rs. in millions)	No. of shares	(Rs. in millions)	No. of shares	(Rs. in millions)
At the beginning of the year	402,628	402.63	310,000	310.00	310,000	310.00
Add : Issued during the year	-	-	92,628	92.63	-	-
Add : Conversion of Cumulative Redeemable Preference shares into equity (refer note 15)	1,345,000	1,345.00	-	-	-	-
Outstanding at the end of the year	1,747,628	1,747.63	402,628	402.63	310,000	310.00

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 1,000 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at March 31 2018	As at March 31, 2017	As at April 1, 2016
Shares held by the holding company			
Westlife Development Limited (WDL)			
1,747,628 (March 31, 2017 : 402,628 , March 31, 2016 : 310,000) equity Shares of Rs. 1,000 each fully paid up	1,747.63	402.63	310.00
Total	1,747.63	402.63	310.00

Details of Shareholders holding more than 5% shares in the Company

	March 31, 2018		March 31, 2017		April 1, 2016	
Particulars	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Equity Shares of Rs 1,000 each fully paid up						
Westlife Development Limited (Holding Company)	1,747,627	99.99%	402,627	99.99%	309,999	99.99%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of 5 years immediately preceeding the balance sheet date nor has issued shares for consideration other than cash.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

15 Borrowings

Particulars	Non-current		Current maturities of non-current borrowings			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured						
Loan from Banks (refer note i)	-	-	75.00	-	75.00	187.50
Unsecured						
Cumulative redeemable preference shares**	-	440.46	386.37	-	-	-
Inter Corporate Deposits						
Westlife Development Limited (refer note ii below) #	-	-	3,350.75	-	-	-
Total	-	440.46	3,812.12	-	75.00	187.50

i The Company had availed a loan facility of Rs. 750 million from HDFC Bank Ltd. to finance the capital expenditure. To avail this facility the Company created a first pari passu charge on moveable fixed assets (present and future). The Company had drawn Rs 500 million under the said facility at an interest rate of Nil (March 31, 2017 : 9.45% p.a. - 9.75% p.a., April 01, 2016 : 9.75% to 10.45% p.a.). The term loan was repayable in quarterly instalments over a period of 18 to 36 months. As at March 31, 2018 the amount outstanding in respect of the said arrangement is Rs. Nil (March 31, 2017 Rs. 75 million , April 01, 2016 Rs. 187.50 million).

ii The Company had taken a long term interest free deposit of Rs. 2,375 million from Triple A Foods Private Limited (TAF). During the financial year 2013-14, TAF has been amalgamated with Westlife Development Limited(WDL) and consequently the inter corporate deposit taken from TAF was transferred to WDL. As per the original terms of agreement, the said deposit shall not be called back before December 29, 2018. However as per mutual consent, the said deposit was repaid during the financial year 2016-17 .

The Company had entered into a loan agreement of Rs. 1,800 million with Westlife Development Limited (Holding Company) towards capital expenditure, working capital and general corporate requirements out of which the Company had drawn Rs 1,750 million under the said agreement. As per the original terms of agreement, the loan is interest free and shall not be called before expiry of four years from the date of last drawdown i.e. October 18, 2013. However as per mutual consent, the said deposit was repaid during the financial year 2016-17.

The Company had recognised the above mentioned loans at fair value and measured it at amortised cost using Effective interest rate method as shown in the above table.

** The Company had issued 1,345,000 Cumulative redeemable preference shares (CRPS) of Rs. 1,000 each to its holding company in earlier year. As per Ind AS 109 "Financial Instruments ; Presentation", the issuer of a financial instrument shall classify the instrument or its component parts on initial recognition as borrowings. During the current year, pursuant to the approval obtained from the holders of the CRPS, the Company has converted the CRPS into 1,345,000 equity shares of Rs. 1,000 each.

The loss on account of conversion of CRPS into equity shares is charged to statement of profit and loss.

Terms of redemption of Cumulative Redeemable Preference Shares (CRPS)

The Company had issued 1,345,000 Cumulative Redeemable Preference Shares of Rs. 1,000 each. Of these 824,546 Preference Shares were redeemable at par on or before August 22, 2023, 100,454 Preference Shares were redeemable at par on or before September 27, 2025 and 420,000 Preference shares were redeemable at par on or before April 30, 2033. As per the terms of the agreement, the Company shall declare and pay the dividends and all unpaid dividends, if any, subject to the Company having distributable profits in accordance with the provisions of Section 123 of the Companies Act, 2013. The dividend rate shall be subject to revision every year on the basis of the Bank Rate prevailing as on the 31st day of the month of March immediately preceding the date of meeting of the board at which the Balance Sheet and Statement of Profit and Loss pertaining to the relevant financial year are approved by the Board. The rate of dividend will be Bank Rate plus 3%, provided that in no case the dividend rate shall exceed 11% p.a. During the year ended March 31, 2018 the amount of dividend per share recognised as distribution to preference share holders was Rs Nil (March 31, 2017: Rs. Nil). Each holder of CRPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CRPS. In the event of liquidation of the Company, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

The Company has received consent to waive the dividend payable from its CRPS Investor for the current and preceding years on cumulative redeemable preference shares (CRPS).



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

16 Other Financial Liabilities

Particulars	Non-current		As at April 1, 2016	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017		As at March 31, 2018	As at March 31, 2017	
Current maturity of non current borrowings (refer note 15)	-	-	-	-	75.00	187.50
Security deposits	3.42	2.73	2.73	4.66	3.30	2.54
Book overdrafts	-	-	-	18.64	41.44	144.19
Liability for capital expenditure	-	-	-	313.07	330.39	316.69
Interest accrued but not due on borrowings	-	-	-	6.08	8.55	5.18
Employee related liabilities	-	-	-	328.54	225.45	154.11
Total	3.42	2.73	2.73	670.99	684.13	810.21

17 Provisions

Particulars	Non-current		As at April 1, 2016	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017		As at March 31, 2018	As at March 31, 2017	
Provision for employee benefits						
Provision for Gratuity (refer note 32)	15.00	-	-	54.27	59.02	50.30
Provision for Leave Encashment	-	-	-	-	6.51	20.03
Total	15.00	-	-	54.27	65.53	70.33

18 Deferred Tax assets / (liabilities)

Deferred Tax assets / (liabilities) are as follows :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets			
Employee benefits	50.11	48.38	39.27
Unabsorbed depreciation losses	174.52	220.37	169.33
Security deposits	18.52	16.05	14.89
Deferred tax liabilities			
Excess of depreciation provided in the books over depreciation allowable under income tax laws	(36.99)	(43.57)	(43.06)
Investment carried out at fair value	(11.66)	(12.78)	(22.08)
Borrowings at amortised cost	-	-	(239.24)
Cumulative redeemable preference shares carried out at fair value	-	(279.50)	(296.22)
Loans given	(6.40)	(5.32)	(5.32)
Amortisation of finance cost under effective	-	(0.18)	(0.48)
Actuarial loss of defined benefit obligation- Gratuity (net of tax)	(0.85)	(1.28)	-
MAT credit entitlement	35.25	35.25	35.25
Total	222.50	(22.58)	(347.66)



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended 31 March 2018

(Rs. in millions)

19 Borrowings

Particulars	Current		As at April 1, 2016
	As at March 31, 2018	As at March 31, 2017	
Secured			
Loan from Bank (refer note i, ii and iii below)	1,535.00	1,075.00	1,080.00
Bank overdrafts (refer note ii below)	-	6.79	-
Unsecured			
Loan from Bank (refer note iii and iv below)	300.00	580.00	-
Bank overdrafts (refer note v, vi, vii below)	0.19	167.23	152.54
Total	1,835.19	1,829.02	1,232.54

- i The Company had availed a revolving short term loan facility of Rs. 400 million (March 31, 2017 : Rs 200 million, April 01, 2016 : Rs. 200 million) from HDFC Bank Ltd. This facility is sanctioned for the purpose of financing operating capital expenditure. To avail this facility, the Company has created an exclusive charge on the credit / debit card receivables to the extent of Rs. 200 million by way of hypothecation. Interest charged at 7.80% p.a.- 7.85% p.a. (March 31, 2017: 7.85% p.a.- 8.90% p.a., April 01, 2016 : 9.45%- 10.15% p.a.) is payable monthly. The overdraft facility is repayable on demand and short term loan facility is repayable within 180 days with a cooling period of 2 days. During the year, the total facility of Rs. 1.151 million (March 31, 2017: Rs. 950 million, April 01, 2016 : Rs. 950 million) was converted into a mutually interchangeable facility of Rs. 200 million into overdraft and short term loan facility of Rs. 951 million. As at March 31, 2018 the amount outstanding in respect of the said facility is Rs. 440 million (March 31, 2017 : Rs.100 million, April 01, 2016 : Rs. 50 million).
- ii The Company has availed a revolving short term loan facility of Rs. 1,776 million (March 31, 2017 : Rs. 1,776 million, April 01, 2016 : Rs. 1265 million) from Australia and New Zealand Banking Group Ltd.(ANZ Bank) for the purpose of financing operating capital expenditure. Interest is charged 7.40% p.a. to 8.25% p.a. (March 31, 2017: 7.90% p.a. to 9.35% p.a., April 01, 2016 : 9.35% p.a. to 9.85% p.a.). The loan is repayable within 180 days from the date of any drawdown. As at March 31, 2018 the amount outstanding in respect of the said facility is Rs. 1,095 million (March 31, 2017 : Rs.975 million, April 01, 2016 : Rs.1,030 million). The Company has also availed an overdraft facility from ANZ Bank and the amount outstanding in respect of the said facility is Rs. Nil (March 31, 2017 : Rs. 6.79 million, April 01, 2016 : Rs. Nil). To avail those short term loan and overdraft facilities, the Company has created a first pari passu charge on the movable assets.
- iii The Company has availed a revolving short term loan facility of Rs. 300 million (March 31, 2017 : Rs. 300 million, April 01, 2016 : Rs. Nil) from Development Bank of Singapore for the purpose of financing operating capital expenditure. During the current year, the Company has created a first pari-passu charge on all stock and book debts. Interest is charged at 7.75% p.a. to 7.80% p.a. (March 31, 2017: 7.85% p.a. to 7.90% p.a., April 01, 2016 : Nil). The loan is repayable on demand. As at March 31, 2018 the amount outstanding in respect of the said facility is Rs. Nil (March 31, 2017 : Rs. 280 million, April 01, 2016 : Rs. Nil).
- iv The Company has availed an short term loan facility of Rs. 300 million (March 31, 2017 : Rs. 300 million, April 01, 2016 : Rs. Nil) with Kotak Mahindra Bank Ltd. at an interest rate of 7.70% p.a. to 8.10% p.a. (March 31, 2017 : 7.85% p.a. to 9% p.a., April 01, 2016 : Nil). This short term loan facility is for financing the operating capital expenditure and is repayable within a period of 90 days. As at March 31, 2018 the amount outstanding in respect of the said facility is Rs. 300 million (March 31, 2017 : Rs. 300 million, April 01, 2016: Rs Nil). During the year the total facility of Rs. 500 million (March 31, 2017 : Rs. 500 million, April 01, 2016 : Rs 200 million) was converted into a mutually interchangeable facility of overdraft and short term loan.
- v The Company has availed an overdraft facility of Rs. 200 million (March 31, 2017: Rs. 200 million, April 01, 2016 : Rs. 200 million) with Kotak Mahindra Bank Ltd at an interest rate of 9.45% p.a. to 10.50% p.a. (March 31, 2017: 10.30% p.a. to 10.50% p.a., April 01, 2016: 9.50% p.a. to 10.75% p.a.) . This overdraft facility is for financing the operating capital expenditure and is repayable on demand. As at March 31, 2018 the Company has utilised Rs. Nil (March 31, 2017: Rs. 167.23 million, April 01, 2016: Rs Nil) under this facility.
- vi During the year the Company has availed an revolving short term loan facility of Rs. 500 million (March 31, 2017: Rs. Nil, April 01, 2016 : Rs. Nil) with Yes Bank Ltd. Interest is charged at 7.80% p.a. to 8.10% p.a. (March 31, 2017 : Nil, April 01, 2016 : Nil). This short term loan facility is for financing operating capital expenditure and repayable within a period of 12 months. The amount outstanding in respect of the said facility as at March 31, 2018 is Rs. Nil (March 31, 2017: Rs. Nil, April 01, 2016 : Rs. Nil). This facility includes an overdraft facility of Rs. 150 million (March 31, 2017: Rs. Nil, April 01, 2016 : Rs. Nil). Interest charged on overdraft facility is at 8.85% p.a.(March 31, 2017 : Nil, April 01, 2016 : Nil). As at March 31, 2018, the Company has utilised Rs. 0.19 million (March 31, 2017 : Rs. Nil, April 01, 2016 : Rs. Nil).
- vii The Company had availed an overdraft facility of Rs. Nil (March 31, 2017 : Rs 200 million, April 01, 2016 : Rs 200 million) with Royal Bank of Scotland with an interest rate of Nil (March 31, 2017 : 10.15% p.a., April 01, 2016 : 9.35% p.a. - 10.35% p.a.) and 18% p.a. if the facility extends beyond Rs. 200 million. This overdraft facility is for financing working capital requirement and is repayable on demand. As at March 31, 2018 the Company utilised Rs. Nil (March 31, 2017 : Rs. Nil, April 01, 2016 : Rs. 152.54 million).



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued) for the year ended 31 March 2018

(Rs. in millions)

20 Trade payables

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables (refer note 41)			
• Total dues to micro enterprises and small enterprises	-	-	-
• Total dues to creditors other than micro enterprises	1,139.43	782.49	676.83
Total	1,139.43	782.49	676.83

21 Other current liabilities

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory dues	104.30	106.54	80.05
Advance received from customer	5.00	-	-
Deferred revenue @	2.26	-	-
Other payables @@	91.57	94.57	75.79
Total	203.13	201.11	155.84

@ The deferred revenue of Rs. 2.26 million (March 31, 2017 : Rs. Nil, April 01, 2016 : Rs. Nil) related to loyalty credits granted has been estimated with reference of the fair value of the products for which they could be redeemed and the expected forfeiture rate.

@@ Other payables include Rs. 56.01 million (March 31, 2017 : Rs. 42.10 million, April 01, 2016 : Rs. 29.66 million) payable to a related party (refer note 33).



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

22 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales (Refer Note 22.1 below)	11,255.31	9,186.71
Other Operating Revenue		
a) Conductance Fees	2.04	1.65
b) Franchising Income	6.00	5.00
c) Scrap Sale	12.19	9.20
d) Space Rental & Alliances Income	37.35	88.74
e) Miscellaneous Provisions written back	35.85	14.60
Total	11,348.74	9,305.90
22.1 Details of Sales		
Food	7,766.53	6,539.98
Beverages, Desserts, Others	3,488.78	2,646.73
Total	11,255.31	9,186.71

23 Other income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on		
- Bank Deposits	0.14	0.16
- Others	25.78	23.90
Gain on investments #	144.59	142.28
Insurance claim received	20.61	18.87
Miscellaneous income	4.03	1.73
Exchange differences (net)	-	0.15
Total	195.15	187.09

includes gain / (loss) booked on fair valuation of investments



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

24 Cost of Materials Consumed

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Inventory at the beginning of the year	248.79	219.33
Add: Purchases during the year	4,360.91	3,742.46
Less: Inventory at end of the year	4,609.70	3,961.79
Total	308.00	248.79
24.1 - Details of Cost of materials consumed	4,301.70	3,713.00
Food	3,770.19	3,230.62
Paper	442.06	387.13
Toys & Premises	89.45	95.25
Total	4,301.70	3,713.00

25 Employee benefits expense

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Salaries, wages and bonus	1,400.63	1,147.95
Contribution to provident and other funds	132.38	116.52
Employee stock compensation expense (refer note 42)	27.59	20.44
Gratuity (refer note 32)	18.03	16.86
Staff welfare expenses	147.01	116.14
Total	1,725.64	1,417.91



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

26 Finance Cost

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Interest on		
- Borrowings	191.06	519.77
- Bank overdrafts	11.98	12.26
- Others	1.12	1.50
Loss on conversion of cumulative redeemable preference shares into equity share capital (refer note 4 (C) (7) and 15)	849.46	-
Loss on prepayment of long term borrowings (refer note 4 (C) (10 and 15)	-	447.76
Bank Charges	1.61	1.78
Total	1,055.23	983.07

27 Depreciation and amortisation expense

Particulars #	For the year ended	
	March 31, 2018	March 31, 2017
Depreciation on Property, plant and equipment	615.04	591.72
Depreciation on Investment properties	0.67	0.66
Amortisation on intangible assets	56.86	44.86
Total	672.57	637.24

Refer Note



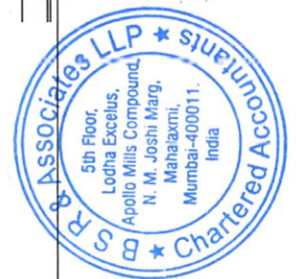
Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued) for the year ended March 31, 2018

(Rs. in millions)

28 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Electricity Utilities	822.74	751.56
Gas Utilities	120.64	100.05
Other Utilities	45.57	50.59
Conducting Charges	1,034.47	837.44
Logistics services charges	167.68	112.94
Marketing and promotions	577.53	494.62
Royalty Fee	476.66	365.42
Maintenance	217.79	174.52
Maintenance - Restaurant Equipments	141.49	115.86
Maintenance - Repairs - Others	174.15	138.29
Operating Supplies at Stores	63.11	64.10
Travelling and conveyance	91.88	76.57
Legal & Professional Fees (Refer Note 28.1 below)	46.74	43.69
Rent	71.37	29.65
Loss on sale of property, plant and equipment	41.57	27.83
Training and development Expenses	33.51	22.63
Communication costs	18.85	18.96
Rates & Tax	12.68	9.16
Insurance	0.81	-
Exchange differences (net)	418.34	299.79
Miscellaneous Expenses	4,577.58	3,733.67
Total		
Note 28.1 :		
Payment to auditors		
As auditor :		
Audit fees	4.14	3.95
In other capacity		
Certification	0.09	0.05
Reimbursement of expenses	0.06	0.06
Total	4.29	4.06



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

29 Tax Expense

A Amount recognised in statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Current tax	-	-
(b) Deferred tax charge / (credit)		
Employee benefits	(1.73)	(9.11)
Unabsorbed depreciation losses	45.85	(51.04)
Excess of depreciation provided in the books over depreciation allowable under income tax laws	(6.58)	0.51
Ind AS adjustments		
Borrowings at amortised cost	-	(239.24)
Cumulative redeemable preference shares carried out at fair value	(279.50)	(16.71)
Security deposit and interest free loan given	(1.40)	(1.16)
Investment carried at fair value	(1.11)	(9.30)
Amortisation of finance cost under effective interest method	(0.18)	(0.30)
Total tax charge / (credit)	(244.65)	(326.35)

B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss before tax	(788.83)	(991.90)
Tax at the India Rate (a)	(263.31)	(343.28)
Effect on deferred tax balances due to the change in income tax rate	21.07	16.61
Others	(2.41)	0.32
Sub-total (b)	18.66	16.93
Total charge as per statement of profit and loss (a) + (b)	(244.65)	(326.35)

Note : There is no current tax liability for the current year and previous year in account of brought forward unabsorbed depreciation from previous years.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

29 Tax Expense (Continued)

Movement in temporary differences

Particulars	Balance as at April 01, 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	Balance as at March 31, 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018
Employee benefits	39.27	9.11	-	48.38	(1.73)	-	50.11
Unabsorbed depreciation losses	169.33	51.04	-	220.37	45.85	-	174.52
Excess of depreciation provided in the books over depreciation allowable under income tax law	(43.06)	(0.51)	-	(43.57)	(6.58)	-	(36.99)
Security deposits and interest free loan given	9.56	1.16	-	10.73	(1.39)	-	12.12
Investment credited at fair value	(22.08)	9.30	-	(12.78)	(1.11)	-	(11.66)
Borrowings at amortised cost	(239.24)	239.24	-	-	-	-	-
Cumulative redeemable preference shares carried out at fair value	(296.22)	16.71	-	(279.50)	(279.50)	-	-
Amortisation of finance cost under effective interest method	(0.48)	0.30	-	(1.28)	(0.18)	-	-
Other comprehensive income	-	-	-	(1.28)	-	-	(0.85)
MAT credit entitlement	35.25	-	-	35.25	-	0.43	35.25
Total	(347.66)	326.35	(1.28)	(22.58)	(244.65)	0.43	222.50



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

30 Fair Value Measurement

a Financial instruments by category

The carrying value and fair value of financial instruments by categories as of April 1, 2016 were as follows:

Particulars	Amortised cost	Mandatory	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	67.22	-	67.22	67.22
Investments	-	1,585.95	-	1,585.95
Trade receivables	42.04	-	42.04	42.04
Loans	311.21	-	311.21	311.21
Other assets	49.65	-	49.65	49.65
Total	470.12	1,585.95	470.12	2,056.07
Liabilities:				
Borrowings	5,044.66	-	5,044.66	5,044.66
Trade payables	676.83	-	676.83	676.83
Other financial liabilities	812.94	-	812.94	812.94
Total	6,534.43	-	6,534.43	6,534.43

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

Particulars	Amortised cost	Mandatory	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	68.39	-	68.39	68.39
Investments	-	1,690.61	-	1,690.61
Trade receivables	49.22	-	49.22	49.22
Loans	373.94	-	373.94	373.94
Other financial assets	81.69	-	81.69	81.69
Total	576.24	1,690.61	576.24	2,266.85
Liabilities:				
Borrowings	2,269.48	-	2,269.48	2,269.48
Trade payables	782.49	-	782.49	782.49
Other financial liabilities	686.86	-	686.86	686.86
Total	3,738.83	-	3,738.83	3,738.83



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

30 Fair Value Measurement (Continued)

a Financial instruments by category (Continued)

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Amortised cost	Mandatory	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	109.06	-	109.06	109.06
Investments	-	1,829.89	-	1,829.89
Trade receivables	64.31	-	64.31	64.31
Loans	413.63	-	413.63	413.63
Other financial assets	67.74	-	67.74	67.74
Total	654.74	1,829.89	654.74	2,484.63
Liabilities:				
Borrowings	1,835.19	-	1,835.19	1,835.19
Trade payables	1,139.43	-	1,139.43	1,139.43
Other financial liabilities	674.41	-	674.41	674.41
Total	3,649.03	-	3,649.03	3,649.03

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, bank balances, trade receivables, other financial assets because their carrying amounts are a reasonable approximation of fair value.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

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30 Fair Value Measurement (Continued)

b Fair value hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are

a) recognised and measured at fair value.

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level is mentioned below :

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

Particulars	As at April 1, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds	1,585.95	-	1,585.95	-

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds	1,690.61	-	1,690.61	-

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds	1,829.89	-	1,829.89	-

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Financial Instruments Measurement	Fair Value
Type	Investments
Valuation technique	Fair values are based on prices as stated by the issuer's of mutual funds.
Inter relationship between significant observable inputs and fair value measurement	Not applicable



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

31 Financial Risk Management

Financial Risk

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk and market risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company manages the risk through the finance department that ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

A Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments the Company aims to minimize its financial credit risk through the application of risk management policies.

Trade receivables are subject to credit limits, controls and approval processes. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

The Company has trade receivables amounting to Rs. 64.31 millions as at 31 March 2018 (31 March 2017 - Rs. 49.22 millions; 1 April 2016 - Rs.42.04 millions). There are no significant amounts due by more than 180 days and not provided for. Management believes that these are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The Company also has an exposure in respect of other financial assets, viz; cash and cash equivalents, fixed deposits with banks, loans, security deposits and others.

Security deposits are interest free deposits given by the Company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of security deposits is as follows :

	(Rs. in million)
As at March 31, 2018	330.95
As at March 31, 2017	269.33
As at April 01, 2016	200.04



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

31 Financial Risk Management (Continued)

Financial Risk (Continued)

A Credit Risk (Continued)

Loans, security deposits and investments :

Expected credit loss for loans, security deposits and investments #

Particulars		Period Ended	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-03-2018	Loans	41.22	0%	-	41.22
			Security Deposits	372.41	0%	-	372.41
			Investments	1,829.89	0%	-	1,829.89
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-03-2017	Loans	65.97	0%	-	65.97
			Security Deposits	307.97	0%	-	307.97
			Investments	1,690.61	0%	-	1,690.61
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	01-04-2016	Loans	70.64	0%	-	70.64
			Security Deposits	240.58	0%	-	240.58
			Investments	1,585.95	0%	-	1,585.95

Refer Note 30 (A)

B Liquidity Risk

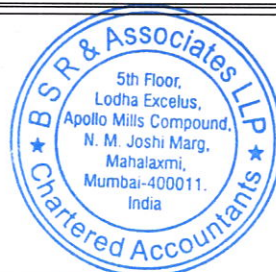
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's corporate treasury department is responsible for liquidity and funding. In addition, processes and policies related to such risks are overseen by senior management.

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is able to maintain the liquidity through sales realised across all the restaurants and use of bank overdrafts and bank loans.

Maturity patterns of financial liabilities

As at 31 March 2018	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Borrowings	1,835.19	-	-	-	1,835.19
Other financial liabilities	674.41	-	-	-	674.41
Total	3,649.03	-	-	-	3,649.03



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

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31 Financial Risk Management (Continued)

Financial Risk (Continued)

B Liquidity Risk (Continued)

As at 31 March 2017	Less than 1 year	1 year - 2 years	2 years to 3 years	3 years and above	Total
Borrowings	1,829.02	-	-	440.46	2,269.48
Trade payables	782.49	-	-	-	782.49
Other financial liabilities	686.86	-	-	-	686.86
Total	3,298.37	-	-	440.46	3,738.83

As at April 01, 2016	Less than 1 year	1 year - 2 year	2 years to 3 years	3 years and above	Total
Borrowings	1,307.54	-	3,737.12	-	5,044.66
Trade payables	676.83	-	-	-	676.83
Other financial liabilities	812.94	-	-	-	812.94
Total	2,797.31	-	3,737.12	-	6,534.43

C Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to any currency risk is Nil. The currencies in which the transactions are denominated is Indian Rupees.

ii) Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from bank borrowings and overdrafts with variable rates. The Company adopts a policy to have ~90% of its obligation linked with fixed interest rate so that the Company does not have exposure to the risk of changes in market interest rate.

31 A Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total interest bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity. The Company's debt to equity ratio as at March 31, 2018 was as follows :

Particulars	As at March 31, 2018	As at March 31, 2017
Total borrowings	1,835.19	1,904.02
Less : Cash and cash Equivalents	109.06	68.39
Net debt	1,726.13	1,835.63
Equity	5,034.26	4,222.92
Debt to Equity Ratio	0.34	0.43



In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

32 Disclosure Under Indian Accounting Standard 19 (Ind AS 19) On Employee Benefits:

a) Defined Contribution Plan:

Amount recognised and included in Note 25 "Contribution to provident and other funds" - Rs. 132.38 million (Previous Year Rs. 116.52 million).

b) Defined Benefit Plan :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of Rs. 2 million. The Scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

- (i) Gratuity: Company has charged the Gratuity expense to Statement of Profit & Loss based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position is as under.

Assumptions	As at March 31, 2018	As at March 31, 2017
Expected Rate of Return on Plan Assets	7.18%	6.67%
Discount Rate	7.18%	6.67%
Salary Escalation	6.50%	6.50%
Attrition Rate :		
Crew	30.00%	30.00%
Others	12.00%	12.00%

Mortality rate during employment as per Indian Assured Lives Mortality (2006-08).

(ii) Table showing change in present value of Projected Benefit Obligation:

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of Projected Benefit Obligation at the beginning of the year	64.76	55.36
Interest cost	4.32	4.34
Current Service Cost	11.39	12.91
Past Service Cost	2.70	-
Benefits Paid directly by Employer	(0.07)	-
Benefits Paid from fund	(6.39)	(5.95)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic assumptions	-	(8.36)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(2.03)	5.07
Actuarial Losses on Obligations - Due to Experience	3.24	0.58
Liability at the end of the year	77.92	64.75

(iii) Tables of Fair value of plan assets:

Particulars	As at March 31, 2018	As at March 31, 2017
Fair Value of plan assets at the beginning of the year	5.73	5.05
Interest Income	0.38	0.40
Contributions by Employer	9.00	4.00
Benefits paid	(6.39)	(5.95)
Expected return on plan assets, excluding interest	(0.07)	2.23
Fair Value of plan assets at the end of the year	8.65	5.73



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

32 Disclosure Under Indian Accounting Standard 19 (Ind As 19) On Employee Benefits: (Continued)

b) Defined Benefit Plan : (Continued)

(iv) Amount recognised in the Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of benefit obligation at the end of the year	(77.92)	(64.75)
Fair Value of plan assets at the end of the year	8.65	5.73
Funded Status (Surplus/(Deficit))	(69.27)	(59.02)
Net (liability) / asset disclosed in the Balance Sheet	(69.27)	(59.02)

(v) Net interest cost for the year

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of projected benefit obligation at the beginning of the year	64.76	55.36
Fair Value of plan assets at the beginning of the year	(5.73)	(5.05)
Net Liability/ (Assets) at the beginning of the year	59.02	50.31
Interest Cost	4.32	4.34
Interest Income	(0.38)	(0.40)
Net interest cost for current year	3.94	3.94

(vi) Expenses recognised in the statement of profit & loss for the year

Particulars	2017-18	2016-17
Current Service cost	11.39	12.91
Net Interest Cost	3.94	3.94
Past Service Cost	2.70	-
Expenses recognised in the statement of profit & loss	18.03	16.85

(vii) Expenses recognised in the other comprehensive Income

Particulars	2017-18	2016-17
Actuarial (Gain) / Loss on obligation for the year	1.21	(1.91)
Return on Plan assets, excluding interest income	0.07	(2.23)
Net (Income)/Expense for the year recognized in OCI	1.28	(4.14)

(viii) Balance Sheet Reconciliation

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Net Liability	59.02	50.31
Expenses Recognized in Statement of Profit or Loss	18.03	16.86
Expenses Recognized in OCI	1.28	(4.14)
Benefits Paid directly by Employer	(0.07)	-
Employers Contribution	(9.00)	(4.00)
Amount recognised in the Balance Sheet	69.27	59.02

(ix) Category of Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Insurer Managed Funds	8.65	5.73



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

32 Disclosure Under Indian Accounting Standard 19 (Ind As 19) On Employee Benefits: (Continued)

b) Defined Benefit Plan : (Continued)

(x) Maturity Analysis of the Benefits Payments - From the Fund

Particulars	As at March 31, 2018	As at March 31, 2017
Projected Benefits Payable in future years from the date of reporting		
1st following year	9.91	7.67
2nd following year	10.21	7.99
3rd following year	10.00	8.24
4th following year	9.79	7.92
5th following year	10.39	7.48
Sum of years 6 to 10	32.88	26.80

(xi) Sensitivity analysis

Particulars	As at March 31, 2018	As at March 31, 2017
Projected Benefit Obligation on Current Assumptions	77.92	64.75
Delta effect of +1% change in the rate of discounting	(3.67)	(3.24)
Delta effect of -1% change in the rate of discounting	4.09	3.63
Delta effect of +1% change in the rate of salary increase	3.72	3.60
Delta effect of -1% change in the rate of salary increase	(3.45)	(3.28)
Delta effect of +1% change in the rate of employee turnover	(0.23)	(0.38)
Delta effect of -1% change in the rate of employee turnover	0.22	0.38

The sensitivity analysis 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.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it 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 projected unit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

33 Related party disclosure

In compliance with Indian Accounting Standard 24 - "Related Party Disclosures" notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the required disclosures are given below:

(A) Related party where control exists

Holding Company Westlife Development Limited

(B) Others - With whom transactions have been taken place during the year

1) Key Management Personnel	Mr. B. L. Jatia, Director Mr. Ranjit Paliath, Director Mrs. Seema Arora Nambiar, Director (w.e.f. April 01, 2015) Mr. Suresh Lakshminarayana, Chief Financial Officer Mrs. Radha Jain, Company Secretary
2) Relatives of Key Management Personnel	Mr. Amit Jatia, son of Mr. B. L. Jatia Mrs. Smita Jatia, daughter-in-law of Mr. B. L. Jatia Mr. Akshay Jatia, grandson of Mr. B. L. Jatia Mr. Ayush Jatia, grandson of Mr. B. L. Jatia
3) Enterprises of which Key Management Personnel or their relatives is/are able to exercise significant influence	Vishwas Investment & Trading Company Private Limited Hardcastle Petrofer Private Limited Ronald McDonald House Charities Foundation India (RMHC India)
4) Non-executive directors	Mr. P. R. Barpande Mr. O. P. Adukia



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

33 Related party disclosure(Continued)

Related party transactions

(a) Transactions with enterprises over which key management personnel or their relatives is/are able to exercise significant influence

Particulars	Westlife Development Limited		Hardcastle Petrofer Private Limited		Vishwas Investment & Trading Company Private Limited		Ronald McDonald House Charities Foundation India (RMHC India)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Rent expense	-	-	-	-	3.86	3.10	-	-
Electricity Charges	-	-	-	-	0.28	0.07	-	-
Water Charges	-	-	-	-	0.07	0.02	-	-
Security deposit given	-	-	-	-	19.50	12.00	-	-
Advances given	-	-	-	-	-	-	0.03	5.95
Proceeds from issue of equity share capital	-	4,125.00	-	-	-	-	-	-
Inter Corporate deposits repaid	-	4,125.00	-	-	-	-	-	-
Conversion of preference share capital	1,345.00	-	-	-	-	-	-	-
Loss on prepayment of long term borrowings	-	-	-	-	-	-	-	-
Loss on conversion of Cumulative redeemable preference shares into equity share capital	-	-	-	-	-	-	-	-
Interest expense recognised on long-term borrowings	-	326.49	-	-	-	-	-	-
Interest expense recognised on the Cumulative Preference	55.08	54.09	-	-	-	-	-	-
Rent Income	-	-	0.12	0.12	-	-	-	-
Reimbursement of Employee Stock Option Compensation expenses paid	19.00	16.11	-	-	-	-	-	-



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

33 Related party disclosure(Continued)

Related party transactions (Continued)

(a) Transactions with enterprises over which key management personnel or their relatives are able to exercise significant influence

Particulars	Westlife Development Limited			Hardcastle Petrofer Private Limited			Vishwas Investment & Trading Company Private Limited			Ronald McDonald House Charities Foundation India (RMHC India)		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Outstanding balance other assets	-	-	-	-	-	-	35.00	15.50	3.50	5.98	5.95	-
Outstanding balance of inter-corporate deposits	-	-	3,350.75	-	-	-	-	-	-	-	-	-
Outstanding balance of cumulative redeemable preference shares	-	440.46	386.37	-	-	-	-	-	-	-	-	-
Outstanding balance included in other current liabilities	56.01	42.10	29.66	-	-	-	-	-	-	-	-	-
Outstanding balance included in trade receivables	-	-	-	0.03	0.01	0.01	-	-	-	-	-	-

Note : There is no remuneration paid to Mr. B.L.Jatia, Director

(b) Transactions with key management personnel

Particulars	Ranjit Pallath		Sudha Arora Nambiar		Others	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Remuneration*	9.01	8.37	8.66	8.10	6.43	6.44



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

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33 Related party disclosure(Continued)

Related party transactions (Continued)

(c) Transactions with relatives of key management personnel

Particulars	Amit Jadia		Smita Jadia		Others	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Remuneration*	11.20	16.32	14.77	13.27	2.13	2.17
Advisory cum consultant fees	4.00	6.00	-	-	-	-
Recovery of excess managerial remuneration	14.59	7.63	4.86	1.79	-	-

Terms and conditions

All transactions with these related parties are on arm's length basis and the resulting outstanding balances are to be settled in cash within the credit period allowed as per the policy. None of the balances are secured.

*Remuneration to key managerial personnel / relatives of key management personnel does not include provisions made for gratuity and ESOP as they are determined for the Company as a whole.

** In the early years, the Company had applied for the approval of the Central Government for payment of remuneration in excess of the limit specified under the applicable Companies Act to Mr. Amit Jadia and Mrs. Smita Jadia who were the whole time directors of the Company. During the year, the application for the period April 2013 to March 2014 and for the period April 2014 to March 2015 was disposed off by the Central Government by partly approving payment of excess remuneration. Consequently, the unapproved amount of excess remuneration of Rs. 19.45 million has been recovered back from the aforementioned directors and credited to employee benefits expense account. During the previous year, based on the directions of the Central Government, excess remuneration paid by the Company of Rs. 9.42 million for the period April, 2012 to March, 2013 was recovered from the aforementioned whole time directors and the same was credited to miscellaneous provisions written back.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

34 Contingent Liabilities not provided for in the accounts:

Particulars	2017-18	2016-17
Claims against the Company not acknowledged as debts*		
Excise related matters	45.07	45.07
Sales tax/ VAT related matters	655.15	938.01
	700.22	983.08

- i. The Company had preferred an appeal before the Central Excise and Service Tax Appellate Tribunal against a demand of Rs 44.26 million (Previous Year: Rs 44.26 million) for earlier years by the Central Excise Department on account of excise duty and penalty. Pending appeal before the Tribunal, the Company has deposited a sum of Rs 1 million as pre-deposit in compliance with the order passed by the Tribunal, which has stayed the recovery of the remaining amount till the matter is finally decided.
- ii. The Company had preferred an appeal before the Central Excise and Service Tax Appellate Tribunal against a demand of Rs 0.49 million (Previous Year: Rs 0.49 million) for earlier years by the Central Excise Department on account of excise duty and penalty. Pending appeal before the Tribunal, the Company has deposited a sum of Rs 0.01 million as pre-deposit in compliance with the order passed by the Tribunal, which has stayed the recovery of the remaining amount till the matter is finally decided.
- iii. The Company had preferred an appeal before the Commissioner (Appeals), Central Excise, Mumbai against demand of Rs 0.32 million (Previous Year Rs 0.32 million) made by the Central Excise Department on account of excise duty and penalty. The Commissioner (Appeals), Central Excise passed an order rejecting the appeal of the Company. Being aggrieved by the order of the Commissioner (Appeals), Central Excise, the Company had preferred an appeal before the Central Excise and Service Tax Appellate Tribunal. The Appellate Tribunal has granted a stay in the said appeal.
- iv. The Company had preferred an appeal before the Maharashtra Sales Tax Tribunal against a demand of Rs 2.41 million (Previous Year: 2.41 million) against the appeal order passed by the Joint Commissioner of Sales Tax (Appeal) II Mumbai on account of disallowance of resale of toys and cheese and taxability of birthday party Income for the years 2003-04. The Maharashtra Sales Tax Tribunal has partly allowed the appeal in case of Birthday party income and dismissed the claim of resale of toys and cheese. The Company is in the process of filing an appeal to High Court based on the advice of external counsel, the Company believes that it has good grounds for quashing of the impugned order. Secondly, the Company has preferred an appeal before Joint Commissioner of Sales Tax (Appeal) II Mumbai against demand of Rs. 1.64 million (Previous Year 1.64 million) as per order passed by assessing officer on account of disallowance of resale of toys and cheese and taxability of birthday party Income for the year 2004-05. The appeal is pending before the Joint Commissioner of Sales tax. The Company has deposited an aggregate amount of Rs. 1.53 million as part payment as directed by the said authorities for both the years.
- v. During the financial year 2013-14, the Company had received demand notices aggregating to Rs. 97.39 million for the years 2008-09 to 2012-13 issued by the Assistant Commissioner of Commercial Taxes, Tamil Nadu towards Tamil Nadu Value Added Tax. The Company had filed an appeal before the Appellate Deputy Commissioner against the aforesaid demand and had paid Rs. 97.39 million under protest. During the current year, the Appellate Deputy Commissioner has dismissed the appeal against the Company and the Company has filed appeal before Tribunal against the order of Appellate Deputy Commissioner. Based on the advice of external counsel, the Company believes it has good ground for appeal to be decided in its favour. Accordingly, no provision is considered necessary in this matter.
- vi. During the year 2013-14, the Company had received demand notices/order of Rs. 553.71 million for the period December, 2008 to October, 2013 from the Deputy Commissioner of Commercial Taxes, Karnataka alleging that the Company had obtained capital goods from other states, and therefore is ineligible to avail the benefits of lower rate of tax under the composition scheme contemplated under the Karnataka Value Added Tax Act, 2003. In respect of the various notices, the Company filed two writ petitions before the High Court of Karnataka.

Upon hearing, both petitions were admitted and the Court granted an interim stay on the operation of all the notices and order passed for the FY 2012-13 and any proceedings in connection therewith. The said writ petitions came to be disposed of by a single judge of the Hon'ble High Court of Karnataka wherein the interim stay granted by the High Court earlier was vacated and with a direction to the petitioner to approach the respective Appellate authorities as mandated under the provisions of the Karnataka Value Added Tax, 2003. The Company accordingly preferred an appeal before the Joint Commissioner of Commercial Tax, Appeals-I against the Order passed for the financial year 2012-13 after fulfilling the mandatory condition of depositing 30% of the total demand of Rs.189.72 million i.e. an amount of Rs.19.41 million was deposited after considering the deposit of Rs. 37.50 million made earlier. Thereafter, the Company also preferred a writ appeal before the Division Bench of the High Court inter alia seeking stay on operation of the various notices/order issued by the Deputy Commissioner of Commercial Taxes, Karnataka. The High Court granted an interim stay on operation of the various notices/order conditional upon deposit of 30% of the amount demanded. The Company has deposited a total sum of Rs. 56.91 million. Pending disposal of the writ appeal and based on the advice of external counsel, the Company believes that it has good grounds for quashing of the impugned notices/order. Accordingly, no provision is considered necessary in this matter.

Notes

- i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums / authorities.
- ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

35 Capital and other Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 60.42 million (March 31, 2017 : Rs. 57.11 million, April 01, 2016 : Rs. 25.83 million).

36 Managerial Remuneration

In the earlier year, the Company had applied for the approval of the Central Government for payment of remuneration in excess of the limit specified under the applicable Companies Act to its two whole time directors. During the year, the application for the period April 2013 to March 2014 and for the period April 2014 to March 2015 was disposed off by the Central Government by partly approving payment of excess remuneration. Consequently, the unapproved amount of excess remuneration of Rs.19.4 million has been recovered back from the directors and credited to employee benefits expense account. During the previous year, based on the directions of the Central Government, excess remuneration paid by the Company of Rs. 9.42 million for the period April, 2012 to March, 2013 was recovered from the directors and the same was credited to miscellaneous provisions written back.

37 Service Tax on Conducting Charges

The Company had, in accordance with the advice of its lawyers, filed a petition in the Bombay High Court challenging the amendment in law pertaining to levy of service tax on renting of immovable property retrospectively from June 1, 2007. The Hon'ble High Court dismissed the petition and upheld the constitutional validity of the amendment.

Against the Judgement, the Retailers Association of India (RAI) (of which the Company is a member) had, on behalf of its members, preferred an appeal in the Hon'ble Supreme Court of India (SCI). The said appeal is pending for disposal by the SCI. However, by an order ("the Order"), the SCI issued, inter alia, the following directions:

- 1) All members of RAI to deposit 50% of the arrears due for the period 1st June, 2007 through 30th September, 2011 with the concerned department in three equated instalments on or before 1st November, 2011, 1st January, 2012 and 1st March, 2012;
- 2) For the balance 50% of the arrears, all the members of RAI are:
 - (a) To file solvent surety to the satisfaction of the jurisdictional Commissioners;
 - (b) To file affidavits in the SCI, within four weeks from the date of the Order, undertaking to pay the balance arrears of service tax, stayed in terms of the Order, as may be directed by the SCI at the time of final disposal of the appeal;
- 3) The successful party in the appeal to be entitled to interest on the amount stayed by the SCI at such rate as may be directed by the SCI at the time of final disposal of the appeal.

For the service tax due from 1st October, 2011, no relief in terms of injunction was granted by the SCI.

In respect of above SCI directions, the Company had deposited 50% of the disputed amount and for the balance 50% provided solvent surety. The amount under dispute has been fully provided in books.

The Company has commenced payment of service tax with effect from 1st October, 2011 to those parties to whom the Company has contractually agreed to pay service tax.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued) for the year ended March 31, 2018

(Rs. in millions)

38 Derivative instruments and un-hedged foreign currency exposure

- (a) Derivatives outstanding as at March 31, 2018 is Rs. Nil (March 31, 2017 Rs. Nil, April 01, 2016 Rs. Nil)
(b) Un-hedged foreign currency exposure as at Balance Sheet date

Particulars	As at March 31, 2018	As at March 31, 2017
Advances Receivable in cash/kind	- 1.72 (USD 0.03 million @ Rs. 64.84)	

39 Segment Reporting:

Based on the "management approach" as defined in Ind AS 108 - Operating segments, the Chairman and whole time directors of the Company has been identified as the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker evaluates the Company's performance and allocates resources on the analysis of various performance indicators by business segments.

The Company has only one geographical segment as it caters to the needs of the domestic market only.

40 Leases Disclosure:

- (a) In accordance with Indian Accounting Standard 17 - "Leases" notified under Rule 7 of the Companies (Accounts) Rules, 2014, the details of obligation on long term cancellable operating lease in respect of the premises taken by the Company are as follows

Stores and Office premises are obtained on operating leases. The rentals for some of the stores are fixed while for the others they are based as a percentage of the revenue generated by the respective store. There are no restrictions imposed under such lease arrangements. The leases are generally renewable at the option of the lessee. The lease agreements have an escalation clause and are cancellable in nature.

Particulars	2017-18	2016-17
Fixed Lease payments for the year	649.86	561.53
Lease payments based on percentage of revenue	406.04	297.47
Total	1,055.90	859.00

- (b) The Company has sub leased premises to others on operating lease. There is no escalation clause in the lease agreement and are cancellable in nature. There are no restrictions imposed by the lease arrangement.
Sub-lease income recognised in the Statement of Profit and Loss are as follows:

Particulars	2017-18	2016-17
Sub-lease income based on percentage of revenue	2.01	1.65
Sub-lease income based on lease agreement	10.35	10.46

Under the previous GAAP, lease payments under an operating lease shall be recognised as an expense over the lease term as per the terms of the lease agreement. Under Ind AS, if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, hence lease payments are not straightlined.



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

41 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006:

Micro and Small Enterprises

Particulars	2017-18	2016-17
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year.	- *	- *
Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with amounts of payment made to supplier beyond the appointed day during accounting year.**	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

* Based on confirmation / information available with the Company

** No interest has been paid during the year

42 Employee stock option scheme

a) Westlife Development Limited ('WDL' or the 'Holding Company') has established an employee stock option scheme ('the Scheme') which covers certain eligible employees of the Company. During the year ended March 31, 2018, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On September 18, 2013, the board of directors of the holding company, approved the Equity Settled ESOP Scheme 2013 (Scheme 2013) for issue of stock options to the key employees and directors of the Company. According to the Scheme 2013, the employees selected by the Nomination and Remuneration Committee from time to time would be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 9 years. The other relevant terms of the grant are as below.

Vesting period	Graded vesting – 20% every year
Exercise period	9 years

b) The details of the activity under the scheme are as below

Vesting period	2017-18		2016-17	
	No of Shares	Weighted average exercise price (Rs)	No of Shares	Weighted average exercise price (Rs)
Outstanding at the beginning of the year	450,890	197.74	473,600	189.50
Granted during the year	302,000	238.00	-	-
Forfeited during the year	33,500	267.33	5,000	268.02
Exercised during the year	18,440	130.73	17,710	100
Expired during the year	-	-	-	-
Outstanding at the end of the year	700,950	209.99	450,890	192.24
Exercisable at the end of the year	200,825	160.7	133,090	148.95

For options exercised during the period, the weighted average share price at the exercise date was Rs. 284.01 per share (Previous Year: Rs. 197.08 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 6.82 years (Previous Year: 6.81 years). The range of exercise prices for options outstanding at the end of the year was Rs. 100 to Rs. 300 (Previous Year: Rs. 100 to Rs. 300).



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

42 Employee stock option scheme (Continued)

c) Effect of employee share based payment plans on the Statement of Profit and Loss and on its financial position.

Particulars	2017-18	2016-17
Total Employee Compensation Cost pertaining to share option plans (excluding taxes)	27.59	20.44

The holding company measures the cost of ESOP using the intrinsic value method and recovers this amount from the Company. However the Company is accounting basis fair value method and the difference between fair value and intrinsic value is taken to equity. WDL has recovered Rs. 19 million (inclusive of taxes) (Previous Year Rs. 16.11 million) from the Company towards compensation cost pertaining to the share based payment and included in Note 22 "Employee Benefits Expense".

d) The weighted average fair value of stock options granted during the year was Rs. 238 (Previous Year Rs. Nil). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2018	March 31, 2017*
Dividend yield (%)	0%	-
Expected volatility (%)	54.49%	-
Risk-free interest rate (%)	6.64%	-
Weighted average share price (Rs)	238	-
Exercise Price (Rs)	238	-
Expected life of options granted in years	5.76	-

*No options were granted during the previous year.

The expected life of the stock is based on historical data and current expectations are not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

43 Earnings per share

Loss attributable to equity shareholders (basic and diluted)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss for the year attributable to equity holders	(544.18)	(665.55)
Number of equity shares at the beginning of the year (Refer Note 14)	402,628	310,000
Add : Weighted average number of equity shares issued during the year	147,397	761
Number of equity shares considered for calculation of basic and diluted earnings per share	550,025	310,761
Earnings per share (Rs.)		
- Basic and Diluted	(989.37)	(2,141.66)

44 Disclosure required under Section 186 (4) of the Companies Act 2013

Included in loans and advances are certain loans the particulars of which are disclosed below as required under Section 186 (4) of the Companies Act, 2013.

Unsecured Loans

Particulars	2017-18	2016-17
Sristi Hospitality Private Limited carrying interest @ 12% , due on March 31, 2018	-	19.77
Sangdatta Lodge, interest free, due on August 20, 2021	43.43	55.31
Haripriya Electronics carrying interest @ 12% due on January 1, 2019	1.31	-



Hardcastle Restaurants Private Limited

Notes to the standalone financial statements (Continued)

for the year ended March 31, 2018

(Rs. in millions)

- 45 The Company is engaged in Quick Service Restaurant business and had entered into arrangement with various banks for collecting cash from its restaurants located across West and South India and depositing the same into banks. The details of Specified Bank Notes (SBNs) as per the Company's records held and transacted during the period November 8, 2016 to December 30, 2016 are as follows:

(Rs. in millions)

Particulars	Specified Business Notes (SBNs)	Other denomination notes	Total
Closing Cash in hand as on November 8, 2016	30.59	11.62	42.21
Add : Permitted Receipts	-	661.06	661.06
Less : Permitted Payments	-	28.13	28.13
Less : Amount deposited in Banks	30.59	599.13	629.72
Closing Cash in hand as on December 30, 2016	-	45.42	45.42

- 46 The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by auditor other than B S R & Associates LLP, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by B S R & Associates LLP.
- 47 The Company has evaluated subsequent events from the balance sheet date through September 15, 2018, the date at which the financial statements were available to be issued, and determined that there are no items to report.

For B S R & Associates LLP

Chartered Accountants

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



Shabbir Readymadewala

Partner

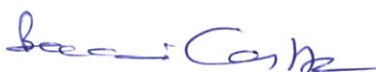
Membership No: 100060

Mumbai

September 15, 2018

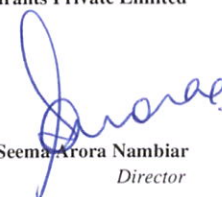


For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited



Banwari Lal Jatia

Director



Seema Arora Nambiar

Director



Suresh Lakshminarayanan

Chief Financial Officer

Mumbai

September 15, 2018



Radha Jain

Company Secretary