S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Burger King India Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Burger King India Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the [Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

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.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership Number: 49365
UDIN: 19049365AAAAAV7355
Place of Signature: Mumbai
Date: August 28, 2019

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BURGER KING INDIA PRIVATE LIMITED

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including employees' state insurance, duty of customs, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been serious delays in payment of provident fund.

(b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, except for:

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Name of the Statute	Nature of the Dues	Amount (Rs in million)	Period to which the amount relates
Employees' Provident Funds and Miscellaneous Provident Act, 1952	Provident Fund	0.25	2017-18 and 2018-19

(c) According to the information and explanations given to us, there are no dues of income tax, duty of customs, Goods and Services Tax, value added tax and cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not taken loans or borrowings from a financial institution or bank or government or has any dues to debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company and hence not commented upon.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of 8% Compulsory Convertible Preference Shares of Rs 1,000 Million during the year except for one tranche of Rs 550 Million where money received on application was not kept in a separate bank account in a scheduled bank as required under proviso to section 42(6) of the Companies Act, 2013. According to the information and explanations given by the management, the amount raised has been used for the purposes for which the funds were raised.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership Number: 49365

UDIN: 19049365AAAAAV7355
Place of Signature: Mumbai
Date: August 28, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BURGER KING INDIA LIMTED

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

We have audited the internal financial controls over financial reporting of Burger King India Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 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 internal financial controls over financial reporting with reference to these standalone financial statements.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

A company's internal financial control over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone 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 Over Financial Reporting With Reference To These Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership Number: 49365

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

UDIN: 19049365AAAAAV7355
Place of Signature: Mumbai
Date: August 28, 2019

Burger King India Private Limited
Balance Sheet as at March 31, 2019

	Notes	As at March 31, 2019 INR in Millions	As at March 31, 2018 INR in Millions
Assets			
Non-current assets			
Property, plant and equipment	3	3,475.38	2,401.61
Capital work-in-progress		202.38	103.18
Intangible assets	4	157.92	87.98
Financial assets			
Loans	5	213.08	161.40
Others financial assets	6	0.62	0.30
Income tax assets (net)		8.16	5.99
Other non-current assets	7	216.60	155.48
		4,274.14	2,915.94
Current assets			
Inventories	8	68.56	51.88
Financial assets			
Investments	9	384.14	868.92
Trade and other receivables	10	58.98	25.85
Cash and cash equivalents	11	158.55	72.04
Bank balances other than cash and cash equivalents	12	1.61	1.86
Other financial assets	13	29.69	13.32
Other current assets	14	138.11	75.88
		839.64	1,109.75
Total Assets		5,113.78	4,025.69
Equity and Liabilities			
Equity			
Share capital	15	2,650.00	2,650.00
Other equity	16	495.73	643.69
Total Equity		3,145.73	3,293.69
Liabilities			
Non-current liabilities			
Provisions	17	51.78	33.24
Other non-current liabilities	18	7.86	7.33
		59.64	40.57
Current liabilities			
Financial liabilities			
Borrowings	19	1,000.00	-
Trade payables			
Total outstanding dues of micro and small enterprises	20	-	-
Total outstanding dues of creditors other than micro and small enterprises	20	609.00	434.11
Other current financial liabilities	21	222.15	157.39
Provisions	17	23.81	17.03
Other current liabilities	22	53.45	82.90
		1,908.41	691.43
Total Equity and Liabilities		5,113.78	4,025.69

Summary of Significant accounting policies — 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership No: 49365

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Burger King India Private Limited

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Jaspal Singh Sabharwal
Director
DIN: 00899094

Ranjana Saboo
Company Secretary
Membership No: A18670

Place: Mumbai
Date: August 28, 2019

Burger King India Private Limited
Statement of Profit and Loss for the year ended March 31, 2019

	Note	For the year ended March 31, 2019 INR in Millions	For the year ended March 31, 2018 INR in Millions
Income			
Revenue from operations	23	6,327.35	3,781.22
Other income	24	113.95	106.15
Total Income		6,441.30	3,887.37
Expenses			
Cost of materials consumed	25	2,300.84	1,438.54
Employee benefits expenses	26	968.59	704.31
Finance costs	27	2.49	2.86
Depreciation and amortisation expenses	28	394.77	307.46
Other expenses	29	2,930.52	2,060.06
Total Expenses		6,597.21	4,513.23
Loss before tax		(155.91)	(625.86)
Tax expenses			
Current tax	30	-	-
Deferred tax	30	-	-
Loss for the year		(155.91)	(625.86)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement (expense)/gains on defined benefit plans	32	(2.71)	8.16
Income tax on above	30	-	-
Total other comprehensive income/(loss), net of tax		(2.71)	8.16
Total comprehensive loss for the year, net of tax		(158.62)	(617.70)
Earnings per equity share	31		
Face value of Rs. 10 each (March 31, 2018: INR 10)			
Basic and Diluted (in INR)		(0.59)	(2.36)
Summary of Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership No : 49365

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Burger King India Private Limited

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Jaspal Singh Sabharwal
Director
DIN: 00899094

Ranjana Saboo
Company Secretary
Membership No: A18670

Place : Mumbai
Date: August 28, 2019

Burger King India Private Limited
Cash Flow Statement for the year ended March 31, 2019

	For the year ended March 31, 2019 INR in Millions	For the year ended March 31, 2018 INR in Millions
Cash flow from operating activities		
Loss before tax	(158.62)	(617.70)
Adjustments for:		
Depreciation/ amortization	394.77	307.46
Assets written off (Refer Note 29(ii))	1.12	6.16
Interest Income	(0.22)	(0.20)
Provisions written back	(64.92)	-
Interest cost	2.49	2.86
Employee stock option scheme expense	7.80	8.40
Amortisation of deferred lease rent on interest free security deposit	23.17	18.65
Notional interest on interest free security deposit	(16.37)	(13.06)
Profit on sale of Current Investments (including MTM impact)	(29.90)	(89.66)
Operating profit/(loss) before working capital changes	159.32	(377.09)
Movements in working capital		
(Increase) in financial assets	(35.31)	(36.75)
(Increase) in other non-current assets	(64.21)	(41.09)
(Increase) in other current assets	(35.81)	(17.78)
(Increase) in inventories	(16.68)	(11.90)
(Increase) in trade receivables	(33.13)	(11.69)
Increase in trade payables	196.98	239.36
Increase in provisions	14.55	9.06
Increase / (Decrease) in other liabilities	(28.91)	27.87
Cash generated/(used) in operations	156.80	(220.01)
Direct taxes paid (net of refunds)	(2.17)	(3.54)
Net cash flow generated/(used) in operating activities (A)	154.63	(223.55)
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,582.97)	(821.39)
Purchase of Current Investments	(1,659.62)	(719.80)
Proceeds from sale of Current Investments	2,174.31	1,713.18
Redemption/(Investments) in bank deposits (having original maturity of more than three months)(net)	0.25	(0.63)
Interest received on Fixed deposit	0.23	0.10
Decrease / (Increase) in Long term Deposits	(0.32)	0.54
Net cash flow generated/(used) in investing activities (B)	(1,068.12)	172.00
Cash flows from financing activities		
Issue of 8% Compulsory Convertible Preference shares	1,000.00	-
Net Cash flows from financing activities (C)	1,000.00	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	86.51	(51.55)
Cash and cash equivalents at the beginning of the year	72.04	123.59
Cash and cash equivalents at the end of the year	158.55	72.04
Net Increase/(decrease) in cash and cash equivalents	86.51	(51.55)
Components of cash and cash equivalents		
Cash on hand	39.88	22.55
With banks- on current account	118.67	49.49
Cash and cash equivalents as per note 11	158.55	72.04
Total Cash and cash equivalents for the purposes of cash flow statement	158.55	72.04

Summary of Significant accounting policies 2

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership No: 49365

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Burger King India Private Limited

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Jaspal Singh Sabharwal
Director
DIN: 00899094

Ranjana Saboo
Company Secretary
Membership No: A18670

Place: Mumbai
Date: August 28, 2019

Burger King India Private Limited
Statement of Changes in Equity for the year ended March 31, 2019

INR in Millions

(A) Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid

	No of shares	INR in Millions
As at April 1, 2017	26,50,00,000	2,650.00
Changes during the year	-	-
At March 31, 2018	26,50,00,000	2,650.00
Changes during the year	-	-
At March 31, 2019	26,50,00,000	2,650.00

For the year ended March 31, 2019

	Securities premium	Share based payment reserve	Retained earnings	Total other equity
As at March 31, 2018	2,454.50	30.62	(1,841.43)	643.69
Loss for the year	-	-	(155.91)	(155.91)
Other comprehensive income	-	-	(2.71)	(2.71)
Total comprehensive income	2,454.50	30.62	(2,000.05)	485.07
Share based compensation to employees for the year	-	10.66	-	10.66
As at Mar 31, 2019	2,454.50	41.28	(2,000.05)	495.73

For the year ended March 31, 2018

	Securities premium	Share based payment reserve	Retained earnings	Total other equity
As at April 1, 2017	2,454.50	20.66	(1,223.73)	1,251.43
Loss for the year	-	-	(625.86)	(625.86)
Other comprehensive income	-	-	8.16	8.16
Total comprehensive income	2,454.50	20.66	(1,841.43)	633.73
Share based compensation to employees for the year	-	9.96	-	9.96
As at March 31, 2018	2,454.50	30.62	(1,841.43)	643.69

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per Ravi Bansal
Partner
Membership No: 49365

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place: Mumbai
Date: August 28, 2019

For and on behalf of the Board of Directors of
Burger King India Private Limited

Rajeev Varman
Director and
Chief Executive Officer
DIN: 03576356

Jaspal Singh Sabharwal
Director
DIN: 00899094

Ranjana Saboo
Company Secretary
Membership No: A18670

Note 1
Corporate information

Burger King India Private Limited ("the Company") is a company incorporated on November 11, 2013. The Company is into the business of Quick Service Restaurants under the brand name of "Burger King". The Company is a subsidiary of QSR Asia Pte. Ltd.

The registered office of the Company is located at office no. 1003 to 1007, B wing, 10th floor, Mittal Commercia, Asan Pada Road, Chimatpada, Marol, Andheri (East), Mumbai - 400059. As on March 31, 2019, the Company operated through 181 Quick Service Restaurants located in different cities of India.

Note 2
Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities, which have been measured at fair value:
• Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)
• Share based payments

The financial statements are presented in "INR" and all values are stated as INR million, except when otherwise indicated.

2.2 Change in accounting policies

Ind AS 115 'Revenue from Contracts with Customers'

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with a date of initial application of April 1, 2018. As a result, the Company has changed its accounting policy for revenue recognition.

The application of Ind AS 115 did not have any material impact on recognition and measurement of revenue and related items in the financial statements.

2.3 Summary of significant accounting policies

a. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in the 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

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the 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 liability for at least twelve months after the reporting period

All other liabilities are classified 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.

b. Foreign currencies

Functional and presentation currency

The Company's financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency using spot rates at the date, the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rates at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss as expense or income in the year in which they occur or arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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 best economic 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 use.

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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.

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 (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and investment in mutual fund measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

d. Revenue recognition

Revenue from contract with customer

Revenues from contracts with customers are recognised when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company acts as the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

An entity collects Goods and Services Tax ("GST") on behalf of the government and not on its own account. Hence it should be excluded from revenue, i.e. revenue should be net of GST.

<u>Sale of goods</u>
Revenue for food items is recognised when sold to the customer over the counter.

<u>Dividend income</u>
Dividend income is recognised when Company's right to receive dividend is established by the reporting date.

<u>Income from sub-franchisee operations</u>
Sub-Franchisee income includes onetime initial fees and royalty income on sales. One time initial fees are non-refundable and are recognised over the term of contract. Royalty income is recognised on accrual basis based on the terms of the agreement.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the 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.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

e. Taxes

Tax expense for the year comprises of current tax and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Property, plant and equipment (PPE) are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use and initial estimate of restoration liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. The present value of the expected cost for the restoration of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

<u>Depreciation on Property, Plant and Equipment</u>
Depreciation is provided on straight line method on a pro-rata basis from the date of use. The rates of depreciation are based on technical evaluation of the economic life of assets by the management, which are given below and are equal to or greater than the corresponding rates prescribed in Schedule II to the Companies Act, 2013:

Property, plant and equipment:	Economic life (Years):
Leasehold improvement	Lower of 15 years or lease period
Furniture and Fixtures	
- Restaurants	8 years
- Office	10 years
Restaurant equipments	
- Kitchen equipments	10 years
- Other equipments	5 years
Office equipments	5 years
Computers	3 years
Servers and networks (Included in Computers in Note 3)	6 years
Vehicles	8 year

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life.

Gains or losses arising from disposal of property, plant and equipment 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 and loss when the asset is disposed.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The Company capitalises software costs where it is reasonably estimated that the software has an enduring useful life. The Company capitalises one-time initial franchisee fees paid for opening of each store.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised on a straight line basis 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 are amortised on a straight line basis as follows:

Intangible assets:	Economic life (Years)
Software	5 years
Franchisee fees	Over the remaining term of Master Franchisee Agreement

Gains or losses arising from the de-recognition 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 and loss when the asset is derecognised.

h. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Where Company is lessee

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in case of fixed rent agreements. For variable rent agreements, they are recognised on the basis of minimum monthly guarantee or percentage of revenue share, whichever is higher.

Where Company is lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss over the lease term. Initial direct costs such as legal costs, brokerage costs, etc. are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

i. Inventories

Inventories (comprising of food, beverages, condiments, paper & packing materials) are valued at lower of cost (determined on first in first out basis) or net realisable value. However, materials and other items held for use the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash - generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liability

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

l. Retirement and other employee benefits

Defined Contribution plan

State governed Provident Fund and Employees State Insurance Corporation are considered as defined contribution plan and contributions thereto are charged to the statement of profit and loss for the year when an employee renders the related service. There are no other obligations, other than contribution payable to the respective funds.

Defined Benefit plan

Gratuity

Gratuity liability is a defined benefit scheme. The cost of providing benefits under this plan is determined on the basis of an actuarial valuation done by an independent actuary on the projected unit credit method at the end of each financial year. Re-measurements, comprising of actuarial gains, are recognised immediately in the balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. For the purpose of presentation of defined benefit plan, allocation between short term and long term provision is made as determined by an actuary.

Leave Encashment

Accumulated leaves, which are expected to be utilised within the next 12 months, are treated as current employee benefit. The Company treats the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m. Share - based payments

Senior executives of the company receive remuneration in the form of share based payment, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

• Financial assets measured at amortised cost; and
• Financial assets measured at Fair value through other comprehensive income (FVTOCI)

For trade receivables, other receivables and other financial assets, the Company follows 'simplified approach' for recognition of impairment loss allowance.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value.

The Company's financial liabilities include trade and other payables and borrowings.

Subsequent measurement

The Company measures all financial liabilities at amortised cost using the Effective Interest Rate ('EIR') method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial liabilities held for trading are measured at fair value through profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The Government grants is netted against the respective head of the expenses which it pertains to.

p. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the company's cash management.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

r. Cash flow statement

Cash flows are reported using indirect method, whereby profit/ loss before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/ cheques in hand and short-term investments with an original maturity of three months or less.

s. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements, are mentioned below:

a) Useful lives of Property, Plant and equipment

Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice, period of underlying lease term etc and same is reviewed periodically, including at each financial year end. Management reviews the useful economic lives atleast once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Company also reviews its property, plant and equipment and intangible assets, for possible impairment if there are events or changes in circumstances that indicate that carrying amount of assets may not be recoverable. In assessing the property, plant and equipment and intangible assets for impairment, factors leading to significant reduction in profits, the Company's business plans and changes in regulatory/ economic environment are taken into consideration.

b) Provision for Site Restoration Liability

The Company has recognised a provision for site restoration obligation associated with the stores opened. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the furniture/fixtures from the stores and the expected timing of those costs. The Company estimates that the costs would be realised upon the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

c) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 attrition rates 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. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Further details about gratuity obligations are given in note 32.

d) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

e) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details about Deferred tax assets are given in note 30.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

INR in Millions

Note 3 : Property, plant and equipment

	Leasehold Improvements	Restaurants Equipments	Furniture & Fixtures	Computers	Office Equipments	Vehicles	Total
Cost							
At April 01, 2017	1,187.08	830.78	125.52	19.61	4.86	3.26	2,171.11
Additions	402.67	359.65	70.88	3.43	1.35	-	837.98
Disposals	34.49	0.31	0.19	0.05	-	-	35.04
At March 31, 2018	1,555.26	1,190.12	196.21	22.99	6.21	3.26	2,974.05
Additions	729.18	599.57	123.30	3.71	1.28	-	1457.04
Disposals	8.94	0.47	2.06	-	0.17	-	11.64
At March 31, 2019	2,275.50	1,789.22	317.45	26.70	7.32	3.26	4,419.45
Depreciation							
At April 1, 2017	163.64	109.66	16.45	8.95	2.20	1.17	302.07
Depreciation for the year	163.52	111.65	19.04	3.75	1.02	0.39	299.37
Disposals	28.87	0.04	0.07	0.02	-	-	29.00
At March 31, 2018	298.29	221.27	35.42	12.68	3.22	1.56	572.44
Depreciation for the year	184.53	161.89	29.65	4.27	0.80	0.39	381.53
Disposals	8.53	0.28	0.94	-	0.15	-	9.90
At March 31, 2019	474.29	382.88	64.13	16.95	3.87	1.95	944.07
Net Book Value							
At March 31, 2019	1,801.21	1,406.34	253.32	9.75	3.45	1.31	3,475.38
At March 31, 2018	1,256.97	968.85	160.79	10.31	2.99	1.70	2,401.61

Note
For capitalization of pre-operative expenditure relating to leasehold improvements and restaurant equipments, refer note 37.

Note 4 : Intangible assets

	Computer - Software	Franchise Rights	Total
Cost			
At April 01, 2017	25.91	47.12	73.03
Add: Additions	0.99	31.62	32.61
Less: Disposals	0.02	-	0.02
At March 31, 2018	26.88	78.74	105.62
Add: Additions	10.98	72.20	83.18
Less: Disposals	-	-	-
At March 31, 2019	37.86	150.94	188.80
Amortization			
At April 01, 2017	7.34	2.22	9.56
Amortisation for the year	4.87	3.22	8.09
Disposals	0.01	-	0.01
At March 31, 2018	12.20	5.44	17.64
Amortization for the year	7.30	5.94	13.24
Disposals	-	-	-
At March 31, 2019	19.50	11.38	30.88
Net Book Value			
At March 31, 2019	18.36	139.56	157.92
At March 31, 2018	14.68	73.30	87.98

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 5 : Non-current financial assets - Loans (unsecured, considered good)
(carried at amortised cost)

INR in Millions

	March 31, 2019	March 31, 2018
Security Deposits - Premises and Other Deposits	213.08	161.40
	213.08	161.40

- No Loans are due from directors or promoters of the Company either severally or jointly with any person.

Note 6 : Non-current financial assets - Others (unsecured, considered good)
(Carried at amortised cost)

	March 31, 2019	March 31, 2018
Bank Deposits with remaining maturity of more than 12 months*	0.62	0.30
	0.62	0.30

*Above deposits are given against bank guarantees issued to government authorities on registration.

Note 7 : Other non-current assets (unsecured, considered good)

	March 31, 2019	March 31, 2018
Capital advances	39.02	18.93
Prepaid expenses	0.43	-
Deferred lease rent	177.15	136.55
	216.60	155.48

Note 8 : Inventories (at lower of cost or net realisable value)

	March 31, 2019	March 31, 2018
Food, beverages & condiments	52.83	37.31
Paper & packaging material	15.73	14.57
	68.56	51.88

Note 9 : Current financial assets - Investments

	March 31, 2019		March 31, 2018	
	Units	INR in Millions	Units	INR in Millions
Investments in Quoted Mutual Funds: (fully paid)				
Investments at fair value through Profit & Loss				
Reliance Prime Debt Fund - Growth Plan - Growth Option - IPGP (Cost- CY: NIL, PY: INR 27.61 mil)	-	-	8,62,898	31.44
Ultra - Money Market Fund- Growth Plan (Cost- CY: NIL, PY: INR 15.28 mil)	-	-	7,981	15.48
Kotak Low Duration Fund Standard Growth (Regular Plan) (Cost- CY: NIL, PY: INR 300 mil)	-	-	1,51,474	321.60
ICICI Prudential - Ultra Short Term Fund - Growth (Cost- CY: NIL, PY: INR 250 mil)	-	-	1,52,69,227	267.76
Aditya Birla Sun Life Fund Quarterly Plan - Series 1 growth – regular plan (Cost- CY: NIL, PY: INR 190 mil)	-	-	85,17,200	191.52
Aditya Birla Sun Life Savings Fund - Growth Regular Plan (Cost- CY: INR 122 mil, PY: NIL)	3,32,324	122.67	-	-
Kotak Savings Fund - Growth (Regular Plan) (Cost- CY: INR 100 mil, PY: NIL)	33,55,063	100.56	-	-
HDFC Ultra Short term Fund - Regular Growth (Cost- CY: INR 100 mil, PY: NIL)	96,13,998	100.53	-	-
SBI Savings Fund (Cost- CY: INR 50.17 mil, PY: NIL)	17,42,079	50.41	-	-
UTI Short Term Income Fund - Growth Plan (Cost- CY: INR 7.38 mil, PY: INR 32.41 mil)	4,43,040	9.97	19,46,863	41.12
		384.14		868.92

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2019

INR in Millions

Note 10 : Trade and other receivables (unsecured, considered good)
(Carried at amortised cost)

	March 31, 2019	March 31, 2018
Other receivables	61.61	25.85
Less : Allowance for doubtful balances	(2.63)	-
	58.98	25.85

Note:
1. No trade receivables are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 11 : Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks		
In current accounts	118.67	49.49
Cash on hand	39.88	22.55
	158.55	72.04

Note 12 : Bank balances other than cash and cash equivalents

	March 31, 2019	March 31, 2018
Time deposits with original maturity of more than 3 months and remaining maturity less than 12 months*	1.61	1.86
	1.61	1.86

*Above deposits are given against bank guarantees issued to government authorities on registration.

Note 13 : Other financial assets - current (unsecured, considered good)
(Carried at amortised cost)

	March 31, 2019	March 31, 2018
Income receivables	29.69	13.32
	29.69	13.32

Note 14 : Other current assets

	March 31, 2019	March 31, 2018
Prepaid expenses	36.92	12.63
Advance to suppliers	45.83	22.37
Advance to employees	1.67	1.60
Deferred rent	24.16	19.06
Balances with government authorities	40.88	74.95
Less : Allowance for doubtful balances	(11.35)	(54.73)
	138.11	75.88

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 15 : Share Capital

Authorised equity share capital

	Equity shares	
	Numbers	INR in Millions
At April 1, 2017	26,50,00,000	2,650.00
Increase during the year	-	-
At March 31, 2018	26,50,00,000	2,650.00
Increase during the year	2,50,00,000	250.00
At March 31, 2019	29,00,00,000	2,900.00

Authorised preference share capital

	Preference shares	
	Numbers	INR in Millions
At April 1, 2017	-	-
Increase during the year	-	-
At March 31, 2018	-	-
Increase during the year	1,15,00,000	1,150.00
At March 31, 2019	1,15,00,000.00	1,150.00

Terms/ rights attached to equity shares

The Company has a single class of equity shares having par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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 if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued Capital

Equity shares of INR 10 each issued, subscribed and fully paid

	Numbers	INR in Millions
At April 1, 2017	26,50,00,000	2,650.00
Changes during the year		
At March 31, 2018	26,50,00,000	2,650.00
Changes during the year	-	-
At March 31, 2019	26,50,00,000	2,650.00

A. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	INR in Millions	Number of shares	INR in Millions
QSR Asia Pte Ltd - Holding Company Equity shares of INR 10 each fully paid	26,49,99,999	2650.00	26,49,99,999	2650.00
F&B Asia Ventures (Singapore) Pte. Ltd. - Holding Company of QSR Asia Pte. Ltd Equity share of INR 10 each fully paid	1.00	*0	1.00	*0

* Denotes amount less than INR 5,000

B. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
QSR Asia Pte Ltd - Holding Company	26,49,99,999	99.99%	26,49,99,999	99.99%
			-	
	26,49,99,999	99.99%	26,49,99,999	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.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 16 : Other equity

Securities premium

	INR in Millions
At March 31, 2018	2,454.50
At Mar 31, 2019	2,454.50

Share based payment reserve

	INR in Millions
At March 31, 2017	20.66
Add: Charge for the year	9.96
At March 31, 2018	30.62
Add: Charge for the year	10.66
At March 31, 2019	41.28

Retained earnings

	INR in Millions
At March 31, 2017	(1,223.73)
Add: Loss during the year	(617.70)
At March 31, 2018	(1,841.43)
Add: Loss during the year	(158.62)
At March 31, 2019	(2,000.05)

Total other equity

At March 31, 2018	643.69
At March 31, 2019	495.73

Nature of reserves:

1. Securities premium: Securities premium reserve is used to record the premium on issue of shares.
2. Share based payment reserve: Share based payment reserve is used to recognise the grant date fair value of options issued to employees under employee stock plan.

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Burger King India Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2019

INR in Millions

Note 17 : Provisions

	March 31, 2019	March 31, 2018
Non-current provisions		
Gratuity (Refer note 32)	16.65	8.88
Site restoration liability (Refer note below)	35.13	24.36
	51.78	33.24

Note:

The Company records a provision for site restoration liability associated with the stores opened

	March 31, 2019	March 31, 2018
Opening Balance	24.36	18.49
Additions during the year	10.77	5.87
Closing Balance	35.13	24.36

	March 31, 2019	March 31, 2018
Current provisions		
Gratuity (Refer note 32)	0.33	0.03
Leave benefits	23.48	17.00
	23.81	17.03

Note 18 : Other non-current liabilities

	March 31, 2019	March 31, 2018
Income received in advance (Contract Liabilities)	7.86	7.33
	7.86	7.33

Note 19 : Borrowings

	March 31, 2019	March 31, 2018
Carried at Fair Value Through Profit and Loss:		
8% Compulsory Convertible Preference shares (CCPS) (Unsecured) (Refer Note below)	1,000.00	-
	1,000.00	-

Note:

During the year ended March 31, 2019, the Company issued 10 million CCPS of INR 100 each fully paid-up. CCPS carry non-cumulative dividend @ 8% p.a. CCPS shall be entitled to dividend, if declared by the Company, at the end of every financial year on non- cumulative basis. Each holder of CCPS is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to CCPS.

CCPS shall be compulsorily convertible into equity shares at the sole discretion of the shareholder at any time within a period of 20 years from the date of issuance at the Fair Market Value as at the date of conversion subject to minimum valuation of floor price mentioned in the terms of CCPS and in accordance with the applicable laws.

In the event of liquidation of the company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

CCPS has been classified as financial liability based on assessment of the terms and conditions as per Ind AS 32.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

INR in Millions

Note 20 : Trade payables

	March 31, 2019	March 31, 2018
Total outstanding dues of micro and small enterprises*	-	-
Total outstanding dues of creditors other than micro and small enterprises	609.00	434.11
	609.00	434.11

*No amounts are outstanding and due to Micro, Small and Medium Enterprises (MSME) to the extent information is available with the Company.

Note 21 : Other financial liabilities- Current

(Carried at amortised cost)

	March 31, 2019	March 31, 2018
Payable to capital vendors	193.78	138.62
Retention Money Payable	28.37	18.77
	222.15	157.39

Note 22 : Other current liabilities

	March 31, 2019	March 31, 2018
Income received in advance (Contract Liabilities)	1.32	4.05
Statutory dues	52.13	78.85
	53.45	82.90

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2019

INR in millions

Note 23 : Revenue from operations

	March 31, 2019	March 31, 2018
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenue recognised at the point of time		
Income from Sale of food and beverages	6,285.86	3,752.00
Revenue recognised over the period of time		
Income from sub franchisee operations	22.93	18.78
Total revenue from contracts with customers	6,308.79	3,770.78
Other Operating income		
Scrap Sales	18.56	8.61
Advertising and marketing support income	-	1.83
Total revenue from operations	6,327.35	3,781.22

Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	March 31, 2019
Contract liabilities (Refer note 18 & 22)	9.17
Revenue recognised in the period from:	
Amounts included in contract liability at the beginning of the period	22.93

Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company perform under the contract.
There are no adjustments required to the retained earnings as at April 1,2018. Also, the application of Ind AS 115 did not have any impact on recognition and measurement of revenue and related items in the financial statements. (Refer Note 2.2 for changes in accounting policy)

Note 24 : Other income

	March 31, 2019	March 31, 2018
Interest income on Fixed deposits	0.22	0.20
MTM Gain on financial instruments at fair value through profit and loss	4.62	41.26
Profit on sale of investments	25.28	48.40
Rental income	1.63	2.48
Interest income on security deposits	16.37	13.06
Provisions no longer required written back	64.92	-
Miscellaneous income	0.91	0.75
	113.95	106.15

Note 25 : Cost of materials consumed

	March 31, 2019	March 31, 2018
Food, beverages, condiments , paper and packaging materials		
Inventory at the beginning of the year	51.88	39.98
Add: Purchases	2,317.52	1,450.44
Less: inventory at the end of the year	(68.56)	(51.88)
	2,300.84	1,438.54

Details of materials consumed

Food, beverages and condiments	2,091.77	1,309.21
Paper & packaging material	209.07	129.32
	2,300.84	1,438.53

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

INR in millions

Note 26 : Employee benefits expense

	March 31, 2019	March 31, 2018
Salaries, wages and bonus	834.95	591.80
Contribution to provident and other funds {net of government grant under PMRPY* scheme of INR 16.25 Million (PY: INR 3.14 Million)}	60.57	51.14
Employee stock compensation expense (refer note 34)	7.80	8.40
Gratuity expense (refer note 32)	5.37	8.71
Staff welfare expense	59.90	44.26
	968.59	704.31

*PMRPY stands for Pradhan Mantri Rojgar Protsahan Yojana

Note 27 : Finance costs

	March 31, 2019	March 31, 2018
Finance charges on Site Restoration	2.49	2.86
	2.49	2.86

Note 28 : Depreciation and amortisation expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment	381.53	299.37
Amortization of intangible assets	13.24	8.09
	394.77	307.46

Note 29 : Other expenses

	March 31, 2019	March 31, 2018
Rent {including amortisation of deferred lease rent of INR 23.17 Million (PY: INR 18.65 Million)}	873.55	582.48
Power and Fuel	473.09	324.79
Rates & Taxes	24.25	16.80
Operating Supplies	87.29	62.58
Advertising and Marketing Expenses	535.46	534.80
Consultancy & Professional Fees (Refer Note (i) below)	65.12	48.51
Telephone and communication expenses	14.36	12.20
Travelling expenses	44.98	42.47
Insurance	4.93	3.79
Repairs and Maintenance - Leasehold Improvements	106.36	75.97
Repairs and Maintenance - Restaurant Equipments	8.07	3.71
Repairs and Maintenance - Others	103.18	86.31
Royalties Fees	235.86	120.51
Allowance for doubtful receivables	2.63	-
Assets written off (Refer Note (ii) below)	1.12	6.16
Commission & Delivery expenses	294.00	85.04
Miscellaneous Expenses	56.27	53.94
	2,930.52	2,060.06

i) Note :
Payments to the auditor:

	March 31, 2019	March 31, 2018
As auditor		
Audit fee	2.80	2.35
Tax audit fee	0.35	0.30
In other capacity:		
Other services (certification fees)	1.05	0.85
Reimbursement of expenses	0.10	0.10
	4.30	3.60

ii) Note :
During the year ended March 31, 2019, the company has written off INR NIL (PY: INR 6.08 Million) representing written down value of lease hold improvements installed at a store upon its closure.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

INR in Millions

Note 30 : Income Taxes

(A) The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018:

Statement of profit and loss

	March 31, 2019	March 31, 2018
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Relating to effect of previously unrecognised tax credits, now recorded	-	-
Income tax expense reported in the statement of profit or loss	-	-

(B) Amounts recognised in other comprehensive income

	March 31, 2019	March 31, 2018
Income tax expense charged to OCI	-	-
	-	-

(C) Reconciliation of tax expense and the accounting profit/(loss) multiplied by effective tax rate:

	March 31, 2019	March 31, 2018
Accounting loss before income tax	(155.91)	(625.86)
At India's statutory income tax rate for March 31, 2019: 31.20% (March 31, 2018: 33.06%)	(48.64)	(206.91)
Adjustments in respect of current income tax of previous years		
Tax effect of brought forward losses/unabsorbed depreciation of current year on which no deferred tax is recognised	48.64	206.91
Temporary differences in current year on which no deferred tax is recognised	-	-
Non-deductible expenses for tax purpose	-	-
Effective tax rate	-	-
Income tax expense reported in the statement of profit and loss	-	-

(D) Components of deferred tax assets and liabilities recognised in the Balance Sheet, Statement of profit and loss and Statement of other comprehensive income

	March 31, 2019	March 31, 2018
Deferred Tax Assets	102.30	89.15
Deferred Tax Liabilities	(102.30)	(89.15)
Net Deferred Tax Assets /(Liabilities)	(0.00)	(0.00)

Movement in Deferred Tax:

	Balance Sheet		Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax relates to the following:				
Deferred tax liability recognised for timing difference due to:				
a. Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	31.77	23.58	8.19	(0.70)
b. Others	70.53	65.57	4.95	18.80
Deferred tax assets recognised due to:				
a. Expenses allowable in Income Tax on payment basis	12.62	8.08	4.54	3.67
b. Others	65.68	52.10	13.58	6.70
c. Unabsorbed depreciation and carried forward losses*	24.00	28.97	(7.91)	7.73
Deferred Tax expense/(income)	102.30	89.15	10.21	18.10
Net Deferred Tax Assets/(Liabilities)	0.00	0.00		

*The Company has unused tax losses carried forward and unabsorbed tax depreciation. The unused tax losses expire in 8 years and may not be used to offset taxable income by the Company. Unabsorbed tax depreciation does not have any expiry period under the Income Tax Act, 1961. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2019

INR in Millions

Note 31: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2019	March 31, 2018
Loss attributable to equity holders:		
Continuing operations	(155.91)	(625.86)
Loss attributable to equity holders for basic earnings	**(155.91)**	**(625.86)**
Loss attributable to equity holders adjusted for the effect of dilution		
Weighted average number of Equity shares for basic EPS*	26,50,00,000	26,50,00,000
Effect of dilution:		
Share options under ESOP and 8% Compulsorily Convertible Preference shares (CCPS)	3,10,74,379	15,30,843
Weighted average number of Equity shares adjusted for the effect of dilution	29,60,74,379	26,65,30,843
Basic EPS	**(0.59)**	**(2.36)**
Diluted EPS	**(0.59)**	**(2.36)**

Potential equity shares are anti dilutive and hence the effect of anti dilutive potential equity shares is ignored in calculating diluted earning per share.

Note 32 : Employee Benefits

(a) Defined Contribution Plans

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	March 31, 2019	March 31, 2018
a. Provident Fund/ Employees' Pension Fund	40.70	37.67
	40.70	**37.67**

(b) Defined Benefit Plans

a. Gratuity :

Gratuity liability is a defined benefit scheme. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity liability is unfunded.
The cost of providing benefits under this plan is determined on the basis of an actuarial valuation done.

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

	Gratuity	
	March 31, 2019	March 31, 2018
I Change in present value of defined benefit obligation during the year		
1. Present Value of defined benefit obligation at the beginning of the year	8.90	8.35
2. Interest cost	0.64	0.59
3. Current service cost	4.73	8.12
4. Actuarial changes arising from changes in demographic assumptions	-	(6.32)
5. Actuarial changes arising from changes in financial assumptions	0.71	(0.09)
6. Actuarial changes arising from changes in experience adjustments	2.00	(1.75)
7. Present Value of defined benefit obligation at the end of the year	**16.98**	**8.90**
II Net liability recognised in the balance sheet		
1. Present Value of defined benefit obligation at the end of the year	16.98	8.90
2. Fair value of plan assets at the end of the year	-	-
Net liability recognised in balance sheet	**16.98**	**8.90**
III Expenses recognised in the statement of profit and loss for the year		
1. Current service cost	4.73	8.12
2. Interest cost on benefit obligation (Net)	0.64	0.59
3. Total expenses included in employee benefits expense	**5.37**	**8.71**
IV Recognised in other comprehensive income for the year		
1. Actuarial changes arising from changes in demographic assumptions	-	(6.32)
2. Actuarial changes arising from changes in financial assumptions	0.71	(0.09)
3. Actuarial changes arising from changes in experience adjustments	2.00	(1.75)
5. Recognised in other comprehensive income	**2.71**	**(8.16)**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

INR in Millions

V Maturity profile of defined benefit obligation		
1st following year	0.33	0.03
2nd following year	0.86	0.23
3rd following year	1.22	0.57
4th following year	1.50	0.81
5th following year	1.75	0.99
Sums of years 6 to 10	7.11	4.34
VI Quantitative sensitivity analysis for significant assumption is as below:		
1. Increase/(decrease) on present value of defined benefits obligation at the end of the year		
(i) One percentage point increase in discount rate	(1.63)	(0.87)
(ii) One percentage point decrease in discount rate	1.95	1.03
(i) One percentage point increase in rate of salary Increase	1.89	0.97
(ii) One percentage point decrease in rate of salary Increase	(1.64)	(0.88)
(i) One percentage point increase in employee turnover rate	(0.40)	(0.40)
(ii) One percentage point decrease in employee turnover rate	0.41	0.20

2. Sensitivity Analysis Method

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the year, while holding other assumptions constant.

VII Actuarial assumptions		
1. Discount rate	6.76%	7.18%
2. Salary escalation	7.00%	7.00%
3. Mortality rate during employment	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
4. Mortality post retirement rate	N.A	N.A
5. Rate of Employee Turnover	Operations :- Service < 5 yrs - 35% Service > 5 yrs and <=10 yrs - 15% Service >= 11 yrs - 5% RSC :- Service < 5 yrs - 15% Service >=5 yrs - 5%	Operations :- Service < 4 yrs - 35% Service > 4 and <=10 yrs - 15% Service > 10 yrs - 5%
6. Retirement age	58 years	58 years

Notes :

(i) The actuarial valuation of the defined benefit obligation were carried out at March 31, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2019

INR in Millions

Note 33 : Related party transactions

Names of related parties and related party relationship

Related parties where control exists	
Holding company	QSR Asia Pte. Ltd.
Holding company of QSR Asia Pte. Ltd.	F&B Asia Ventures (Singapore) Pte. Ltd.
Ultimate Holding Company	F&B Asia Ventures Ltd. (Mauritius)

Other related parties with whom transactions have taken place during the period

Fellow Subsidiary	Harry's India Private Limited
Enterprises over which Key Management Personnel/ shareholders or their relatives is/ are able to exercise significant influence	Pan India Food Solutions Private Limited
Key management personnel	
Directors	Mr. Rajeev Varman (Chief Executive Officer) Mr. Jaspal Singh Sabharwal (Non Executive Director) Mr. Amit Manocha (Non Executive Director) Mr. Antonio Pagano w.e.f Dec 13, 2017 (Non Executive Director) Mr. Ajay Kaul w.e.f Oct 29, 2018 (Non Executive Director)
Chief Financial Officer	Mr. Tanmay Kumar (Upto Aug 9, 2019)
Company Secretary	Ms. Ranjana Saboo

Transactions with related parties

	March 31, 2019	March 31, 2018
(a) Issue of 8% Compulsory Convertible Preference Shares to related party		
QSR Asia Pte Ltd	1,000	-
(b) Rent Received		
Harry's India Private Limited	1.63	2.48
(c) Remuneration to Key management personnel *		
Mr. Rajeev Varman	26.29	23.58
Mr. Tanmay Kumar	16.04	13.17
Ms. Ranjana Saboo	4.47	3.33
Compensation of key management personnel of the company		
Short-term employee benefits	1.31	0.50
Post-employment gratuity	1.23	0.75
Share-based payment transactions	2.75	2.20

*The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

d) Outstanding balances with related parties:		
Advance for expense	0.11	-
Rajeev Varman		
Other Receivables		
Harry's India Private Limited	-	0.36
Trade Payable		
Pan India Food Solutions Private Limited	0.04	0.04

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Note 34 : Share-based payments

INR in Millions

The Company provides share-based payment schemes to its senior executives. During the year ended March 31, 2016, an employee stock option plan (ESOP) was introduced. The relevant details of the scheme and the grant are as below.

On September 21, 2015, the board of directors approved the Equity Settled 'Employees Stock Option Scheme 2015' (Scheme 2015) for issue of stock options to the key employees of the Company. According to the Scheme 2015, the employee selected will be entitled to convert options based on option value, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 5 years from the date of commencement of employment. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 years. The other relevant terms of the grant are as below:

Vesting period	5 (five) years from the date of grant of the Option or initial public offering or liquidity event whichever is earlier. Liquidity event means the occurrence of a transaction of sale or purchase of shares or the execution of definitive document by which there is a change in control
Exercise period	On or after the Vesting Date
Expected life	5 years
Exercise price	Cashless
Conversion price	Total capital invested in the Company (i.e. face value + share premium infused in the Company up to the Vesting Date) divided by Total number of Shares issued and outstanding on the Vesting Date

The expense recognised for employee services received during the year is shown in the following table:

	March 31, 2019	March 31, 2018
Expense arising from equity-settled share-based payment transactions	7.80	8.40
Total expense arising from share-based payment transactions	7.80	8.40

There were no cancellations or modifications to the awards in March 31, 2019 or March 31, 2018.

Movements during the year

	March 31, 2019	March 31, 2018
Outstanding at April 1	41.00	41.00
Granted during the year	27.50	-
Exercised during the year	-	-
Lapsed during the year	5.00	-
Exercisable at March 31	63.50	41.00
Option Unvested at the end of the year	49.50	41.00
Option Exercisable at the end of the year	14.00	-

S R B C & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

INR in Millions

Note 35 : Commitments and contingencies

a. Leases : Operating lease commitments — Company as lessee

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 on a percentage of the revenue generated by the respective store. There are no restrictions imposed by such lease arrangements. Premises are taken on lease ranging from 1 to 30 years with a non-cancellable period at the beginning of the agreement ranging from 1 to 5 years.

	March 31, 2019	March 31, 2018
Operating lease payments recognised in the Statement of Profit and Loss	873.55	582.48

	March 31, 2019	March 31, 2018
Future minimum rentals payable under non-cancellable operating leases as at March 31, are as follows:		
Within one year	1,708.06	480.91
After one year but not more than five years	5,080.99	1,408.73
	6,789.05	1,889.64

b. Commitments :Estimated amount of contracts remaining to be executed on capital account and not provided for

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)

	March 31, 2019	March 31, 2018
Capital and Other Commitments	114.05	74.96

Note 36 : Segment Reporting

The Chief executive officer of Burger King India Private Limited has been identified as Chief Operating Decision Maker ("CODM") of the Company who evaluates the company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. CODM reviews the entire operating results of the business as a whole for the purpose of making decisions about resource allocation and performance assessment and therefore, Company believes that there is single reportable segment i.e. " Restaurants and Management". Segment performance is evaluated based on Profit or loss and is measured consistently with profit or loss in the financial statement.

Burger king India Private Limited is operated only in India and hence all non current assets belong to reportable segment are located in India. Company doesn't have any individual customer who is contributing more than 10% of revenue.

Note 37 : Capitalization of pre-operative expenditure

During the year, the Company has capitalized the following expenses as pre-operative expenses under Property, Plant & Equipment. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	March 31, 2019	March 31, 2018
Salary, Bonus and Allowances	34.27	37.76
Stamp Duty & Registration Charges	3.45	3.56
Commission and Brokerage	3.62	2.22
Legal, Consultancy and Professional Fees	4.44	5.97
Power and Fuel	3.89	1.34
Rent	2.97	0.40
Miscellaneous Expenses	8.39	5.00
	61.03	56.25

Note 38 : Going Concern

During the current year, the Company has incurred loss of INR 158.62 Million. The accounts of the Company for the year ended March 31, 2019 have been prepared on the basis of going concern, as the management is confident that the performance of the company will improve in the upcoming years. Additionally, the company has obtained financial support from QSR Asia Pte. Ltd. through additional funding for meeting its operating and financial requirements and such support to enable the Company to continue as a going concern for atleast next twelve months commencing from March 31, 2019. The Company is therefore considered as a going concern and accordingly, the financial statements have been prepared based on going concern assumption.

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

INR in Millions

Note 39 : Fair values of financial instruments

The fair values of financial instruments is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

a. Fair value hierarchy

The company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:
- Level 1 — Quoted prices (unadjusted) in active market for identical assets or liabilities that the Co—operative can access at the measurement date,
- Level 2 — Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 — Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

b. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

Management has determined that the carrying amounts of cash and bank balances, receivables and payables approximate their fair values due to their short-term nature.
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets carried at amortised cost				
Security deposits	213.08	161.40	213.08	161.40
Bank deposits	0.62	0.30	0.62	0.30
Trade and other receivables	58.98	25.85	58.98	25.85
Cash and cash equivalents	158.55	72.04	158.55	72.04
Bank balances other than cash and cash equivalents	1.61	1.86	1.61	1.86
Other financial assets	29.69	13.32	29.69	13.32
Financial assets at fair value through profit or loss				
Investments	384.14	868.92	384.14	868.92
	846.67	1,143.69	846.67	1,143.69
Financial liabilities carried at amortised cost				
Trade payables	609.00	434.11	609.00	434.11
Other financial liabilities	222.15	157.39	222.15	157.39
Financial liabilities carried at fair value through profit or loss				
Borrowings	1,000.00	-	1,000.00	-
	1,831.15	591.50	1,831.15	591.50

S R B C & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

The management assessed that cash and cash equivalents, trade receivables, bank deposits, Bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values for security deposits and borrowings are calculated based on cash flows discounted using risk adjusted discounting rates currently available for debt on similar terms, credit risk and remaining maturities. It is classified as level 3 fair value hierarchy due to the inclusion of unobservable inputs.

Particulars	Significant unobservable inputs	Discount rate	Sensitivity of the input to fair value
Security Deposits	Discount Rate	March 31, 2019: 10.8% March 31, 2018: 10.8%	1% (PY: 1%) increase (decrease) in the growth rate would result in decrease in fair value by INR 11.86 Million (PY INR 9.16 Million)

The fair value of quoted mutual fund investment is calculated based on the Net Assets value on reporting date and it is classified as level 1 fair value hierarchy since NAV quotes are obtainable from Mutual fund.

Note 40 : Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The following sections provide details regarding the Company's exposure to the above—mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Credit risk

Credit risk is the risk of loss that may arise on the outstanding financial instruments should a counterparty default on its obligations. The company's exposure to credit risk arises primarily from deposits with landlords for store properties taken on leases and other receivables including receivables from vendors, investment in mutual funds and balances with banks. There is no significant concentration of credit risk. For Investment in mutual funds and cash and bank balances, the company minimise credit risk by dealing with high credit rating parties.

Trade and Other receivables:

The Company's business is predominantly retail in nature on 'cash and carry' basis which is largely through cash and credit card collections. The credit risk on such credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Company also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. No allowance for collective impairment was made based on past experience.

S R B C & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Financial instruments and Cash deposits:

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds in mutual funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Credit risk concentration:

The Company's revenue is principally settled on cash terms or through credit cards, thus there are no significant past due balances in the company's trade receivables. The Company's customers are walk-in whose individual annual expenditure at the Company's establishments does not constitute a substantial percentage relative to the company's revenue.
Other receivables consist mainly of deposits placed with well-established and reputable lessors for lease of retail space.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2019 and March 31, 2018 is the carrying amount as provided in Note no 5,6, 9 to 13.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company and the Company monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by-management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically the Company ensure that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. The Company is dependent on financial support from its immediate holding company and has access to funds from the immediate holding company to meet its obligations as and when necessary.
The Company's operations are financed mainly through internally generated funds.
The table below summarises the maturity profile of the Company's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Particulars	March 31, 2019			March 31, 2018		
	Payable on demand	<1 yrs.	>1 yrs.	Payable on demand	<1 yrs.	>1 yrs.
8% Compulsory Convertible Preference Shares	1,000.00	-	-	-	-	-
Trade and other payables	-	609.00	-	-	434.11	-
Other financial liabilities	-	222.15	-	-	157.39	-

Note 41: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company.
The primary objective of the Company's capital management is to ensure it maintains sufficient cash in order to support its business and maximise shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018. The Company is dependent on financial support from the immediate holding company.
The Company is not subject to externally imposed capital requirements.

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Note 42: Standards issued but not yet effective

The amendments to standards that are issued but not yet effective up to the date of issue of the financial statements are discussed below:

Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto.

Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 1, 2019. The Company continues to evaluate the available transition methods and its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. The Company is currently evaluating the effect of this potential impact of Ind AS 116 on its financial statements

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which should be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company believes there would be no impact on its the financial statements on adoption of this amendment.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes there would be no impact on its the financial statements on adoption of this amendment.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 109. The amendment clarifies that a financial asset passes the SPPI (Solely Payments of Principal & Interest) criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The Company believes there would be no impact on its the financial statements on adoption of this amendment.

Amendments to Ind AS 23: Borrowing Costs

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23. The amendments clarifies that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. The Company believes there would be no impact on its the financial statements on adoption of this amendment.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Note 43

The Company is in the process of assessing retrospective applicability of the recent Supreme Court (SC) judgement on definition of basic wages for PF contributions. However, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Ravi Bansal
Partner
Membership No: 49365

For and on behalf of the Board of Directors of
Burger King India Private Limited

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Jaspal Singh Sabharwal
Director
DIN: 00899094

Ranjana Saboo
Company Secretary
Membership No: A18670

Place: Mumbai
Date: August 28, 2019

DIRECTORS REPORT

To,
The Members,
Burger King India Private Limited

Your Directors have pleasure in presenting the 6th (Sixth) Annual Report on the Company's business and operations, together with the audited financial statements for the year ended 31st March, 2019 and other accompanying reports, notes and certificates.

COMPANY OVERVIEW

Your Company was incorporated on 11th November, 2013 as a Private Limited Company with the Registrar of Companies, Mumbai under the registration number 249986 and Corporate Identity Number as U55204MH2013FTC249986.

FINANCIAL RESULTS

The Financial highlights of the Company for the year ended 31st March, 2019 are as follows:

Particulars	Figures (Rupees in Millions)	
	Period ended 31st March, 2019	Period Ended 31st March, 2018
Total Revenue	6,441.30	3,887.37
Total Expenses	6,597.21	4,513.23
Loss before Exceptional items and Tax	(155.91)	(625.86)
Loss for the year	(155.91)	(625.86)

DIVIDEND & APPROPRIATIONS

As the Company has evident losses during the year, the Directors of your Company do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

In view of the losses during the year, no amount is proposed to be transferred to the reserve, except as required under any statue.

INCREASE IN SHARE CAPITAL

(a) Authorized Capital:

During the year under review, the company in its Extraordinary General Meeting held on 12th December, 2018 revised its Authorized Share Capital from INR 2,650,000,000 to INR 4,050,000,000 and accordingly capital clause of Memorandum of Association was altered.

The Authorized Share Capital of the Company is INR 4,050,000,000 divided into 290,000,000 equity shares of INR 10 each and 11,500,000 preference shares of INR 100 each as on 31st March 2019.

(b) Issued, Subscribed and Paid-up Share Capital:

During the year under review, Company in its Board meeting held on 5th November, 2018 allotted 5,500,000 8% Compulsorily Convertible Preference shares to QSR Asia Pte. Ltd and 4,500,000 8% Compulsorily Convertible Preference shares to QSR Asia Pte. Ltd on 6th March, 2019.

The Issued, Subscribed and Paid-up Share Capital of the Company is INR 2,650,000,000 divided into 265,000,000 equity shares of INR 10 each and 10,000,000 preference shares of INR 100 as on 31st March 2019.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR;

During the period under review the following changes took place in the Composition of Board of Directors of the Company:

Mr. Ajay Kaul (DIN: 00062135) was appointed on the Board of Directors as the Additional Director of the Company with effect from 29th October, 2018.

Mr. Nitin Ramchand Motwani (DIN: 03397735) Director of the Company had resigned from the Board of Directors of the Company with effect from 24th October, 2018.

Mr. Antonio Pagano (DIN: 07992811) was appointed as the Additional Director on the Board of Directors of the Company with effect from 13th December, 2017. He was appointed as a Director by the member with effect from 21st September 2018 at the Annual General Meeting.

The Composition of the Board of Directors as on 31st March, 2019 is hereunder:

Sr. No.	Name of the Director	Designation/Status	DIN
1.	Mr. Rajeev Varman	Whole-time director	03576356
2.	Mr. Jaspal Singh Sabharwal	Director	00899094
3.	Mr. Amit Manocha	Director	01864156
4.	Mr. Antonio Pagano	Director	07992811
5.	Mr. Ajay Kaul	Additional Director	00062135

BOARD OF DIRECTORS, MEETINGS AND ITS COMMITTEES:

Meetings of the Board of Directors and attendance of the Directors:

During the period 01st April, 2018 to 31st March, 2019, 6 (Six) Board Meetings were convened and held on the below mentioned dates:

Sr. No.	Date of the Board Meeting	Attendance of the Board of Directors in each Meeting
1.	25th April, 2018	• Amit Manocha • Jaspal Singh Sabharwal • Rajeev Varman • Antonio Pagano • Nitin RamchandMotwani
2.	18th July, 2018	• Amit Manocha • Jaspal Singh Sabharwal • Rajeev Varman • Antonio Pagano • Nitin RamchandMotwani
3.	21st September, 2018	• Amit Manocha • Jaspal Singh Sabharwal • Rajeev Varman • Antonio Pagano • Nitin RamchandMotwani
4.	26th October, 2018	• Jaspal Singh Sabharwal • Rajeev Varman • Antonio Pagano • Amit Manocha
5.	12th December, 2018	• Jaspal Singh Sabharwal • Rajeev Varman

BURGER KING INDIA PRIVATE LIMITED

		• Antonio Pagano • Amit Manocha • Ajay Kaul
6.	05th February, 2019	• Jaspal Singh Sabharwal • Rajeev Varman • Antonio Pagano • Amit Manocha • Ajay Kaul

The intervening gap between the Meetings was within the period prescribed under the Act.

POLICIES AND PROCEDURES

Risk Management Policy:

The Company has a robust strategy to identify, evaluate business risks and opportunities. This strategy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage and helps in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for different business segments.

OTHER STATUTORY DISCLOSURES

Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in **Form MGT-9** is annexed as "**Annexure - I**".

Particulars of contracts or arrangements with related parties:

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 in **Form AOC-2** pursuant to Section 134 (3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as "**Annexure-II**" to this Report.

Particulars of Loan, Guarantee and Investments under Section 186 of the Act:

During the Financial Year 2018-19, the Company has not made any loans or given Guarantee/Security or made any investments under the provisions of Section 186 of the Act.

Deposits:

The Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

As the Company has not accepted any deposit during the year under review there is no non-compliance with the requirements of Chapter V of the Act.

Internal Financial Control and their adequacy:

Considering the size and nature of the business, presently adequate internal controls systems with reference to financial statements are in place. However, as and when Company achieves further growth and higher level of operations, Company will review the internal control system to match the size and scale of operations, if required.

The Company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorized use or disposition and that transaction are authorized and recorded correctly

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided herein below;

(A)	**Conservation of Energy**		
	(i)	The steps taken or impact on conservation of energy	NIL
	(ii)	The steps taken by the company for utilising alternate sources of energy	
	(iii)	The capital investment on energy conservation equipments	
(B)	**Technology absorption**		
	(i)	The efforts made towards technology absorption	NIL
	(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	
	(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
		(a) The details of Technology imported;	NIL
		(b) The year of Import;	

		(c)	Whether the technology been fully absorbed;	
		(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
	(iv)	The expenditure incurred on Research and Development.		
(C)	**Foreign Exchange Earnings and Outgo**			
	(i)	Foreign Exchange Earnings by the Company		-
	(ii)	Foreign Exchange Expenditure by the Company		-

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's offices, and take appropriate decision in resolving such issues. An Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding sexual harassment.

During the year under review, three complaints with allegations of sexual harassment was reported which was investigated by the committee as defined under the Policy and appropriate action was taken in the said case.

Material changes and commitments affecting the financial position of the Company:

During the period under review, there were no material changes and commitments affecting the financial position of the Company. Further there were also no material changes and commitment affecting the financial position of the Company which have occurred during between end of the financial year and the date of this report.

Details in respect of frauds reported by Auditors under Sub-Section (12) Of Section 143 other than those which are reportable to the Central Government

During the year under review, no frauds were reported by the Auditors under Section 143(12) other than those which are reportable to the Central Government.

BURGER KING INDIA PRIVATE LIMITED

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

As per the information available with the Board of Directors, there were no such orders passed against the Company.

Change in the nature of Business:

There was no change in the nature of business during the year under review.

Names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year:

During the year under review, there were no Companies which has/ have become/ ceased to become a Subsidiary/ Joint Ventures/ Associate Companies.

Corporate Social Responsibility Policy:

The Company does not qualify the threshold limits as specified in Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy), Rules 2014. Hence, the provisions with respect to the Corporate Social Responsibility Policy are not applicable to the Company.

Employee Stock Option Scheme:

The applicable disclosures in relation to the Employee Stock Option Scheme as stipulated under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 is provided in the "**Annexure-III**" attached to this report.

AUDITORS

Statutory Auditors:

M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration No. 324982E) who were appointed as the statutory auditors of the Company for the period of 5 years by the Members at the Annual General Meeting ("AGM") held on April 06, 2015 and who shall hold the office till the conclusion of the Sixth AGM.

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, the appointment of M/s S R B C & Co. LLP, as Statutory Auditors of the Company for the above tenure is subject to ratification by the Members in the ensuing AGM.

A certificate has been received from the statutory auditors to the effect that their re-appointment as the statutory auditors of the Company, if made would be within the limits prescribed under Section 141 of the Companies Act, 2013.

BURGER KING INDIA PRIVATE LIMITED

AUDITORS' OBSERVATIONS AND DIRECTORS' COMMENTS

Statutory Auditors Report

Following qualifications, reservations or adverse remarks or disclaimer in the Audit Report were issued by the Statutory Auditor of the Company for the period ended 31st March, 2019. The Board's Response to the same is as under:

a) **Auditor's Remark**

The Statutory Auditor in their Audit Report had drawn attention towards Undisputed statutory dues including provident fund, duty of customs, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been serious delays in few number of cases of provident fund.

Director's Response
The management has taken adequate measures to avoid delays in making payment of undisputed statutory dues and to ensure proper compliance in the said matter.

b) **Auditor's Remark**

The Statutory Auditor in their Audit Report had drawn attention towards the information and explanations provided for undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs in million)	Period to which the amount Relates
Employees' Provident Funds and Miscellaneous Provident Act, 1952	Provided Fund	0.25	2017-18 and 2018-19

Director's Response

The management has made the payment of Rs 0.25 million before 31st July,2019.

c) **Auditor's Remark**

The Statutory Auditor in their Audit Report had drawn attention towards the information and explanations given by the management, in respect of the private placement of 8% Compulsory Convertible Preference Shares during the year as per the provisions of section 42 of the Companies Act, 2013, except for Proviso to section 42(6) of the Companies Act, 2013 which requires that monies received on application of shall be kept in a separate bank account in a scheduled bank amounting to

Rs. 550 Million. According to the information and explanations given by the management, the amount raised has been used for the purposes for which the funds were raised.

Director's Response

As per the provisions of The Companies Act 2013 the Company did not utilize the funds till the allotment and ROC filing.

However, the management has advised the company secretary to take necessary steps and do the needful to ensure proper compliance in this matter.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to information and explanation obtained by them, confirm that:

1. In the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation related to material departures;

2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2019 and of the loss of the Company for that period;

3. They have taken proper and sufficient care for the 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 fraud and other irregularities;

4. They have prepared the annual financial statements on a going concern basis;

5. They have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

STATEMENT ON COMPLIANCE OF SECRETARIAL STANDARDS:

Pursuant to Clause 9 of the Secretarial Standards-1, your Directors, to the best of their knowledge and belief, confirm that they have complied with the applicable Secretarial Standards.

ACKNOWLEDGEMENTS:

The Board of Directors are grateful for the co-operation and support from the Bankers, clients and other business partners. The Board takes this opportunity to express their sincere appreciation for the

BURGER KING INDIA PRIVATE LIMITED

excellent patronage, total commitment, dedicated efforts of the executives and employees of the Company at all levels.

Your Directors would like to express their gratitude to the Members and are deeply grateful to them for reposing their confidence and faith in the Company.

The Directors wish to place on record their sincere appreciation of the valuable services rendered by the employees to the Company.

APPRECIATION:

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board of Directors
For Burger King India Private Limited

Mr. Rajeev Varman
Whole-Time Director
DIN: 03576356
Address: 849,Ferns Paradise, 3rd Street, Outer Ring Road, Doddanakundi, Bangalore North, Bangalore Marathaha Karnataka 560037.
Place: Mumbai
Date: 28th august 2019

Mr. Jaspal Singh Sabharwal
Director
DIN: 00899094
Address: APH - 01, Central Park I, Golf Course Road, Sec-42, Galleria DLF-IV, Famukhnagar Gurgaon 122002.

Place: Mumbai
Date: 28th august 2019

BURGER KING INDIA PRIVATE LIMITED

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.REGISTRATION AND OTHER DETAILS:

(i)	**CIN**	:	U55204MH2013FTC249986
(ii)	**Registration Date**	:	11/11/2013
(iii)	**Name of the Company**	:	Burger King India Private Limited
(iv)	**Category/ Sub-Category of the Company**	:	Company limited by Shares, Private Company Subsidiary of Foreign Company
(v)	**Address of the Registered office and contact details**	:	Unit Nos.1003 To 1007,10th Floor, Mittal Commercia, Asan Pada Road, Chimatpada, Marol, Andheri (E), Mumbai- 400059
(vi)	**Whether Listed Company**	:	No
(vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	:	N.A.

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	**Name and Description of main products / services**	**NIC Code of the Product/ service**	**% to total turnover of the Company**
1)	To develop, promote, establish, own, acquire, operate, manage and maintain directly or indirectly, restaurants (including quick service restaurants), eating houses, kiosks, fast food outlets, cafeterias, food courts, tea and coffee houses,	**DIVISION 56** – FOOD & BEVERAGE SERVICE ACTIVITIES -**GROUP 561**- RESTAURANTS & MOBILE FOOD SERVICES -**GROUP 562** - EVENT	100%

	soda fountains, taverns, canteens, catering services or other store formats and provide therein all types of amenities, facilities, conveniences, refreshments, in the territory of India and to license to other franchisees as a master franchisee, the right to develop, establish, operate and maintain, restaurants, eating houses, kiosks, fast food outlets, cafeteria, food courts, tea and coffee houses, soda fountains, taverns, canteens, catering services or other store formats in particular locations or regions within the territory of India.	CATERING & OTHER FOOD SERVICE ACTIVITIES -**GROUP 563** – BEVERAGE SERVICE ACTIVITIES.	

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	QSR Asia Pte Ltd	201326985R	Holding Company	100%*	Section 2 (87) (ii)

*Including 1(One) share held by F & B Asia Ventures (Singapore) Pte. Ltd as a nominee

IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									

a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt. (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-									
(2) **Foreign**									
a. NRIs – Individuals	-	-	-	-	-	-	-	-	-
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp*	Nil	265,000,000	265,000,000	100%	Nil	265,000,000	265,000,000	100%	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total Shareholding of Promoter (A) =(A)(1)+(A) (2)	**Nil**	**265,000,000**	**265,000,000**	**100%**	**Nil**	**265,000,000**	**265,000,000**	**100%**	-
B. Public Shareholding									
1. **Institutions**									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify) if Any	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-									

BURGER KING INDIA PRIVATE LIMITED

2. **Non-Institutions**									
a. Bodies Corp	-	-	-	-	-	-	-	-	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i. Individual Shareholders holding nominal share capital uptoRs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c. Others (specify) if Any	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for ADRs & GDRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**Nil**	**265,000,000**	**265,000,000**	**100%**	**Nil**	**265,000,000**	**265,000,000**	**100%**	-

*Including 1(One) share held by F & B Asia Ventures (Singapore) Pte. Ltd as a nominee.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			%change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	QSR Asia Pte. Ltd.*	265,000,000	100%	Nil	265,000,000	100%	Nil	-

*Including 1(One) share held by F & B Asia Ventures (Singapore) Pte. Ltd as a nominee.

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**QSR Asia Pte Ltd***				
	At the beginning of the year	265,000,000	100	265,000,000	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	265,000,000	100	265,000,000	100

*Including 1(One) share held by F & B Asia Ventures (Singapore) Pte. Ltd as a nominee.

(iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Particular	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease In Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

(V) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particular	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
		-	-	-	-

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc.):				
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-

Net Change	NA	NA	NA	NA
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Rajeev Varman (Whole Time Director) (Rs. In Millions)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	26.29
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	NA

	- as % of profit - Others, specify...	
5.	Others, please specify	NA
6.	Total (A)	26.29
7.	Ceiling as per the Act	NA

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors [Rs.]			Total Amount [Rs.]
	1. Independent Directors:				
	• Fee for attending board /committee meetings • Commission • Others, please specify	NA	NA	NA	NA
	Total (1)				
	2. Other Non-Executive Directors • Fee for attending board /committee meetings • Commission • Others, please specify	NA			
	Total (2)	NA			
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel (Rs. In Millions)			Total Amount (Rs. In Millions)
		CEO	Company Secretary	CFO	
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	NA	4.47	NA	4.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NA		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				-
	Stock Option		-		-
	Sweat Equity		NA		-
	Commission - as % of profit - Others, specify...				-
	Others, please specify				-
	Total	**NA**	4.47	**NA**	4.47

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/ Court]	Appeal Made, if any
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors
For Burger King India Private Limited

Mr. Rajeev Varman
Whole-Time Director
DIN: 03576356
Address: 849,Ferns Paradise, 3rd Street, Outer Ring Road, Doddanakundi, Bangalore North, Bangalore Marathaha Karnataka 560037.
Place: Mumbai
Date: 28TH AUGUST 2019

Mr. Jaspal Singh Sabharwal
Director
DIN: 00899094
Address: APH - 01, Central Park I, Golf Course Road, Sec-42, Galleria DLF-IV, Famukhnagar Gurgaon 122002.

Place: Mumbai
Date: 28TH AUGUST 2019

BURGER KING INDIA PRIVATE LIMITED

ANNEXURE II

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in general meetings as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. In Millions)

Sr. No	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ Transactions	Duration of contract/arrangement/	Salient terms of the contracts or arrangements or	Date of approval by the Board	Amount paid as advances, if any

(Rs. In Millions)

Sr. No	**Name of the related party and nature of relationship**	**Nature of contracts/ arrangements/ Transactions**	**Duration of contract/arrangement/ Transaction**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Date of approval by the Board**	**Amount paid as advances, if any**
1.	Harry's India Private Limited (Fellow subsidiary)	Rent Received	perpetual	1.63	Not Required	NA

For and on behalf of the Board of Directors
For Burger King India Private Limited

Mr. Rajeev Varman
Whole-Time Director
DIN: 03576356
Address: Flat No. 4202, 42nd Floor,
Tower-I Terra, Planet Godrej,
30, K. K. Marg, Mahalaxmi,
Mumbai - 400011.

Place: Mumbai
Date: 28TH AUGUST 2019

Mr. Jaspal Singh Sabharwal
Director
DIN: 00899094
Address: APH - 01, Central Park I,
DLF Golf Course Road,
Sec-42, Gurgaon - 122002,
Haryana.

Place: Mumbai
Date: 28TH AUGUST 2019

ANNEXURE III

DISCLOSURES IN RELATION TO THE EMPLOYEE STOCK OPTION SCHEME AS STIPULATED UNDER RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 IS PROVIDED HEREIN BELOW;

PARTICULARS		
(a)	Options granted;	₹ 71,500,000
(b)	Options vested;	₹ 14,000,000
(c)	Options exercised;	-
(d)	The total number of shares arising as a result of exercise of option;	-
(e)	Options lapsed;	₹ 8,000,000
(f)	The exercise price;	Cashless. To be converted at total capital invested in the Company (face value + Premium upto the vesting date) divided by total number of shares issued and outstanding at the vesting date
(g)	Variation of terms of options;	None
(h)	Money realized by exercise of options;	None
(i)	Total number of options in force;	₹ 63,500,000
(j)	Employee wise details of options granted to-	
	(i) Key managerial personnel.	₹ 14,000,000
	(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	₹ 24,500,000

BURGER KING INDIA PRIVATE LIMITED

	(iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None

For and on behalf of the Board of Directors
For Burger King India Private Limited

Mr. Rajeev Varman
Whole-Time Director
DIN: 03576356
Address: Flat No. 4202, 42nd Floor, Tower-I Terra, Planet Godrej, 30, K. K. Marg, Mahalaxmi, Mumbai - 400011.

Place: Mumbai
Date: 28TH AUGUST 2019

Mr. Jaspal Singh Sabharwal
Director
DIN: 00899094
Address: APH - 01, Central Park I, DLF Golf Course Road, Sec-42, Gurgaon - 122002, Haryana.

Place: Mumbai
Date: 28TH AUGUST 2019

BURGER KING INDIA PRIVATE LIMITED