S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of Burger King India Private Limited

Report on the Ind AS Financial Statements

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, 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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 control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

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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 purpose of our audit;

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

(c) The Balance Sheet, 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 Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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) 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
Place of Signature: Mumbai
Date: September 10, 2018

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 provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of value added tax, TDS and service tax. As explained to us, the provisions relating to excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales tax, duty of custom, duty of excise, value added tax, Goods and Services Tax (GST), cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, value added tax, Goods and Services Tax (GST) 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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

(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 177 and 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.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(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

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per Ravi Bansal
Partner
Membership Number: 49365
Place of Signature: Mumbai
Date: September 10, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BURGER KING INDIA PRIVATE 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, 2018 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 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 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 systems over financial reporting with reference to these 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 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 financial statements.

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 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 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

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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 Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, 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
Place of Signature: Mumbai
Date: September 10, 2018

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Burger King India Private Limited
Balance sheet as at March 31, 2018

	Notes	As at March 31, 2018 INR in Millions	As at March 31, 2017 INR in Millions	As at April 1, 2016 INR in Millions
Assets				
Non-current assets				
Property, plant and equipment	3	2,401.61	1,869.04	1,164.08
Capital work-in-progress		103.18	104.61	97.22
Intangible assets	4	87.98	63.47	30.53
Financial assets				
Security deposits	5	161.40	111.59	71.49
Others	6	0.30	0.84	0.03
Income tax assets (net)		5.99	2.44	1.16
Other non-current assets	7	155.48	125.67	138.23
		2,915.94	2,277.66	1,502.74
Current assets				
Inventories	8	51.88	39.98	25.98
Financial assets				
Investments	9	868.92	1,772.64	458.92
Trade and other receivables	10	25.85	14.16	7.34
Cash and cash equivalents	11	72.04	123.59	27.22
Bank balances other than cash and cash equivalents	12	1.86	1.23	1.04
Other financial assets	13	13.32	8.31	3.55
Other current assets	14	75.88	63.11	34.50
		1,109.75	2,023.02	558.55
Total Assets		4,025.69	4,300.68	2,061.29
Equity and Liabilities				
Equity				
Equity share capital	15	2,650.00	2,650.00	1,185.35
Other equity	16	643.69	1,251.43	578.06
		3,293.69	3,901.43	1,763.41
Non-current liabilities				
Provisions	17	8.88	8.33	3.67
Other non-current liabilities	18	7.33	9.84	12.56
		16.21	18.17	16.23
Current liabilities				
Financial liabilities				
Trade payables	19	434.11	194.83	100.97
Other financial liabilities	20	181.75	125.22	101.00
Provisions	17	17.03	8.52	8.75
Other current liabilities	21	82.90	52.51	70.93
		715.79	381.08	281.65
Total Equity and Liabilities		4,025.69	4,300.68	2,061.29

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
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: September 21, 2018

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

Tanmay Kumar
Chief Financial Officer
Place : Mumbai
Date: September 21, 2018

Ranjana Saboo
Company Secretary
Membership No : A18670

Burger King India Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018 INR in Millions	For the year ended March 31, 2017 INR in Millions
Income			
Revenue from operations	22	3,781.22	2,299.48
Other income	23	106.15	41.85
Total Income		3,887.37	2,341.33
Expenses			
Cost of materials consumed	24	1,438.54	922.27
Employee benefits expense	25	698.67	512.59
Finance cost	26	2.86	-
Depreciation and amortisation expense	27	307.46	208.01
Other expenses	28	2,065.70	1,268.75
Total Expenses		4,513.23	2,911.62
Loss before tax		(625.86)	(570.29)
Tax expenses			
Current tax	29	-	-
Deferred tax	29	-	-
Loss for the year		(625.86)	(570.29)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains on defined benefit plans	31	8.16	0.75
Income tax on above	29	-	-
Total other comprehensive income, net of tax		8.16	0.75
Total comprehensive income for the year, net of tax		(617.70)	(569.54)
Earnings per equity share			
Face value of INR 10 each (March 31, 2017: INR 10)			
Basic and Diluted (in INR)	30	(2.36)	(3.86)
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
ICAI Firm Registration No: 324982E/E300003

per Ravi Bansal
Partner
Membership No : 49365

Place : Mumbai
Date: September 21, 2018

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

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Director and
Chief Executive Officer
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DIN: 00899094

Tanmay Kumar
Chief Financial Officer
Place : Mumbai
Date: September 21, 2018

Ranjana Saboo
Company Secretary
Membership No : A18670

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Private Limited

Cash Flow Statement for the year ended March 31, 2018

	For the year ended March 31, 2018 INR in Millions	For the year ended March 31, 2017 INR in Millions
Cash flow from operating activities		
Loss before tax	(617.70)	(569.54)
Adjustments for:		
Depreciation of Property, plant and equipment	299.37	201.46
Amortization of Intangible assets	8.09	6.55
Loss on write off of Property, plant and equipment	6.16	0.14
Interest income on Fixed Deposit	(0.20)	(0.05)
Finance cost	2.86	-
Share based compensation expenses	8.40	5.54
Amortisation of Deferred lease asset	18.65	13.19
Notional income on Security deposit	(13.06)	(8.64)
Gain on financial instruments at fair value through profit and loss	(41.26)	(1.48)
Profit on sale of investments	(48.40)	(27.68)
Operating loss before working capital changes	(377.09)	(380.51)
Adjustments for movements in working capital:		
Increase in financial assets	(36.75)	(31.46)
Increase in other non-current assets	(41.09)	(38.71)
Increase in other current assets	(17.78)	(33.36)
Increase in inventories	(11.90)	(14.00)
Increase in trade receivables	(11.69)	(6.82)
Increase in trade payables	239.36	93.90
Increase in provisions	9.06	4.43
Increase/ (Decrease) in non-current liabilities	(2.51)	(2.72)
Increase/ (Decrease) in current liablities	30.38	(18.42)
Cash used in operations	(220.01)	(427.67)
Direct taxes paid (net of refunds)	(3.54)	(1.29)
Net cash flow (used) in operating activities (A)	(223.55)	(428.96)
Cash flow from investing activities		
Purchase of Property, plant and equipment, including CWIP and capital advances (net)	(821.39)	(889.16)
Purchase of current investments	(719.80)	(2,819.98)
Proceeds from sale of current investments	1,713.18	1,535.42
Investments in bank deposits (having original maturity of more than three months)(net)	(0.63)	(0.19)
Interest received on fixed deposit	0.10	0.05
Decrease/ (Increase) in long term deposits	0.54	(0.81)
Net cash flow from/ (used) in investing activities (B)	172.00	(2,174.67)
Cash flow from financing activities		
Proceeds from issue of Share Capital (including securities premium)	-	2,700.00
Net cash flow from financing activities (C)	-	2,700.00
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(51.55)	96.37
Cash and cash equivalents at the beginning of the year	123.59	27.22
Cash and cash equivalents at the end of the year	72.04	123.59
Net increase/ (decrease) in cash and cash equivalents	(51.55)	96.37
Components of cash and cash equivalents		
Cash on hand	22.55	11.80
Balances with banks in current accounts	49.49	111.79
Cash and cash equivalents as per note 11	72.04	123.59
Total cash and cash equivalents for the purposes of cash flow statement	72.04	123.59

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

Place : Mumbai
Date: September 21, 2018

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

Tanmay Kumar
Chief Financial Officer
Place : Mumbai
Date: September 21, 2018

Ranjana Sahoo
Company Secretary
Membership No : A18670

Burger King India Private Limited
Statement of changes in equity for the year ended March 31, 2018

(A) Equity share capital

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

	No of shares	INR in Millions
At April 1, 2016	11,85,35,000	1,185.35
Changes during the year	14,64,65,000	1,464.65
At March 31, 2017	26,50,00,000	2,650.00
Changes during the year	-	-
At March 31, 2018	26,50,00,000	2,650.00

(B) Other equity

For the year ended March 31, 2018

	Securities premium	Share based payment reserve	Share application pending allotment	Retained earnings	Total other equity
	INR in Millions	INR in Millions	INR in Millions	INR in Millions	INR in Millions
As at April 1, 2017	2,454.50	20.66	-	(1,223.73)	1,251.43
Loss for the year	-	-	-	(625.86)	(625.86)
Re-measurement gains on defined benefit plans, net of tax	-	-	-	8.16	8.16
Total comprehensive income for the year	2,454.50	20.66	-	(1,841.43)	633.73
Share based compensation to employees	-	9.96	-	-	9.96
As at March 31, 2018	2,454.50	30.62	-	(1,841.43)	643.69

For the year ended March 31, 2017

	Securities premium	Share based payment reserve	Share application pending allotment	Retained earnings	Total other equity
	INR in Millions	INR in Millions	INR in Millions	INR in Millions	INR in Millions
As at April 1, 2016	989.85	13.10	229.30	(654.19)	578.06
Loss for the year	-	-	-	(570.29)	(570.29)
Shares allotted during 2016-17	-	-	(229.30)	-	(229.30)
Re-measurement gains on defined benefit plans, net of tax	-	-		0.75	0.75
Total comprehensive income for the year	989.85	13.10	-	(1,223.73)	(220.78)
Share based compensation to employees	-	7.56	-	-	7.56
Securities premium on rights issue	1,464.65	-	-	-	1,464.65
As at March 31, 2017	2,454.50	20.66	-	(1,223.73)	1,251.43

As per our report of even date

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

P Bansal

per Ravi Bansal
Partner
Membership No : 49365

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

Place : Mumbai
Date: September 21, 2018

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: 00899084

Tanmay Kumar
Chief Financial Officer
Place : Mumbai
Date: September 21, 2018

[illegible] Sabon
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, 2018, the Company operated through 129 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 by Companies (Indian Accounting standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

These financial statements for the year ended March 31, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. The Company has applied Ind AS 101, First time adoption of Indian accounting standards for transition from Indian GAAP to Ind AS. An explanation of how transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the company is provided in Note 41.

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 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:

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- 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

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 such as investment in mutual fund 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.

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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.
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 is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

<u>Sale of goods</u>
Revenue for food items is recognised when sold to the customer over the counter. The Company collects indirect taxes on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, it is excluded from revenue.

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Dividend income

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

Income from sub-franchisee operations

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.

Rental income

Rental income is recognised on accrual basis in accordance with the terms of relevant agreements.

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.

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 for each jurisdiction 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 liability method 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

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combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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. On transition to Ind AS, the Company's gross block under Indian GAAP as at April 1, 2016 is in compliance with Ind AS and thus has not availed deemed cost exemption for the Property, plant and equipment.

Depreciation on Property, Plant and Equipment

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:

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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 years

* Considering double shift basis

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 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. On transition to Ind AS, the Company's gross block under Indian GAAP as at April 1, 2016 is in compliance with Ind AS and thus the Company has not availed deemed cost exemption for the intangible assets.

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.

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.

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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.

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.

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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. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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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. The Company recognises a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into three categories:

- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if a financial asset needs to be measured at amortised cost or fair value through other comprehensive income, the same would be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

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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 or other receivables, 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 and, in the case of payables, net of directly attributable transaction costs.

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. Amortised cost is calculated by taking into account any

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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. The Company has not designated any financial liability as at fair value through 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. 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.

p. 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.

q. 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.

r. Segment reporting

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

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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:

The company reviews the useful lives of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

b) Provision for decommissioning:

The Company has recognised a provision for decommissioning obligations 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 carrying amount of the provision as at March 31, 2018 was INR 24.36 million (March 31, 2017: 18.49 million). 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.

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 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 31.

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

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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.

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(INR in Millions)

Note 3 : Property, plant and equipment

	Leasehold Improvements	Restaurant Equipments	Furniture and fixtures	Computers	Office equipments	Vehicles	Total
Cost							
At April 1, 2016	677.38	494.15	70.51	15.38	4.05	3.26	1,264.73
Add : Additions	509.73	336.93	55.13	4.23	0.81	-	906.83
Less : Disposals	0.03	0.30	0.12	-	-	-	0.45
At March 31, 2017	1,187.08	830.78	125.52	19.61	4.86	3.26	2,171.11
Add : Additions	402.67	359.65	70.88	3.43	1.35	-	837.98
Less : 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
Depreciation							
At April 1, 2016	51.80	38.46	5.07	3.49	1.05	0.78	100.65
Add : Depreciation for the year 2016-17	111.84	71.21	11.41	5.46	1.15	0.39	201.46
Less : Disposals	-	0.01	0.03	-	-	-	0.04
At March 31, 2017	163.64	109.66	16.45	8.95	2.20	1.17	302.07
Add : Depreciation for the year 2017-18	163.52	111.65	19.04	3.75	1.02	0.39	299.37
Less : 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
Net Book Value							
At March 31, 2018	1,256.97	968.85	160.79	10.31	2.99	1.70	2,401.61
At March 31, 2017	1,023.44	721.12	109.07	10.66	2.66	2.09	1,869.04
At April 1, 2016	625.58	455.69	65.44	11.89	3.00	2.48	1,164.08

Note 4 : Intangible assets

	Computer - Software	Franchise Rights	Total
Cost			
At April 1, 2016	14.57	18.96	33.53
Add : Additions	11.34	28.16	39.50
Less : Disposals	-	-	-
At March 31, 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
Amortization			
At April 1, 2016	2.38	0.63	3.01
Add: Amortization for the year 2016-17	4.96	1.59	6.55
Less: Disposals	-	-	-
At March 31, 2017	7.34	2.22	9.56
Add: Amortization for the year 2017-18	4.87	3.22	8.09
Less: Disposals	0.01	-	0.01
At March 31, 2018	12.20	5.44	17.64
Net Book Value			
At March 31, 2018	14.68	73.30	87.98
At March 31, 2017	18.57	44.90	63.47
At April 1, 2016	12.19	18.33	30.53

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Notes forming part of Financial Statements for the year ended March 31, 2018

(INR in Millions)

	March 31, 2018	March 31, 2017	April 1, 2016
Note 5 : Non current financial assets - Security Deposits			
(unsecured, considered good) (Carried at amortised cost)			
Deposits - Premises and Other Deposits	161.40	111.59	71.49
	161.40	**111.59**	**71.49**
Note 6 : Non current financial assets - Others (unsecured, considered good)			
(Carried at amortised cost)			
Bank Deposits with remaining maturity of more than 12 months*	0.30	0.84	0.03
	0.30	**0.84**	**0.03**

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

	March 31, 2018	March 31, 2017	April 1, 2016
Note 7 : Other non-current assets (unsecured, considered good)			
Capital advances	18.93	11.57	49.64
Balances with government authorities	-	-	0.48
Deferred lease asset	136.55	114.10	88.11
	155.48	**125.67**	**138.23**
Note 8 : Inventories (at lower of cost or net realisable value)			
Food, beverages and condiments	37.31	28.89	18.28
Paper and packing material	14.57	11.09	7.70
	51.88	**39.98**	**25.98**

Note 9 : Current financial assets - Investments

	March 31, 2018		March 31, 2017		April 1, 2016	
	Units	INR in Millions	Units	INR in Millions	Units	INR in Millions
Investments in Quoted Mutual Funds:						
Investments at fair value through Profit and Loss (fully paid)						
Reliance Liquid Fund-Treasury Plan - Growth (Cost- CY: INR NIL , PY: INR 180.03 mil)	-	-	45,562	180.15	-	-
UTI - Floating Rate Fund - Growth (Cost- CY: INR NIL , PY: INR 350 mil)	-	-	1,31,995	350.45	20,491	50.15
Reliance Prime Debt Fund - Growth Plan - Growth Option - IPGP (Cost- CY: INR 27.61 mil, PY: INR 27.61)	8,62,898	31.44	8,62,898	29.45	-	-
Ultra - Money Market Fund- Growth Plan (Cost- CY: INR 15.28 mil, PY: INR NIL)	7,981	15.48	-	0.00	20,299	34.38
ICICI Prudential Savings Fund - Growth (Cost- CY: INR NIL , PY: INR 320.22 mil)	-	-	13,12,523	320.97	8,25,884	185.53
HDFC Cash Mgmt Fund Treasury Advantage Fund Plan (Cost- CY: INR NIL , PY: INR 50 mil)	-	-	14,96,172	50.00	-	-
Religare Invesco Medium Term Fund - Growth (Cost- CY: INR NIL , PY: INR NIL)	-	-	-	-	67,744	103.33
Reliance Money Manager Fund - Growth (Cost- CY: INR NIL , PY: INR NIL)	-	-	-	-	24,174	50.16
Kotak Low Duration Fund Standard Growth (Regular Plan) (Cost- CY: INR 300 mil , PY: INR 300 mil)	1,51,474	321.60	1,51,474	300.29	-	-
ICICI Prudential - Ultra Short Term Fund - Growth (Cost- CY: INR 250 mil , PY: INR 250 mil)	1,52,69,227	267.76	1,52,69,227	250.23	-	-
Religare Invesco Medium Term Bond Fund - Growth (Cost- CY: INR NIL , PY: INR 250 mil)	-	-	1,51,282	252.28	-	-
Aditya Birla Sun Life Fund Quarterly Plan - Series 1 growth (Regular Plan) (Cost- CY: INR 190 mil, PY: INR NIL)	85,17,200	191.52	-	-	-	-
UTI Short Term Income Fund - Growth Plan (Cost- CY: INR 32.41 mil , PY: INR 32.41 mil)	19,46,863	41.12	19,46,863	38.82	19,46,863	35.37
		868.92		**1,772.64**		458.92

	March 31, 2018	March 31, 2017	April 1, 2016
Note 10 : Trade and other receivables (unsecured, considered good)			
(Carried at amortised cost)			
Other receivables	25.85	14.16	7.34
	25.85	14.16	7.34
Note 11 : Cash and cash equivalents			
Balances with banks			
In current accounts	49.49	111.79	15.41
Cash on hand	22.55	11.80	11.81
	72.04	**123.59**	**27.22**
Note 12 : Bank balances other than cash and cash equivalents			
Time deposits with original maturity of more than 3 months and remaining maturity less than 12 months*	1.86	1.23	1.04
	1.86	**1.23**	**1.04**

*Above deposits are given against bank guarantees issued to various government authorities

	March 31, 2018	March 31, 2017	April 1, 2016
Note 13 : Other financial assets - current (unsecured, considered good)			
(Carried at amortised cost)			
Income receivables	13.32	8.31	3.55
	13.32	**8.31**	**3.55**
Note 14 : Other current assets			
Prepaid expenses	12.63	9.22	7.28
Advance to suppliers	22.37	11.80	8.48
Advance to employees	1.60	1.38	3.70
Deferred lease asset	19.06	15.92	10.96
Balances with government authorities	74.95	67.58	43.89
Less : Provision for doubtful balances	(54.73)	(42.79)	(39.81)
	75.88	**63.11**	**34.50**

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Note 15 : Equity share capital

Authorised share capital

	No of shares	INR in Millions
At April 1, 2016	20,00,00,000	2,000.00
Change during the year	6,50,00,000	650.00
At March 31, 2017	26,50,00,000	2,650.00
Change during the year	-	-
At March 31, 2018	26,50,00,000	2,650.00

Terms/rights attached to equity shares

The company has a single class of equity shares having par value of INR 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, subscribed and paid up share capital:
Equity shares of INR 10 each fully paid

	No of shares	INR in Millions
At April 1, 2016	11,85,35,000	1,185.35
Changes during the year	14,64,65,000	1,464.65
At March 31, 2017	26,50,00,000	2,650.00
Changes during the year	-	-
At March 31, 2018	26,50,00,000	2,650.00

A. Details of shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2018		As at March 31, 2017	
	No of shares	INR in Millions	No 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 shares of INR 10 each fully paid	1	*0	1	*0

* Denotes amount less than INR 5,000

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

	As at March 31, 2018		As at March 31, 2017	
	No of shares	% Holding	No 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.

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Note 16 : Other equity

(a) Securities premium

	INR in Millions
At April 1, 2016	989.85
Add: Premium on allotment of rights issue	1,464.65
At March 31, 2017	2,454.50
At March 31, 2018	2,454.50

(b) Share based payment reserve

	INR in Millions
At April 1, 2016	13.10
Add: Charge for the year	7.56
At March 31, 2017	20.66
Add: Charge for the year	9.96
At March 31, 2018	30.62

(c) Retained earnings

	INR in Millions
At April 1, 2016	(654.19)
Add: Loss during the year	(569.54)
At March 31, 2017	(1,223.73)
Add: Loss during the year	(617.70)
At March 31, 2018	(1,841.43)

(d) Share application money pending allotment

	INR in Millions
At April 1, 2016	229.30
Less: Issued shares against allotment	(229.30)
At March 31, 2017	-
At March 31, 2018	-

Total Other Equity

At April 1, 2016	578.06
At March 31, 2017	1,251.43
At March 31, 2018	643.69

Nature and purpose of reserves:

1. Securities premium : Securities premium reserve is used to record the premium received 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.

3. Retained earnings: Retained earnings are the losses that the Company has incurred till date.

4. Share application money pending allotment as on March 31, 2016 represents money received from QSR Asia Pte Ltd (Holding Company) against which shares have been allotted in May, 2016.

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(INR in Millions)

Note 17 : Provisions

	March 31, 2018	March 31, 2017	April 1, 2016
Non-current provisions			
Gratuity (refer note 31)	8.88	8.33	3.67
	8.88	**8.33**	**3.67**
Current provisions			
Gratuity (refer note 31)	0.03	0.02	0.01
Leave benefits (refer note 31)	17.00	8.50	8.74
	17.03	**8.52**	**8.75**

Note 18 : Other non-current liablities

Income received in advance	7.33	9.84	12.56
	7.33	**9.84**	**12.56**

Note 19 : Trade payables

Trade payables*	434.11	194.83	100.97
	434.11	**194.83**	**100.97**

*No amounts are outstanding and due to Micro, Small and Medium Enterprises (MSME).

Note 20 : Other financial liabilities - Current

Payables for purchase of property, plant and equipment	162.98	103.36	79.16
Retention money payable	18.77	21.86	21.84
	181.75	**125.22**	**101.00**

Note 21 : Other current liabilities

Income received in advance	4.05	5.84	5.51
Statutory dues	78.85	46.67	65.42
	82.90	**52.51**	**70.93**

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Notes forming part of Financial Statements for the year ended March 31, 2018

Note 22 : Revenue from operations

(INR in Millions)

	March 31, 2018	March 31, 2017
Sale of products		
Food and beverages	3,752.00	2,282.86
Other operating income		
Income from sub franchisee operations	18.78	11.58
Scrap sales	8.61	5.04
Advertising and marketing support income	1.83	-
	3,781.22	2,299.48

Note 23 : Other income

Interest income on fixed deposits	0.20	0.05
Gain on financial instruments at fair value through profit and loss	41.26	1.48
Profit on sale of investments	48.40	27.68
Rental income	2.48	2.73
Interest income on security deposits	13.06	8.64
Miscellaneous income	0.75	1.27
	106.15	41.85

Note 24 : Cost of materials consumed

Food, beverages, condiments, paper and packing materials		
Inventory at the beginning of the year	39.98	25.98
Add: Purchases	1,450.44	936.27
Less: Inventory at the end of the year	(51.88)	(39.98)
	1,438.54	922.27

Note 25 : Employee benefits expense

Salaries, wages and bonus	591.80	431.16
Contribution to provident and other funds	37.67	29.84
Share based compensation to employees (refer note 33)	8.40	5.54
Gratuity expense	8.71	5.42
Staff welfare expense	52.09	40.63
	698.67	512.59

Note 26 : Finance costs

Finance charges on site restoration	2.86	-
	2.86	-

Note 27 : Depreciation and amortisation expense

Depreciation of property, plant and equipment	299.37	201.46
Amortization of intangible assets	8.09	6.55
	307.46	208.01

Note 28 : Other expenses

Rent	582.48	409.16
Power and fuel	324.79	212.52
Rates and taxes	14.83	15.71
Operating supplies	62.58	40.35
Advertising and marketing expenses	534.80	234.05
Consultancy and professional fees (refer note (i) below)	48.51	42.48
Telephone and communication expenses	12.20	10.18
Travelling expenses	42.47	40.83
Insurance	9.43	7.17
Repairs and maintenance - leasehold improvements	75.97	53.81
Repairs and maintenance - restaurant equipments	3.71	0.84
Repairs and maintenance - others	86.31	48.39
Royalty fees	120.51	69.43
Write off of Property, plant and equipment (refer note (ii) below)	6.16	0.14
Commission and delivery expenses	85.04	41.38
Miscellaneous expenses	55.91	42.31
	2,065.70	1,268.75

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Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2018

Note (i)
Payment to auditor

(INR in Millions)

	March 31, 2018	March 31, 2017
As auditor		
Audit fee	2.35	2.35
Tax audit fee	0.30	0.30
In other capacity:		
Other services (including certification fees)	0.85	0.85
Reimbursement of expenses	0.10	0.10
	3.60	3.60

Note (ii)
Write off of Property, plant and equipment
Property, plant and equipment written off for the year ended March 31, 2018 includes write off of INR 6.08 Millions representing written down value of lease hold improvements installed at a store upon its closure.

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Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2018

Note 29: Income Taxes

(A) The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017:

Statement of profit and loss

	March 31, 2018 INR in Millions	March 31, 2017 INR in Millions
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, 2018 INR in Millions	March 31, 2017 INR in Millions
Income tax expense charged to OCI	-	-

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

	March 31, 2018 INR in Millions	March 31, 2017 INR in Millions
Accounting loss before income tax	(625.86)	(570.29)
At India's statutory income tax rate for March 31, 2018: 34.61% (March 31, 2017: 33.06%)	(216.61)	(188.54)
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	216.61	188.54
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, 2018 INR in Millions	March 31, 2017 INR in Millions	April 1, 2016 INR in Millions
Deferred Tax Assets	60.94	42.84	33.67
Deferred Tax Liabilities	(60.94)	(42.84)	(33.67)
Net Deferred Tax Assets /(Liabilities)	-	-	-

Movement in Deferred Tax:

	Balance Sheet			Profit and Loss	
	March 31, 2018 INR in Millions	March 31, 2017 INR in Millions	April 1, 2016 INR in Millions	March 31, 2018 INR in Millions	March 31, 2017 INR in Millions
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	23.58	24.28	18.46	(0.70)	5.83
b. Others	37.36	18.56	15.21	18.80	3.35
Deferred tax assets recognised due to:					
a. Expenses allowable in Income Tax on payment basis	13.35	9.68	4.11	3.67	5.57
b. Others	16.45	9.75	4.53	6.70	5.23
c. Unabsorbed depreciation and carried forward losses	31.14	23.41	25.03	7.73	(1.62)
Deferred Tax expense/(income)	60.94	42.84	33.67	18.10	9.18
Net Deferred Tax Assets/(Liabilities)	-	-	-	-	-

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.

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Note 30: Earnings per equity share (EPS)

Basic EPS amounts are calculated by dividing the profit/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 profit/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, 2018 INR in Millions	March 31, 2017 INR in Millions
Profit/(Loss) attributable to equity holders		
Continuing operations	(625.86)	(570.29)
Loss attributable to equity holders for basic EPS	(625.86)	(570.29)
Loss attributable to equity holders adjusted for the effect of dilution		
Weighted average number of Equity shares for basic EPS (in nos.)	26,50,00,000	14,76,59,205
Effect of dilution:		
Share options (in nos.)	15,30,843	10,32,973
Weighted average number of Equity shares adjusted for the effect of dilution (in nos.)	26,65,30,843	14,86,92,178
Basic EPS (in INR)	(2.36)	**(3.86)**
Diluted EPS (in INR)	(2.36)	**(3.86)**

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 31: Employee Benefits

(a) Defined Contribution Plan

The Company has recognised following amounts as expense in statement of profit and loss:

	March 31, 2018 INR Millions	March 31, 2017 INR Millions
Included in contribution to provident and other funds:		
Employer's contribution to Provident Fund/ Employees' Pension Fund	37.67	29.84
	37.67	**29.84**

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Notes to the financial statements for the year ended March 31, 2018

(b) 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.

Changes in the present value of the defined benefit obligation are, as follows:	Gratuity (Non-funded)	
	March 31, 2018	March 31, 2017
	INR in Millions	INR in Millions
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	8.35	3.68
2. Interest cost	0.59	0.29
3. Current service cost	8.12	5.13
4. Actuarial changes arising from changes in demographic assumptions	(6.32)	-
5. Actuarial changes arising from changes in financial assumptions	(0.09)	0.50
6. Actuarial changes arising from changes in experience adjustments	(1.75)	(1.25)
7. Present Value of defined benefit obligation at the end of the year	8.90	8.35
II Net asset/(liability) recognised in the balance sheet		
1. Present Value of defined benefit obligation at the end of the year	8.90	8.35
2. Fair value of plan assets at the end of the year	-	-
Net (liability)/asset - Non-current	8.90	8.35
III Expenses recognised in the statement of profit and loss for the year		
1. Current service cost	8.12	5.13
2. Interest cost on benefit obligation (Net)	0.59	0.29
3. Total expenses included in employee benefits expense	8.71	5.42
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	(0.09)	0.50
3. Actuarial changes arising from changes in experience adjustments	(1.75)	(1.25)
4. Recognised in other comprehensive income	(8.16)	(0.75)
V Maturity profile of defined benefit obligation		
1st following year	0.03	0.02
2nd following year	0.23	0.02
3rd following year	0.57	0.35
4th following year	0.81	0.78
5th following year	0.99	1.19
Sums of years 6 to 10	4.34	0.51
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	(0.87)	(0.71)
(ii) One percentage point decrease in discount rate	1.03	0.81
(i) One percentage point increase in rate of salary Increase	0.97	0.81
(ii) One percentage point decrease in rate of salary Increase	(0.88)	(0.71)
(i) One percentage point increase in employee turnover rate	(0.40)	(0.28)
(ii) One percentage point decrease in employee turnover rate	0.20	0.29

2. Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the key assumptions were not proved to be true on different count.

VII Actuarial assumptions		
1. Discount rate	7.18%	7.09%
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	Service < 4 yrs - 35% Service <= 10 yrs - 15% Service > 10 yrs - 5%	12.00%
6. Retirement age	58 years	58 years

Notes:

(i) The actuarial valuation of of the defined benefit obligation were carried out at March 31, 2018. 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.

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Notes to the financial statements for the year ended March 31, 2018

Note 32 : Related party disclosure

A) 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)

B) Other related parties with whom transactions have taken place during the year:

(i) Fellow subsidiary	Harry's India Private Limited
(ii) Enterprises over which Key Management Personnel/ shareholders or their relatives is/are able to exercise significant influence	Pan India Food Solutions Private Limited
(iii) Key management personnel:	
Directors	Mr. Rajeev Varman (Chief Executive Officer) Mr. Jaspal Singh Sabharwal (Independent Director) Mr. Amit Manocha (Independent Director) Mr. Nitin Motwani w.e.f. September 21, 2017 (Independent Director) Mr. Antonio Pagano w.e.f. December 13, 2017 (Independent Director)
Chief Financial Officer	Tanmay Kumar
Company Secretary	Ranjana Saboo

C) Transactions with related parties during the year:

	For the year ended March 31, 2018 INR in Millions	For the year ended March 31, 2017 INR in Millions
(a) Issue of shares to related party		
QSR Asia Pte Ltd	-	2,929.30
(b) Rent received		
Harry's India Private Limited	2.48	2.73
(c) Rent, CAM and electricity paid		
Pan India Food Solutions Private Limited	-	6.14
(d) Remuneration to Key management personnel*		
Mr. Rajeev Varman	23.58	23.51
Mr. Tanmay Kumar	13.17	13.53
Ms. Ranjana Saboo	3.33	3.30
(e) Fees paid for accounting services		
Pan India Food Solutions Private Limited	-	0.86

D) Outstanding balances with related party:

	As at March 31, 2018 INR in Millions	As at March 31, 2017 INR in Millions	As at March 31, 2016 INR in Millions
Harry's India Private Limited	0.36	-	-

Compensation of key management personnel:

	For the year ended March 31, 2018 INR in Millions	For the year ended March 31, 2017 INR in Millions
Short-term employee benefits	0.50	0.44
Post-employment gratuity	0.75	0.51
Share-based payment transactions	2.20	2.20

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

Note 33 : Share-based payments

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 converted 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, 2018 INR in Millions	March 31, 2017 INR in Millions
Expense arising from equity-settled share-based payment transactions	8.40	5.54
Total expense arising from share-based payment transactions	8.40	5.54

There were no cancellations or modifications to the awards in March 31, 2018 or March 31, 2017.

Note 34 : Commitments and contingencies

a. Leases : Operating lease commitments - Company as lessee

	March 31, 2018 INR in Millions	March 31, 2017 INR in Millions	April 1, 2016 INR in Millions
i. Future minimum lease rental payable under non-cancellable operating leases:			
Within one year	480.91	378.24	248.86
After one year but not more than five years	1,408.73	1,620.42	416.86
More than five years	-	-	-
	1,889.64	1,998.66	665.72

ii. Premises are taken on lease ranging from 1 to 20 years with a non-cancellable period at the beginning of the agreement ranging from 1 to 5 years.

iii. For certain restaurant outlets, rent is payable in accordance with the leasing agreement at the higher of : fixed minimum guarantee amount and revenue share percentage.

b. Other commitments

	March 31, 2018 INR in Millions	March 31, 2017 INR in Millions	April 1, 2016 INR in Millions
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	74.96	59.66	49.08
	74.96	59.66	49.08

Note 35 : Segment Reporting

The Chief Executive Officer (CEO) of the Company has been identified as Chief Operating Decision Maker ("CODM") who evaluates the Company's performance and allocates resources based on the analysis of various performance indicators by reportable segments. CODM reviews the operating results of the business as a whole for the purpose of making decisions about resource allocation and performance assessment and therefore, the Company believes that there is a single reportable segment i.e. "Quick Service Restaurants". Segment performance is evaluated based on profit or loss and the same is measured consistently with profit or loss as per the financial statements of the Company.

Burger King India Pvt. Ltd. is operated only in India and all non-current assets belonging to the reportable segment are located in India. The Company doesn't have any individual customer who is contributing more than 10% of total revenue of the company.

Note 36 : Capitalization of expenditure

During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed assets/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	March 31, 2018 INR in Millions	March 31, 2017 INR in Millions
Salary, bonus and allowances	37.76	38.65
Stamp duty and registration charges	3.56	3.97
Commission and brokerage	2.22	7.31
Legal, consultancy and professional fees	5.97	2.01
Power and fuel	1.34	2.74
Rent	0.40	0.68
Miscellaneous expenses	5.00	3.42
	56.25	58.78

Note 37 : Going concern

During the year 2017-18, the Company has incurred loss of INR 617.70 Millions. The accounts of the Company for the year ended March 31, 2018 have been prepared on the basis of going concern, as the company is in the initial phase of operations and 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, 2018. The Company is, therefore, considered as a going concern and accordingly, the financial statements have been prepared based on going concern assumption.

Note 38 : Fair value of financial instruments

The fair value of financial instrument 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 than 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

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, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	INR in Millions	INR in Millions	INR in Millions	INR in Millions	INR in Millions	INR in Millions
Financial assets						
Security deposits	161.40	111.59	71.49	161.40	111.59	71.49
Bank deposits	0.30	0.84	0.03	0.30	0.84	0.03
Investments	868.92	1,772.64	458.92	868.92	1,772.64	458.92
Trade and other receivables	25.85	14.16	7.34	25.85	14.16	7.34
Cash and cash equivalents	72.04	123.59	27.22	72.04	123.59	27.22
Bank balances other than cash and cash equivalents	1.86	1.23	1.04	1.86	1.23	1.04
Other financial assets	13.32	8.31	3.55	13.32	8.31	3.55
Total	1,143.69	2,032.36	569.59	1,143.69	2,032.36	569.59
Financial liabilities						
Trade payables	434.11	194.83	100.97	434.11	194.83	100.97
Other financial liabilities	181.75	125.22	101.00	181.75	125.22	101.00
Total	615.86	320.05	201.97	615.86	320.05	201.97

The fair values for security deposits 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.

The fair value of quoted mutual fund investments is calculated based on the net assets value on reporting date and it is classified as level 2 fair value hierarchy since net asset value quotes are obtainable from mutual fund.

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Note 39 : 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 lease 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 minimises 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.

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. 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, 2018, March 31, 2017 and April 1, 2016 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 monitors 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 ensures 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 and issuance of shares to the holding company.

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	March 31, 2018			March 31, 2017			April 1, 2016		
	Payable on demand	<1 yrs	>1 yrs	Payable on demand	<1 yrs	>1 yrs	Payable on demand	<1 yrs	>1 yrs
Trade payables	-	434.11	-	-	194.83	-	-	100.97	-
Other financial liabilities	-	181.75	-	-	125.22	-	-	101.00	-

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(c) Foreign currency risk

The Company faces foreign currency risks arising from transactions and balances denominated in a currency other than the respective functional currencies of the Company, primarily Indian Rupee (INR). The currency giving rise to this risk is primarily US Dollars NIL (2017: US Dollars NIL). The Company is also exposed to currency translation risk arising from payables outside India. The company does not use hedging activity to cover themselves against the volatility associated with foreign currency transactions since exposure is not considered material by the management at the Company level.

Note 40 : 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 that 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 years ended March 31, 2018, March 31, 2017 and April 1, 2016. The Company is dependent on financial support from the immediate holding company.

The Company is not subject to externally imposed capital requirements.

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Burger King India Private Limited
Notes to the financial statements for the year ended March 31, 2018

Note 41 : First-time adoption of Ind AS

The Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2018, together with comparative information for the year ended March 31, 2017. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

A. Exemptions availed

Share based payment
Ind AS 102 Share-based payments has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2016.

B. Mandatory exemptions

The following mandatory exemptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

Estimates
The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflects conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

Derecognition of financial assets and financial liabilities
A first-time adopter should apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities under its previous GAAP as a result of a transaction that occurred before the date of transition, it should not recognise those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2018

Reconciliation of equity under Indian GAAP and Ind AS

Reconciliation of equity as at April 1, 2016 (date of transition to Ind AS)

	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS
		INR Millions	INR Millions	INR Millions
Assets				
Non-current assets				
Property, plant and equipment		1,164.08	-	1,164.08
Capital work-in-progress		97.22	-	97.22
Intangible assets		30.53	-	30.53
Financial assets				
Security deposits	2	173.72	(102.23)	71.49
Others		0.03	-	0.03
Current tax assets (net)		1.16	-	1.16
Other non-current assets	2	39.17	99.06	138.23
		1,505.91	(3.17)	1,502.74
Current assets				
Inventories		25.98	-	25.98
Financial assets				
Investments	1	448.02	10.90	458.92
Trade and other receivables		7.34	-	7.34
Cash and cash equivalents		27.22	-	27.22
Bank balance other than cash and cash equivalents		1.04	-	1.04
Other financial assets		3.55	-	3.55
Other current assets		34.50	-	34.50
		547.65	10.90	558.55
Total Assets		2,053.56	7.73	2,061.29
Equity and liabilities				
Equity				
Share capital		1,185.35	-	1,185.35
Other equity	1,2,3,4,7	545.76	32.30	578.06
Total Equity		1,731.11	32.30	1,763.41
Non-current liabilities				
Provisions		3.67	-	3.67
Deferred tax liabilities (net)		-	-	-
Other non-current liabilities	4	37.64	(25.08)	12.56
		41.31	(25.08)	16.23
Current liabilities				
Financial liabilities				
Trade payables		100.97	-	100.97
Other financial liabilities		101.00	-	101.00
Provisions		8.75	-	8.75
Other current liabilities	4	70.42	0.51	70.93
		281.14	0.51	281.65
Total Equity and Liabilities		2,053.56	7.73	2,061.29

The previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

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Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2018

Reconciliation of equity as at March 31, 2017

	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS
		INR Millions	INR Millions	INR Millions
Assets				
Non-current assets				
Property, plant and equipment		1,869.04	-	1,869.04
Capital work-in-progress		104.61	-	104.61
Intangible assets		63.47	-	63.47
Financial assets				
Security Deposits	2	249.33	(137.74)	111.59
Others		0.84	-	0.84
Current tax assets (net)		2.44	-	2.44
Other non-current assets	2	(4.36)	130.03	125.67
		2,285.37	(7.71)	2,277.66
Current assets				
Inventories		39.98	-	39.98
Financial assets				
Investments		1,760.27	12.37	1,772.64
Trade and other receivables	1	14.16	-	14.16
Cash and cash equivalents		123.59	-	123.59
Bank balance other than cash and cash equivalents		1.23	-	1.23
Other financial assets		8.31	-	8.31
Other current assets		63.11	-	63.11
		2,010.65	12.37	2,023.02
Total Assets		4,296.02	4.66	4,300.68
Equity and liabilities				
Equity				
Share capital		2,650.00	-	2,650.00
Other equity	3,4	1,168.04	83.39	1,251.43
Total Equity		3,818.04	83.39	3,901.43
Non-current liabilities				
Provisions		8.33	-	8.33
Deferred tax liabilities (net)		-	-	-
Other non-current liabilities	4	89.43	(79.59)	9.84
		97.76	(79.59)	18.17
Current liabilities				
Financial liabilities				
Trade payables		194.83	-	194.83
Other financial liabilities		125.22	-	125.22
Provisions		8.52		8.52
Other current liabilities	4	51.66	0.85	52.51
		380.23	0.85	381.08
Total Equity and Liabilities		4,296.02	4.65	4,300.68

The previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

Burger King India Private Limited
Notes forming part of Financial Statements for the year ended March 31, 2018

Reconciliation of profit and loss for the year ended March 31, 2017

	Foot notes	Indian GAAP	Ind AS adjustments	Ind AS
		INR Millions	INR Millions	INR Millions
Income				
Revenue from operations	5	2,334.83	(35.35)	2,299.48
Other income	1,2,3	31.73	10.12	41.85
Total Income		2,366.56	(25.23)	2,341.33
Expenses				
Cost of materials consumed	5	955.00	(32.74)	922.27
Employee benefits expense	6,7	511.85	0.75	512.59
Finance cost		-	-	-
Depreciation and amortisation expense		208.01	-	208.01
Other expenses	2	1,312.32	(43.59)	1,268.75
Total Expenses		2,987.18	(75.56)	2,911.62
Loss before tax		(620.62)	50.33	(570.29)
Tax expenses				
Current tax		-	-	-
Deferred tax		-	-	-
Loss for the year		(620.62)	50.33	(570.29)
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Re-measurement gains on defined benefit plans	8	-	0.75	0.75
Income tax on above		-	-	-
Total comprehensive income for the year, net of tax		(620.62)	51.08	(569.54)

The previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

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Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017:

1. Fair Value through Profit and Loss (FVTPL) financial assets

Under Indian GAAP, investment in mutual funds are carried at lower of cost and fair value. Under Ind-AS, the Company designated such investments as FVTPL investments. Ind AS required FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings.

This has resulted in increase in retained earnings of Rs. 12.37 million and Rs. 10.88 million as on March 31, 2017 and April 1, 2016 respectively and increase in net profit by Rs. 1.48 million for year ended March 31, 2017.

2. Loans and Advances

Under Indian GAAP, the Company recognised interest free rent deposit at transaction value, however under Ind AS, the security deposits are required to be recognised at fair value. This difference between the present value and the principal amount of the deposit paid at inception to be accounted for as deferred lease assets, which would be recognised as an expense on a straight line basis over the lease term. Correspondingly, there will be interest income accrued on the discounted value of deposits. Other deposits (utility deposits) are payable on demand and have no contractual period. Hence, there are no GAAP differences for these demand deposits.

An additional income of Rs. 8.64 million and expense of Rs. 13.19 million has been recognised in the profit or loss for the year ended March 31, 2017 with a net impact of Rs. 4.56 million. The net impact on retained earnings was Rs. 3.16 million as on April 1, 2016.

3. Straight-lining of franchisee fees

Under Indian GAAP, the company upfront recognised one-time non-refundable fees received from franchise, however under Ind AS one time non-refundable fees is required to be straight-lined over the term of contract. Correspondingly, there is reversal of upfront franchisee fees recognised in Indian GAAP and amortised income from the franchisee will be recognised.

As a result of above, net reversal of other income of Rs. 2.61 million has been recognised in the profit and loss for the year ended March 31, 2017. The net impact on retained earnings was Rs. 7.64 million and Rs. 5.03 million as on March 31, 2017 and April 1, 2016 respectively.

4. Straight-lining Impact in Rent

Under Indian GAAP, the Company used to recognise the provision for straight lining of expense. Ind AS requires that lease payments under an operating lease shall be recognised as an expense on a straight line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Considering the above, the provision for straight lining of expense amounting to Rs. 86.39 millions and Rs. 29.61 millions has been reversed in other non—current liabilities for the year ended March 31, 2017 and retained earnings on April 1, 2016 respectively.

Rent expense was reduced for the year March 31, 2017 due to reversal of straight lining expense amounting to Rs. 56.78 million.

5. Support from vendors

Under Indian GAAP, advertisement and marketing support received from vendors has been recognised as other income from operations. In addition, one time fees received from vendor as preferred beverage vendor is deferred over the period and recognised as other income from operations. Under Ind AS, support received from vendors is being considered as reimbursement of cost of purchases.

As a result of above, other income from operations and cost of purchases, both will be reduced by Rs. 32.74 millions for the year ended March 31, 2017. No impact in retained earnings as at April 1, 2016.

6. Defined benefit obligation

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost including actuarial gains and losses are charged to profit or loss. Under Ind AS, actuarial gains and losses of post benefit retirement plans are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Thus, the employee benefit cost is reduced by INR 0.74 millions and re-measurement gains on defined benefit plans has been recognized in the OCI net of tax.

7. Share - based payments

Under Indian GAAP, the cost of equity settled employee shared based programs were recognised using the intrinsic value method. Under IND AS, the same needs to be recognised based on the fair value of options on the grant date.

8. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

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Note 42 : Standards issued but not yet effective

The amendments to the standards that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

IND AS 115 Revenue from contracts with customers

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018.

The Company is in the process of evaluating the effect on financial statement.

Note 43
Previous year's figures have been regrouped / reclassified whenever necessary, to conform to current year's classification.

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: September 21, 2018

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

Tanmay Kumar
Chief Financial Officer
Place : Mumbai
Date: September 21, 2018

Ranjana Sahoo
Company Secretary
Membership No : A18670

DIRECTORS REPORT

To,
The Members,
Burger King India Private Limited

Your Directors have pleasure in presenting the 5th (Fifth) Annual Report on the Company's business and operations, together with the audited financial statements for the year ended 31st March, 2018 and other accompanying reports, notes and certificates.

COMPANY OVERVIEW

Your Company was incorporated on the 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, 2018 are as follows:

Particulars	Figures (Rupees in Millions)	
	Period ended 31st March, 2018	**Period Ended 31st March , 2017**
Total Revenue	3887.37	2341.33
Total Expenses	4513.23	2911.62
Loss before Exceptional items and Tax	(625.86)	(570.29)
Loss for the year	(625.86)	(570.29)

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, accept as required under any statue.

BURGER KING INDIA PRIVATE LIMITED

SHARE CAPITAL

(a) Authorized Capital:

The Authorised Share Capital of the Company is INR 3,500,000,000 divided into 350,000,000 shares of INR 10 each as on 21st September, 2018.

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

The Issued, Subscribed and Paid-up Share Capital of the Company is INR 2,650,000,000 divided into 26,50,00,000 shares of INR 10 each as on 21st September, 2018.

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. Nitin Ramchand Motwani (DIN: 03397735) was appointed on the Board of Directors as the Additional Director of the Company with effect from 21st September, 2017. He was appointed as a Director of the Company w.e.f. 23rd September, 2017 by the Members of the Company at the previous Annual General Meeting.

Ms. Roshini Bakshi (DIN: 01832163), Director of the Company had resigned from the Board of Directors of the Company with effect from 21st September, 2017.

Mr. Vaibhav Punj (DIN: 07163484), Director of the Company had resigned from the Board of Directors of the Company with effect from 13th December, 2017.

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.

The Composition of the Board of Directors as on 31st March, 2018 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. Nitin Ramchand Motwani	Director	03397735
5.	Mr. Antonio Pagano	Additional Director	07992811

BURGER KING INDIA PRIVATE LIMITED

BOARD OF DIRECTORS, MEETINGS AND ITS COMMITTEES:

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

During the period 01st April, 2017 to 31st March, 2018, 4 (Four) 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.	06th June, 2017	• Amit Manocha, • Jaspal Singh Sabharwal, • Rajeev Varman, • Vaibhav Punj
2.	21st September, 2017	• Jaspal Singh Sabharwal, • Rajeev Varman, • Amit Manocha • Vaibhav Punj
3.	13th December, 2017	• Nitin Ramchand Motwani, • Jaspal Singh Sabharwal, • Rajeev Varman, • Amit Manocha
4.	24th January, 2018	• Jaspal Singh Sabharwal, • Rajeev Varman, • Antonio Pagano, • Amit Manocha, • Nitin Ramchand Motwani

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.

BURGER KING INDIA PRIVATE LIMITED

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**".

The extract of the Annual Return i.e. Form MGT-9 is placed on the website of the Company.

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 2017-18, 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 authorised and recorded correctly.

BURGER KING INDIA PRIVATE LIMITED

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	
	(ii)		The steps taken by the company for utilising alternate sources of energy	NIL
	(iii)		The capital investment on energy conservation equipments	
(B)	**Technology absorption**			
	(i)		The efforts made towards technology absorption	
	(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)-	NIL
		(a)	The details of Technology imported;	
		(b)	The year of Import;	
		(c)	Whether the technology been fully absorbed;	NIL
		(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**			

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	(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 from 01st April, 2017 to 31st March, 2018, there were no material changes and commitments affecting the financial position of the Company.

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.

Employee Stock Option Scheme:

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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.

AUDITORS' OBSERVATIONS AND DIRECTORS' COMMENTS

Statutory Auditors Report

The Auditor's report does not contain any qualifications, reservation or adverse remarks.

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, 2018, 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

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view of the state of affairs of the Company at the end of the financial year ended 31st March, 2018 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 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,

BURGER KING INDIA PRIVATE LIMITED

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,
Marathahalli Colony,
Karnataka 560037.

Place: Mumbai
Date: 21st September, 2018

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: 21st September, 2018

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2018

[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),	**DIVISION 56** – FOOD & BEVERAGE SERVICE ACTIVITIES -**GROUP 561**- RESTAURANTS	100%

	eating houses, kiosks, fast food outlets, cafeterias, food courts, tea and coffee houses, 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.	& MOBILE FOOD SERVICES -**GROUP 562** - EVENT 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 of QSR Asia Pte. Ltd.

BURGER KING INDIA PRIVATE LIMITED

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):-									
2. **Non-Institutions**									
a. Bodies Corp	-	-	-	-	-	-	-	-	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i. Individual Shareholders holding nominal share capital upto Rs. 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 of QSR Asia Pte. Ltd.

(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 of QSR Asia Pte. Ltd.

(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	26,50,00,000	100	26,50,00,000	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	26,50,00,000	100	26,50,00,000	100

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

(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	-	-	-	-

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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	-	-	-	-

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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	23.58
	(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 - as % of profit - Others, specify...	NA
5.	Others, please specify	NA
6.	Total (A)	23.58

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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	NA	NA	NA	NA
	• Commission				
	• Others, please specify				
	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	Total Amount (Rs. In

		(Rs. In Millions)			Millions)
		CEO	Company Secretary	CFO	
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	NA	3.33	NA	3.33
	(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		2		2
	Sweat Equity		NA		-
	Commission - as % of profit - Others, specify...				-
	Others, please specify				-
	Total	**NA**	**5.33**	**NA**	**5.33**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding 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, Marathahalli Colony, Karnataka 560037.

Place: Mumbai
Date: 21st September, 2018

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: 21st September, 2018

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:**

Sr. No	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/ 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	2.48	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: 849, Ferns Paradise, 3rd Street, Outer Ring Road, Doddanakundi, Bangalore North, Bangalore, Marathahalli Colony, Karnataka 560037.

Place: Mumbai
Date: 21st September, 2018

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: 21st September, 2018

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;	₹ 4,40,00,000
(b)	Options vested;	₹ 0
(c)	Options exercised;	₹ 0
(d)	The total number of shares arising as a result of exercise of option;	₹ 0
(e)	Options lapsed;	₹ 30,00,000
(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;	₹ 4,10,00,000
(j)	Employee wise details of options granted to-	
	(i) Key managerial personnel.	₹ 1,10,00,000

BURGER KING INDIA PRIVATE LIMITED

	(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.	₹ 2,00,00,000
	(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 other than above

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,
Marathahalli Colony,
Karnataka 560037.

Place: Mumbai
Date: 21st September, 2018

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: 21st September, 2018