S R B C & CO LLP
Chartered Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Burger King India Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Burger King India Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive expense, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 45 of the Ind AS financial statements, which describes the Management's assessment of impact of COVID-19 pandemic on the Ind AS financial statements of the Company. Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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;

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(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

  ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

  iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Ravi Bansal
Partner
Membership Number: 49365

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CHARTERED ACCOUNTANTS

UDIN: 20049365AAAACY7025
Place of Signature: Mumbai
Date: September 28, 2020

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

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

(b) Fixed assts 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.

(c) According to the information and explanations given by the management and audit procedures performed by us, 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 and audit procedures performed by 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, duty of customs, profession tax, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

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

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

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

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(ix) According to the information and explanations given by the management and audit procedures performed by us, 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 and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

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

(xiv) According to the information and explanations given 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

P Bansal

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Ravi Bansal
Partner
Membership Number: 49365

UDIN: 20049365AAAACY7025
Place of Signature: Mumbai
Date: September 28, 2020

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

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

We have audited the internal financial controls over financial reporting of Burger King India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

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CHARTERED ACCOUNTANTS

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Ravi Bansal
Partner
Membership Number: 49365

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

UDIN: 20049365AAAACY7025
Place of Signature: Mumbai
Date: September 28, 2020

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Balance sheet as at March 31, 2020

	Notes	As at March 31, 2020 INR in Millions	As at March 31, 2019 INR in Millions	As at April 1, 2018 INR in Millions
Assets				
Non-current assets				
Property, plant and equipment	3	4,742.33	3,475.38	2,401.61
Right-of-use assets	4	5,379.50	4,292.25	3,433.47
Capital work-in-progress		475.63	202.38	103.18
Intangible assets	5	245.01	157.92	87.98
Financial assets				
(a) Loans	6	290.95	213.08	161.40
(b) Others financial assets	7	0.87	0.62	0.30
Income tax assets (net)		10.43	8.16	5.99
Other non-current assets	8	33.13	39.45	18.93
		11,177.85	**8,389.24**	**6,212.86**
Current assets				
Inventories	9	94.34	68.56	51.88
Financial assets				
(a) Investments	10	185.76	384.14	868.92
(b) Trade and other receivables	11	32.20	58.98	25.85
(c) Cash and cash equivalents	12	40.54	158.55	72.04
(d) Bank balances other than cash and cash equivalents	13	239.90	1.61	1.86
(e) Other financial assets	14	12.31	29.69	13.32
Other current assets	15	194.17	113.95	56.82
		799.22	**815.48**	**1,090.69**
Total Assets		**11,977.07**	**9,204.72**	**7,303.55**
Equity and Liabilities				
Equity				
Equity Share capital	16	2,777.42	2,650.00	2,650.00
Other equity	17	(23.16)	(153.53)	221.31
Total Equity		**2,754.26**	**2,496.47**	**2,871.31**
Liabilities				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	18	1,787.87	-	-
(b) Lease Liabilities	42	5,665.48	4,508.38	3,522.84
Provisions	19	187.28	51.78	33.24
Other non-current liabilities	20	8.16	7.86	7.33
		7,648.79	**4,568.02**	**3,563.41**
Current liabilities				
Financial liabilities				
(a) Borrowings	18	197.29	1,000.00	-
(b) Trade payables				
(i) Micro and small enterprises	21	5.35	-	-
(ii) Others	21	810.67	609.00	434.11
(c) Lease liabilities	42	311.99	231.82	177.40
(d) Other financial liabilities	22	153.51	222.15	157.39
Provisions	19	32.88	23.81	17.03
Other current liabilities	23	62.33	53.45	82.90
		1,574.02	**2,140.23**	**868.83**
Total Equity and Liabilities		**11,977.07**	**9,204.72**	**7,303.55**

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

Place: Mumbai
Date: September 28, 2020

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

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Shivakumar Pullaya Dega
Director

DIN: 00364444

Tara Subramaniam
Director

DIN: 07654007

Sumit Zaveri
Chief Financial Officer

Place: Mumbai
Date: September 28, 2020

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020 INR in Millions	For the year ended March 31, 2019 INR in Millions
Income			
Revenue from operations	24	8,412.38	6,327.35
Other income	25	55.91	113.95
Total Income		**8,468.29**	**6,441.30**
Expenses			
Cost of materials consumed	26	3,014.90	2,300.84
Employee benefits expenses	27	1,365.03	968.59
Finance costs	28	654.53	464.50
Depreciation and amortisation expenses	29	1,163.74	822.10
Other expenses	30	2,992.34	2,268.06
Total Expenses		**9,190.54**	**6,824.09**
Loss before exceptional items and tax		(722.25)	(382.79)
Exceptional items	44	43.45	-
Loss before tax		(765.70)	(382.79)
Tax expenses			
Current tax	31	-	-
Deferred tax	31	-	-
Loss for the year		(765.70)	(382.79)
Other Comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement (expense)/gains on defined benefit plans	33	(10.11)	(2.71)
Income tax on above	31	-	-
Total other comprehensive loss for the year, net of tax		(10.11)	(2.71)
Total comprehensive loss for the year, net of tax		(775.81)	(385.50)
Earnings per equity share			
Face value of Rs. 10 each			
Basic and Diluted (in INR)	32	(2.87)	(1.44)
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 28, 2020

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

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Shivakumar Pullaya Dega
Director
DIN: 00364444

Tara Subramaniam
Director
DIN: 07654007

Sumit Zaveri
Chief Financial Officer

Place: Mumbai
Date: September 28, 2020

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Statement of Changes in Equity for the year ended March 31, 2020

(A) Equity share capital

INR in Millions

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

	No. of shares	INR in Millions
At April 01, 2018	265,000,000	2,650.00
Changes during the year	-	-
At March 31, 2019	265,000,000	2,650.00
Changes during the year	12,741,785	127.42
At March 31, 2020	277,741,785	2,777.42

(B) Reserves and Surplus

Particulars	Securities premium	Share based payment reserve	Retained earnings	Total other equity
As at April 01, 2018	2,454.50	30.62	(2,263.81)	221.31
Loss for the year	-	-	(382.79)	(382.79)
Other comprehensive loss	-	-	(2.71)	(2.71)
Total comprehensive loss	-	-	(385.50)	(385.50)
Share based compensation to employees	-	10.66	-	10.66
As at March 31, 2019	2,454.50	41.28	(2,649.31)	(153.53)
Loss for the year	-	-	(765.70)	(765.70)
Other comprehensive loss	-	-	(10.11)	(10.11)
Total comprehensive loss	-	-	(775.81)	(775.81)
Share based compensation to employees	-	33.60	-	33.60
Transfer to securities premium on exercise of options	17.69	(34.00)	-	(16.31)
Transfer to securities premium on CCPS conversion {Refer Note 18(iii)}	888.89	-	-	888.89
As at March 31, 2020	3,361.08	40.88	(3,425.12)	(23.16)

Summary of significant accounting policies (Refer Note 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

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

per Ravi Bansal
Partner

Membership No: 49365

Place : Mumbai
Date: September 28, 2020

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

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Shivakumar Pullaya Dega
Director

DIN: 00364444

Tara Subramaniam
Director

DIN: 07654007

Sumit Zaveri
Chief Financial Officer

Place: Mumbai
Date: September 28, 2020

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Statement of Cash Flow for the year ended March 31, 2020

	For the year ended March 31, 2020 INR in Millions	For the year ended March 31, 2019 INR in Millions	For the year ended March 31, 2018 INR in Millions
Cash flow from operating activities			
Loss before tax	(775.81)	(385.50)	(814.16)
Adjustments for:			
Depreciation and amortization expenses	623.05	394.77	307.46
Depreciation on Right of use assets	540.69	427.33	332.90
Assets written off (Refer Note 30(ii))	6.89	1.12	6.16
Interest Income on fixed deposits	(1.74)	(0.22)	(0.20)
Provisions written back	(1.09)	(64.92)	-
Provision for doubtful debts	-	2.63	-
Gain on termination of lease	(9.43)	-	-
Gain on remeasurement of lease	(14.15)	-	-
Finance cost	654.53	464.50	369.37
Employee stock compensation expense	27.05	7.80	8.40
Notional interest on interest free security deposit	(17.66)	(16.37)	(13.06)
Profit on sale of Current Investments (including MTM impact)	(10.71)	(29.90)	(89.66)
Operating profit before working capital changes	1,021.62	801.24	107.21
Movements in working capital			
Increase in financial assets	(60.20)	(35.31)	(36.75)
Increase in other non-current assets	(11.82)	(0.43)	
Decrease in Other Current Assets	(62.86)	(30.70)	(14.64)
Increase in inventories	(25.78)	(16.68)	(11.90)
(Increase)/ decrease in trade receivables	26.78	(33.13)	(11.69)
Increase in trade payables	206.51	196.98	239.28
Increase in provisions	26.04	14.55	9.06
Increase / (Decrease) in Other Liabilities	9.18	(28.92)	27.88
Cash generated in operations	1,129.47	867.60	308.45
Direct taxes paid (net of refunds)	(2.27)	(2.17)	(3.55)
Net cash flow generated from operating activities (A)	1,127.20	865.43	304.90
Cash flows from investing activities			
Purchase of Property, Plant and Equipment, including Right-of-use assets, CWIP and capital advances*	(2,275.25)	(1,654.47)	(865.54)
Purchase of Current Investments	(725.63)	(1,659.62)	(719.80)
Proceeds from sale of Current Investments (net)	934.73	2,174.31	1,713.18
(Investment) / Redemption in bank deposits (having original maturity of more than three months)(net)	(238.28)	0.25	(0.63)
Interest received on Fixed deposit	0.45	0.23	0.10
Increase/ (decrease) in non- current bank deposits	(0.25)	(0.32)	0.54
Net cash flow used in investing activities (B)	(2,304.23)	(1,139.62)	127.85
Cash flows from financing activities			
Proceeds from borrowings	2,007.29		-
Proceeds from issue of CCPS		1,000.00	
Payment of interest on term loan	(52.93)		-
Payments of principal portion lease liabilities	(310.01)	(177.29)	(117.79)
Payments of interest portion lease liabilities	(585.33)	(462.01)	(366.51)
Net Cash flows from financing activities (C)	1,059.02	360.70	(484.30)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(118.01)	86.51	(51.55)
Cash and cash equivalents at the beginning of the year	158.55	72.04	123.59
Cash and cash equivalents at the end of the year	40.54	158.55	72.04
Net increase/ (decrease) in cash and cash equivalents	(118.01)	86.51	(51.55)
Components of cash and cash equivalents			
Cash on hand	15.96	39.88	22.55
With banks in current account	24.58	118.67	49.49
Cash and cash equivalents as per note 12	40.54	158.55	72.04
Total Cash and cash equivalents for the purposes of cash flow statement	40.54	158.55	72.04

Figures in brackets indicate outflows

*Refer Note 42 -Leases regarding non-cash adjustment relating to leases.

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

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date: September 28, 2020

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

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Shivakumar Pullaya Dega
Director

DIN: 00364444

Tara Subramaniam
Director

DIN: 07654007

Sumit Zaveri
Chief Financial Officer

Place: Mumbai
Date: September 28, 2020

Note 1
Corporate information

Burger King India 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 Company has converted from a Private Limited Company to a Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of the Company held on September 13, 2019. Consequently, the name of the Company has changed to Burger King India Limited pursuant to a fresh certificate of incorporation issued by the ROC on September 25, 2019.

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, 2020, the Company had 252 Company-operated restaurants and 8 sub-franchisee restaurants located across different cities of India.

The Board of directors approved the financial statements for issue on September 28, 2020.

Note 2
Significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 Summary of significant accounting policies

a. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

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

b. Foreign currencies

Functional and presentation currency

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

Transactions and balances

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

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

c. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

d. Revenue recognition

Revenue from contract with customer

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

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

<u>Sale of goods</u>
The Company recognises revenue from sale of food through Company's owned stores and are recognised when the items are delivered to or carried out by customers.

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

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

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Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Contract balances

Trade receivables

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

Contract liabilities

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

e. Taxes

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

Current income tax

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

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

Deferred tax

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

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

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 accumulated 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.

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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:

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

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date 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 accumulated 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.

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

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

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

h. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Right-of-Use Leasehold Restaurants and Restaurant Equipments are amortised over a period of lease term.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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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.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of restaurant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss.

i. Inventories

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

j. Impairment of non-financial assets

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

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

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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.

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. It is measured 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.

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m. Share - based payments

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

Equity-settled transactions

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

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

n. Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

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

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Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:
• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:
• Financial assets measured at amortised cost; and
• Financial assets measured at Fair value through other comprehensive income (FVTOCI)

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

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

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

De-recognition

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

Offsetting of financial instruments

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

o. 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, that are readily convertible to a known amount of cash and,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.

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MUMBAI
CHARTERED ACCOUNTANTS

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.

2.3 Significant accounting judgements, estimates and assumptions

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

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

a) Useful lives of Property, Plant and equipment

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

b) Provision for decommissioning

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

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CHARTERED ACCOUNTANTS

c) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases attrition rates and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Further details about gratuity obligations are given in note 33.

d) Impairment of non-financial assets

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

e) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details about Deferred tax assets are given in note 31.

f) Lease Term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company included the renewal period as part of the lease term for leases of restaurant and equipment due to the significance of these assets to its operations and also investments made in leasehold improvements.

g) Estimation of uncertainties relating to the global health pandemic from COVID-19

Refer Note 45 to the financial statements.

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MUMBAI
CHARTERED ACCOUNTANTS

2.4 Changes in accounting policies and disclosures

(i) Ind AS 116 'Leases'

The Company applied Ind AS 116 'Leases' for the first time. The nature and effect of the changes as to a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the full retrospective method of adoption, with the date of initial application of April 1, 2019. Accordingly, the Company has disclosed balance sheet as at April 1, 2018 as comparative.

Further, as per option available under Ind AS 116, the Company has opted to disclose lease liability as a separate line item on the face of balance sheet.

The effect of adopting Ind AS 116 for the year ended March 31, 2020 is as follows:

Impact on the financial position is given the table below (increase/(decrease) :-

Particulars / Balance Sheet Impact	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Assets			
Right-of-use-assets	5,379.50	4,292.25	3,433.47
Deferred lease rent	(256.58)	(201.31)	(155.61)
Total Assets	**5,122.92**	**4,090.94**	**3,277.86**
Equity			
Retained Earnings	(854.55)	(649.26)	(422.38)
Total Equity	**(854.55)**	**(649.26)**	**(422.38)**
Liabilities			
Non-current lease liabilities	5,665.48	4,508.38	3,522.84
Current lease liabilities	311.99	231.82	177.40
Total liabilities	**5,977.47**	**4,740.20**	**3,700.24**

Impact on Statement of profit and loss account is given in the table below (increase/(decrease):-

Particulars	March 31, 2020	March 31, 2019
Finance Cost	585.33	462.01
Depreciation and Amortisation on Right of Use assets	540.69	427.33
Other Expense	(863.62)	(662.44)
Loss after tax	262.40	226.90
Deferred tax assets impact on above adjustments	66.05	70.77
Deferred tax recognised in the financial statements on the above adjustments (*)	-	-

*The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the impact of Ind AS 116. Also, refer note 31 on deferred tax assets.

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MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of financial statements for the year ended March 31, 2020

Impact on statement of cash flows increase/(decrease): -

Particulars	March 31, 2020	March 31, 2019
Net cash flows from operating activities	310.00	177.29
Net cash flows from financing activities	(310.00)	(177.29)

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the full retrospective method of adoption, the Company applied Ind AS 116 at the date of initial application as if it had already been effective at the commencement date of existing lease contracts.

As at March 31, 2020:

- Right-of-use asset are recognised and presented separately in the statement of financial position.
- Lease liabilities are recognised in accordance with Ind AS 116 and shown as financial liabilities
- Deferred lease payments related to leases are reclassified to Right-of-Use assets.
- Retained Earnings has decreased due to impact of Ind AS 116 adjustments.

For year ended March 31, 2020:

- Depreciation expense increased because of recognition of additional assets (i.e., increase in right-of-use assets).
- 'Other expenses' relating to operating leases existing as on April 1, 2016, have decreased, because of recognition of finance expenses as per Ind AS 116.
- Cash outflows from operating activities and investing activities increased and cash outflows from financing activities decreased by the same amount, because of recognition of finance expenses as per Ind AS 116 instead of rent expenses.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 3 : Property, plant and equipment

INR in Millions

	Leasehold Improvements [Refer note (i)]	Restaurants Equipments [Refer note (i)]	Furniture & Fixtures	Computers	Office Equipments	Vehicles	Total
Cost							
At April 1, 2018	1,555.26	1,190.12	196.21	22.99	6.21	3.26	2,974.05
Additions	729.18	599.57	123.30	3.71	1.28	-	1,457.04
Disposals	8.94	0.47	2.06	-	0.17	-	11.64
March 31, 2019	2,275.50	1,789.22	317.45	26.70	7.32	3.26	4,419.45
Additions	897.59	854.63	115.71	5.61	1.28	-	1,874.82
Disposals	60.17	2.52	3.34	1.35	-	-	67.38
At March 31, 2020	3,112.92	2,641.33	429.82	30.96	8.60	3.26	6,226.89
Accumulated depreciation							
At April 1, 2018	298.29	221.27	35.42	12.68	3.22	1.56	572.44
Depreciation for the year	184.53	161.89	29.65	4.27	0.80	0.39	381.53
Disposals	8.53	0.28	0.94	-	0.15	-	9.90
At March 31, 2019	474.29	382.88	64.13	16.95	3.87	1.95	944.07
Depreciation for the year	298.98	250.22	48.23	5.99	1.23	0.39	605.04
Disposals	57.74	2.33	3.20	1.28	-	-	64.55
At March 31, 2020	715.53	630.77	109.16	21.66	5.10	2.34	1,484.56
Net Book Value							
At March 31, 2020	2,397.39	2,010.56	320.66	9.30	3.50	0.92	4,742.33
At March 31, 2019	1,801.21	1,406.34	253.32	9.75	3.45	1.31	3,475.38
At April 1, 2018	1,256.97	968.85	160.79	10.31	2.99	1.70	2,401.61

Note
(i) For capitalization of pre-operative expenditure relating to leasehold improvements and restaurant equipments, refer note 38.
(ii) Amount capitalised from Capital work-in-progress during March 31, 2020 is 178.37 Million (March 31, 2019: INR 95.74 Million, April 1, 2018: INR 101.81 Million)

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Note 4 : Right-of-use assets

INR in Millions

	Right-of-use Leasehold Restaurants	Right-of-use Restaurant Equipments	Total
Gross carrying amount			
At April 1, 2018	4,032.09	105.67	4,137.76
Additions	1,228.22	57.89	1,286.11
Disposals	-	-	-
At March 31, 2019	5,260.31	163.56	5,423.87
Additions*	1,603.06	69.67	1,672.73
Disposals	59.33	0.45	59.78
At March 31, 2020	6,804.04	232.78	7,036.82

*net off remeasurements

	Right-of-use Leasehold Restaurants	Right-of-use Restaurant Equipments	Total
Accumulated depreciation			
At April 1, 2018	689.49	14.80	704.29
Add : Depreciation for the year	415.61	11.72	427.33
Less : Disposals	-	-	-
At March 31, 2019	1,105.10	26.52	1,131.62
Depreciation for the year	524.19	16.50	540.69
Disposals	14.85	0.14	14.99
At March 31, 2020	1,614.44	42.88	1,657.32
Net Book Value			
At March 31, 2020	5,189.60	189.90	5,379.50
At March 31, 2019	4,155.21	137.04	4,292.25
At April 1, 2018	3,342.60	90.87	3,433.47

Note 5 : Intangible assets

	Computer - Software	Franchise Rights	Total
Cost			
At April 1, 2018	26.88	78.74	105.62
Add: Additions	10.98	72.20	83.18
Less: Disposals	-	-	-
At March 31, 2019	37.86	150.94	188.80
Additions	5.26	99.84	105.10
Disposals	-	-	-
At March 31, 2020	43.12	250.78	293.90
Amortization			
At April 1, 2018	12.20	5.44	17.64
Amortization for the year	7.30	5.94	13.24
Disposals	-	-	-
At March 31, 2019	19.50	11.38	30.88
Amortization for the year	6.75	11.26	18.01
Disposals	-	-	-
At March 31, 2020	26.25	22.64	48.89
Net Book Value			
At March 31, 2020	16.87	228.14	245.01
At March 31, 2019	18.36	139.56	157.92
At April 1, 2018	14.68	73.30	87.98

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

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

INR in Millions

	March 31, 2020	March 31, 2019	April 1, 2018
Security Deposits - Premises and Other Deposits			
Considered good	280.06	213.08	161.40
Considered doubtful- credit impaired	0.10	-	-
Less : Allowance for doubtful deposits- credit impaired	(0.10)	-	-
Loan to employees	10.89	-	-
	290.95	**213.08**	**161.40**

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

Note 7 : Non-current financial assets - Others (unsecured, considered good)
(Carried at amortised cost)

	March 31, 2020	March 31, 2019	April 1, 2018
Bank Deposits with remaining maturity of more than 12 months*	0.87	0.62	0.30
	0.87	**0.62**	**0.30**

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

Note 8 : Other non-current assets (unsecured, considered good)

	March 31, 2020	March 31, 2019	April 1, 2018
Capital advances	20.87	39.02	18.93
Prepaid expenses	12.26	0.43	-
	33.13	**39.45**	**18.93**

Note 9 : Inventories (at lower of cost or net realisable value)

	March 31, 2020	March 31, 2019	April 1, 2018
Food, beverages & condiments	87.43	52.83	37.31
Paper & packaging material	6.91	15.73	14.57
	94.34	**68.56**	**51.88**

Note:

Amount of write down of inventories in the statement of profit and loss as an exceptional expense in current year is INR 16.03 million (March 31, 2019: NIL, March 31, 2018: NIL) **(Refer Note 44)**

Note 10 : Current financial assets - Investments

	March 31, 2020		March 31, 2019		April 1, 2018	
	Units	INR in Millions	Units	INR in Millions	Units	INR in Millions
Investments in Quoted Mutual Funds: (fully paid)						
Investments at fair value through Profit & Loss						
Reliance Prime Debt Fund - Growth Plan - Growth Option - IPGP (Cost- Mar 31 2020: NIL, Mar 31, 2019: NIL; Apr 1, 2018: INR 27.61 million)	-	-		-	862,898	31.44
Ultra - Money Market Fund- Growth Plan (Cost- Mar 31 2020: NIL, March 31, 2019: NIL; April 1, 2018: INR 15.28 million)	-	-		-	7,981	15.48
Kotak Low Duration Fund Standard Growth (Regular Plan) (Cost- Mar 31 2020: NIL, March 31, 2019: NIL; April 1, 2018: INR 300.00 million)	-	-		-	151,474	321.60
ICICI Prudential - Ultra Short Term Fund - Growth (Cost- Mar 31 2020: NIL, March 31, 2019: NIL; April 1, 2018: INR 250.00 million)	-	-		-	15,269,227	267.76
Aditya Birla Sun Life Fund Quarterly Plan - Series 1 growth – regular plan (Cost- Mar 31 2020: NIL, March 31, 2019: NIL; April 1, 2018: INR 190.00 million)	-	-		-	8,517,200	191.52
Aditya Birla Sun Life Savings Fund - Growth Regular Plan (Cost: Mar 31 2020: INR 32.45 million; March 31, 2019: INR 122.00 million; April 1, 2018: NIL)	87,455	34.77	332,324	122.67	-	-
Kotak Savings Fund - Growth (Regular Plan) (Cost: Mar 31 2020: NIL; March 31, 2019: INR 100.00 million; April 1, 2018: NIL)	-	-	3,355,063	100.56	-	-
HDFC Ultra Short term Fund - Regular Growth (Cost: Mar 31 2020: NIL; March 31, 2019: INR 100.00 million; April 1, 2018: NIL)	-	-	9,613,998	100.53	-	-
SBI Savings Fund (Cost: Mar 31 2020: NIL; March 31, 2019: INR 50.17 million; April 1, 2018:	-	-	1,742,079	50.41	-	-
UTI Short Term Income Fund - Growth Plan (Cost: Mar 31 2020: NIL; March 31, 2019: INR 7.38 million; March 31, 2018: INR 32.41 million)	-	-	443,040	9.97	1,946,863	41.12
Nippon India Liquid fund (Cost- Mar 31 2020: INR 67.50 million; March 31, 2019: Nil; April 1, 2018: Nil)	14,953	67.53	-	-	-	-
Uti Liquid Fund -Cash Plan (Cost- Mar 31 2020: INR 83.42 million; March 31, 2019: Nil; April 1, 2018: Nil)	25,779	83.46	-	-	-	-
		185.76		**384.14**		**868.92**

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 11 : Trade and other receivables (unsecured, considered good)
(Carried at amortised cost)

INR in Millions

	March 31, 2020	March 31, 2019	April 1, 2018
Related parties (Unsecured, considered good)	0.14	-	0.36
Others (Unsecured, considered good)	32.06	58.98	25.49
Others- credit impaired (Unsecured, considered doubtful)	2.48	2.63	-
Less : Allowance for doubtful balances - credit impaired	(2.48)	(2.63)	-
	32.20	**58.98**	**25.85**

Note:

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

Note 12 : Cash and cash equivalents	March 31, 2020	March 31, 2019	April 1, 2018
Balances with banks			
In current accounts	24.58	118.67	49.49
Cash on hand	15.96	39.88	22.55
	40.54	**158.55**	**72.04**

Note 13 : Bank balances other than cash and cash equivalents

	March 31, 2020	March 31, 2019	April 1, 2018
Bank deposits with original maturity of more than 3 months and remaining maturity less than 12 mont	239.90	1.61	1.86
	239.90	**1.61**	**1.86**

*Above deposits includes deposits given against bank guarantees issued to government authorities. Out of the total deposits outstanding as on March 31, 2020: INR 47.30 Million (March 31, 2019: NIL, April 1, 2018: NIL) is secured against term loan.

Note 14 : Other financial assets - current (unsecured, considered good)
(Carried at amortised cost)

	March 31, 2020	March 31, 2019	April 1, 2018
Income receivables	12.31	29.69	13.32
	12.31	**29.69**	**13.32**

Note 15 : Other current assets

	March 31, 2020	March 31, 2019	April 1, 2018
Prepaid expenses	32.73	36.92	12.63
Advance to suppliers	79.89	45.83	22.37
Advance to employees	2.15	1.67	1.60
Share issue expenses (to the extent not written off)*	78.30	-	-
Balances with government authorities			
Considered good	1.10	29.53	20.22
Considered doubtful	10.41	11.35	54.73
Less : Allowance for doubtful balances with government authorities	(10.41)	(11.35)	(54.73)
	194.17	**113.95**	**56.82**

Note:

*The Company has so far incurred share issue expenses of INR 78.30 million in connection with proposed public offer of equity shares. These expenses shall be adjusted against securities premium as permissible under Section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO). The entire amount has been carried forward and disclosed under the head 'Other Current Assets' as Share issue expenses (to the extent of not written off or adjusted).

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MUMBAI
CHARTERED ACCOUNTANTS

Note 16 : Equity Share Capital

Authorised equity share capital

	Equity shares	
	Numbers	INR in Millions
At April 1, 2018	265,000,000	2,650.00
Increase during the year	25,000,000	250.00
At March 31, 2019	**290,000,000**	**2,900.00**
Increase during the year	100,000,000	1,000.00
At March 31, 2020	**390,000,000**	**3,900.00**

Authorised Preference share capital

	Preference shares	
	Numbers	INR in Millions
At April 1, 2018	-	-
Increase during the year	11,500,000	1,150.00
At March 31, 2019	**11,500,000**	**1,150.00**
Increase during the year	-	-
At March 31, 2020	**11,500,000**	**1,150.00**

Terms/ rights attached to equity shares

The Company has a single class of equity shares having par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued Capital

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

	Numbers	INR in Millions
At April 1, 2018	265,000,000	2,650.00
Changes during the year	-	-
At March 31, 2019	**265,000,000**	**2,650.00**
Changes during the year	12,741,785	127.42
At March 31, 2020	**277,741,785**	**2,777.42**

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

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of shares	INR in Millions	Number of shares	INR in Millions	As at April 1, 2018	INR in Millions
QSR Asia Pte Ltd - Holding Company Equity shares of INR 10 each fully paid	276,111,110	2,761.11	264,999,999	2,650.00	264,999,999	2,650.00
F&B Asia Ventures (Singapore) Pte. Ltd. - Holding Company of QSR Asia Pte. Ltd Equity share of INR 10 each fully paid	1.00	*0	1.00	*0	1.00	*0

* Denotes amount less than INR 5,000

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

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
QSR Asia Pte Ltd - Holding Company	276,111,110	99.41%	264,999,999	99.99%	264,999,999	99.99%
	276,111,110	**99.41%**	**264,999,999**	**99.99%**	**264,999,999**	**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.

Note 17 : Other equity

Securities premium

	INR in Millions
At April 01, 2018	**2,454.50**
At March 31, 2019	**2,454.50**
Add: Transfer from share based payment reserve	17.69
Add: Transfer on account of CCPS conversion	888.89
At March 31, 2020	**3,361.08**

Share based payment reserve

	INR in Millions
At April 01, 2018	**30.62**
Add: Charge for the year	10.66
At March 31, 2019	**41.28**
Add: Charge for the year	33.60
Less: Transfer to securities premium on exercise of options	(34.00)
At March 31, 2020	**40.88**

Retained earnings

	INR in Millions
At April 01, 2018	**(2,263.81)**
Add: Total comprehensive loss during the year	(385.50)
At March 31, 2019	**(2,649.31)**
Add: Total comprehensive loss during the year	(775.81)
At March 31, 2020	**(3,425.12)**

Total other equity

At March 31, 2020	**(23.16)**
At March 31, 2019	**(153.53)**
At April 1, 2018	**221.31**

Nature of reserve:

1. Securities premium : Securities premium reserve represents premium received on shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

2. Share based payment reserve: Share based payment reserve represents the grant date fair value of options issued to employees under employee stock plan.

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Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

INR in Millions

Note 18 : Borrowings

	March 31, 2020	March 31, 2019	April 1, 2018
Non current borrowings			
(Carried at Amortised cost)			
Term loan:			
Rupee loan from Bank (Secured) (Refer note (i) below)#	1,787.87	-	-
	1,787.87	-	-
Current borrowings			
(Carried at Amortised cost)			
Bank overdraft (Secured) (Refer Note (ii) below)	197.29	-	-
(Carried at Fair Value Through Profit and Loss)			
8% Compulsory Convertible Preference shares (CCPS) (Unsecured) (Refer Note (iii) below)	-	1,000.00	-
	197.29	1,000.00	-

(i)

Particulars	Interest	Maturity*	Security
Term Loan - INR 1,500 million	I-MCLR-1Y+"Spread"	3 Quarterly instalments of INR 75 million each from February 13, 2022 to August 13, 2022 4 Quarterly instalments of INR 93.5 million each from November 13, 2022 to August 13, 2023 8 Quarterly instalments of INR 112.5 million each from November 13, 2023 to August 13, 2025	(i) First pari passu charge on of all assets including moveable and immovable fixed assets, current assets including bank accounts, receivables, inventory, present and future of the Borrower (ii) First pari passu charge on hypothecation on intangibles goodwill and uncalled capital of the Borrower (iii) First pari passu charge on the Current Account/ Escrow Account and DSRA Account and all monies credited/deposited therein(in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be)
Term Loan - INR 310 million	I-MCLR-1Y+"Spread"	3 Quarterly instalments of 25.82 million each from September 30, 2021 to March 31, 2022 4 Quarterly instalments of 7.75 million each for Financial year 2022-23 8 Quarterly instalments of 3.88 million each from Financial year 2023-24 to Financial year 2024-25 4 Quarterly instalments of 42.63 million each for Financial year 2025-26	(i) First pari passu charge on of all assets including moveable and immovable fixed assets, current assets including bank accounts, receivables, inventory, present and future of the Borrower (ii) First pari passu charge on hypothecation on intangibles goodwill and uncalled capital of the Borrower (iii) First pari passu charge on the Current Account/ Escrow Account and DSRA Account and all monies credited/deposited therein(in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be)

Effective rate of interest as on March 31, 2020 for Term Loan- INR 1,500 million and INR 600 million is 9.73% and 10.12% respectively
Effective rate of interest as on March 31, 2020 for bank overdraft is 9.55% (I-MCLR-6M+"Spread" of 1.45% p.a.)
*The amounts mentioned are grossed up to the extent of unamortised processing fees
#Net of unamortised processing fees for year ended March 31, 2020 of INR 22.13 million

(ii)

The Company has availed bank overdraft facility (repayable on demand) which is secured by:
(1) By way of hypothecation /mortgage of all assets including moveable and immovable fixed assets, current assets including bank accounts, receivables, inventory, present and future of the Borrower
(2) By way of hypothecation on intangibles goodwill and uncalled capital of the Borrower
(3) The Current and Escrow account (in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be);

Changes in liabilities arising from financing activities	March 31, 2020	March 31, 2019	April 1, 2018
Beginning of the year	1,000.00	-	-
Cash inflows (net)	2,007.29	1,000.00	-
Unamortised processing fees	(22.13)	-	-
CCPS converted into equity shares (Refer Note iii)	(1,000.00)		
End of the year	1,985.16	1,000.00	-

(iii) Note for CCPS:

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

CCPS were compulsorily convertible into equity shares at the sole discretion of the shareholder at any time within a period of 20 years from the date of issuance at the Fair Market Value as at the date of conversion subject to minimum valuation of floor price mentioned in the terms of CCPS and in accordance with the applicable laws.
In the event of liquidation of the company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

CCPS was classified as financial liability as at March 31, 2019 based on assessment of the terms and conditions as per Ind AS 32. During the year ended March 31, 2020, CCPS were converted into equity shares.

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INR in Millions

Note 19 : Provisions

	March 31, 2020	March 31, 2019	April 1, 2018
Non-current provisions			
Gratuity (Refer note 33)	33.62	16.65	8.88
Site restoration liability (Refer note below)	153.66	35.13	24.36
	187.28	**51.78**	**33.24**

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

	March 31, 2020	March 31, 2019	April 1, 2018
Beginning of the year	35.13	24.36	18.49
Additions during the year*	121.25	10.77	6.87
Deletions during the year	(2.72)	-	(1.00)
End of the year	**153.66**	**35.13**	**24.36**

* Includes amount of INR Million 6.27 Million due to change in estimate for March 31, 2020 (March 31, 2019: INR NIL, April 1, 2018: INR NIL)

	March 31, 2020	March 31, 2019	April 1, 2018
Current provisions			
Gratuity (Refer note 33)	1.36	0.33	0.03
Leave benefits	31.52	23.48	17.00
	32.88	**23.81**	**17.03**

Note 20 : Other non-current liabilities

	March 31, 2020	March 31, 2019	April 1, 2018
Income received in advance (Contract Liabilities)	8.16	7.86	7.33
	8.16	**7.86**	**7.33**

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INR in Millions

Note 21 : Trade payables

	March 31, 2020	March 31, 2019	April 1, 2018
Micro and small enterprises*	5.35	-	-
Others	810.67	609.00	434.11
	816.02	**609.00**	**434.11**

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year:

(a) Principal amount due to micro and small enterprises	5.35	-	-
(b) Interest due on above	-	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
(e) The amount of interest accrued and remaining unpaid at the end of year	-	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

* Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 22 : Other financial liabilities- Current
(Carried at amortised cost)

	March 31, 2020	March 31, 2019	April 1, 2018
Payable to capital vendors	107.53	193.78	138.62
Retention Money Payable	45.98	28.37	18.77
	153.51	**222.15**	**157.39**

Note 23 : Other current liabilities

	March 31, 2020	March 31, 2019	April 1, 2018
Income received in advance (Contract Liabilities)	1.36	1.32	4.05
Statutory dues	60.97	52.13	78.85
	62.33	**53.45**	**82.90**

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INR in Millions

Note 24 : Revenue from operations

	March 31, 2020	March 31, 2019
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenue recognised at the point of time		
Income from Sale of food and beverages	8,353.23	6,285.86
Revenue recognised over the period of time		
Income from sub franchisee operations	29.51	22.93
Total revenue from contracts with customers	8,382.74	6,308.79
Other Operating income		
Scrap Sales	29.64	18.56
Total revenue from operations	8,412.38	6,327.35

Contract liabilities

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

	March 31, 2020	March 31, 2019
Contract liabilities (Refer note 20 & 23)	9.52	9.18

Contract liabilities includes payments received in advance of performance under the contract.

	March 31, 2020	March 31, 2019
Revenue recognised in the year from:		
Amounts included in contract liability at the beginning of the year	1.32	1.01

Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company performs under the contract.

Note 25 : Other income

	March 31, 2020	March 31, 2019
Interest income on Fixed deposits	1.74	0.22
MTM Gain on financial instruments at fair value through profit and loss	2.24	4.62
Profit on sale of investments	8.47	25.28
Rental income	0.51	1.63
Interest income on security deposits	17.66	16.37
Provisions written back	1.09	64.92
Gain on termination of lease	9.43	-
Gain on remeasurement of lease	14.15	-
Miscellaneous income	0.62	0.91
	55.91	113.95

Note 26 : Cost of materials consumed

	March 31, 2020	March 31, 2019
Food, beverages, condiments , paper and packaging materials		
Inventory at the beginning of the year	68.56	51.88
Add: Purchases	3,040.68	2,317.52
Less: inventory at the end of the year	(94.34)	(68.56)
	3,014.90	2,300.84

Details of materials consumed		
Food, beverages and condiments	2,793.00	2,091.77
Paper & packing material	221.90	209.07
	3,014.90	2,300.84

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CHARTERED ACCOUNTANTS

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

INR in Millions

Note 27 : Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	1,154.51	834.95
Contribution to provident and other funds {net of government grant under PMRPY* of INR 17.43 Million (March 31, 2019: INR 16.25 Million)}	96.78	60.57
Employee stock compensation expense (refer note 35)	27.05	7.80
Gratuity expense (refer note 33)	8.82	5.37
Staff welfare expense	77.87	59.90
	1,365.03	**968.59**

*PMRPY stands for Pradhan Mantri Rojgar Protsahan Yojana

Note 28 : Finance costs

	March 31, 2020	March 31, 2019
Interest expense		
- on term loan	53.43	-
- on lease liability	585.33	462.01
- others	15.77	2.49
	654.53	**464.50**

Note 29 : Depreciation and amortisation expense

	March 31, 2020	March 31, 2019
Depreciation of property, plant and equipment	605.04	381.53
Amortization of intangible assets	18.01	13.24
Depreciation of Right of use assets	540.69	427.33
	1,163.74	**822.10**

Note 30 : Other expenses

	March 31, 2020	March 31, 2019
Rent	380.69	269.60
Power and Fuel	703.70	472.25
Rates & Taxes	33.21	24.25
Operating Supplies	123.21	87.29
Advertising and Marketing Expenses	487.28	535.46
Consultancy & Professional Fees (Refer Note (i) below)	70.17	65.12
Telephone and communication expenses	18.40	14.36
Travelling expenses	54.78	44.98
Director's sitting fees	0.89	-
Insurance	5.56	4.93
Repairs and Maintenance - Leasehold Improvements	69.30	48.68
Repairs and Maintenance - Restaurant Equipments	18.06	8.07
Repairs and Maintenance - Others	145.51	103.18
Royalties Fees	343.36	235.86
Allowance for doubtful receivables	-	2.63
Allowance for doubtful deposits	0.10	-
Write off of Property, plant and equipment (net) (refer note (ii) below)	6.89	1.12
Commission & Delivery expenses	458.71	294.00
Miscellaneous Expenses	72.52	56.27
	2,992.34	**2,268.06**

i) Note :
Payments to the auditor:

	March 31, 2020	March 31, 2019
As auditor		
Audit fee*	6.80	2.80
Tax audit fee	0.40	0.35
In other capacity:		
Other services#	10.20	1.05
Reimbursement of expenses	0.34	0.10
	17.74	**4.30**

* The amount disclosed for the year ended March 31, 2020 includes INR 3.00 Million shown as share issue expenses under the head Other Current Assets in Note 15
# The amount disclosed for the year ended March 31, 2020 includes INR 10.20 Million shown as share issue expenses under the head Other Current Assets in Note 15

ii) Note :
During the year ended March 31, 2020, the Company has written off INR 6.04 Million (net) (March 31, 2019: INR Nil) representing written down value of lease hold improvements installed at stores upon closure.

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CHARTERED ACCOUNTANTS

Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

INR in Millions

Note 31 : Income Taxes

(A) The major components of income tax expense for the nine months period ended:

Statement of profit and loss

	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Income tax expense charged to OCI	-	-
	-	-

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

	March 31, 2020	March 31, 2019
Accounting loss before income tax	(765.70)	(382.79)
At India's statutory income tax rate for March 31, 2020: 25.17% (March 31, 2019: 31.20%)	(192.71)	(119.43)
Adjustments in respect of current income tax of previous years		
Tax effect of brought forward losses/unabsorbed depreciation of current period on which no deferred tax is recognised	192.71	119.43
Temporary differences in current period 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, 2020	March 31, 2019	April 1, 2018
Deferred Tax Assets	77.92	102.30	89.15
Deferred Tax Liabilities	(77.92)	(102.30)	(89.15)
Net Deferred Tax Assets /(Liabilities)	-	-	-

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Movement in Deferred Tax:

	Balance Sheet March 31, 2020	Balance Sheet March 31, 2019	Balance Sheet April 1, 2018	Profit and Loss March 31, 2020	Profit and Loss March 31, 2019
Deferred tax relates to the following:					
Deferred tax liability recognised for timing difference due to:					
a. Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	31.77	23.58	(31.77)	8.19
b. Others- Ind AS adjustments	77.92	70.53	65.57	7.39	4.96
	77.92	**102.30**	**89.15**	**(24.38)**	**13.15**
Deferred tax assets recognised due to:					
a. Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	10.15	-	-	10.15	-
b. Expenses allowable in Income Tax on payment basis	16.74	12.62	8.08	4.12	4.54
c. Others- Ind AS adjustments	51.03	65.68	52.10	(14.65)	13.58
d. Unabsorbed depreciation and carried forward losses*	-	24.00	28.97	(24.00)	(4.97)
Deferred Tax expense/(income)	**77.92**	**102.30**	**89.15**	**(24.38)**	**13.15**
Net Deferred Tax Assets/(Liabilities)	-	-	-		

*The Company has unused carried forward tax losses 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. Hence, deferred tax asset is recognised to the extent of deferred tax liabilities.

Pursuant to the Taxation Laws (Amendment) Act, 2019, corporate assesses have been given the option under section 115BBA of the Income Tax Act, 1961 to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Company had assessed the impact of the amendment and has decided to opted for lower tax rate under section 115BBA of the Income Tax Act, 1961 and accordingly considered in disclosures of Income taxes for the year ended March 31, 2020. Accordingly deferred tax asset/ deferred tax liability as disclosed have reduced by INR 18.67 million.

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Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

INR in Millions

Note 32: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the loss attributable to equity holders by the weighted average number of Equity shares outstanding during the period 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, 2020	March 31, 2019
Loss attributable to equity holders:		
Continuing operations	(765.70)	(382.79)
Loss attributable to equity holders for basic earnings	**(765.70)**	**(382.79)**
Loss attributable to equity holders adjusted for the effect of dilution		
Weighted average number of Equity shares for basic EPS	267,216,440	265,000,000
Effect of dilution:		
Share options under ESOP and 8% Compulsorily Convertible Preference shares (CCPS)^	12,261,446	31,074,379
Weighted average number of Equity shares adjusted for the effect of dilution	279,477,886	296,074,379
Basic EPS (in INR)	(2.87)	**(1.44)**
Diluted EPS (in INR)	(2.87)	**(1.44)**

Potential equity shares are anti dilutive and hence the effect of anti dilutive potential equity shares is ignored in calculating diluted earning per share.
^Current year number does not include CCPS post dilution i.e. 28th Feb, 2020

Note 33 : Employee Benefits

(a) Defined Contribution Plans
The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	March 31, 2020	March 31, 2019
Contribution to provident and other funds	96.78	60.57
	96.78	**60.57**

(b) Defined Benefit Plans

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

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

		Gratuity	
	March 31, 2020	March 31, 2019	April 1, 2018
I Change in present value of defined benefit obligation during the year			
1. Present Value of defined benefit obligation at the beginning of the year	16.98	8.90	8.35
2. Interest cost	1.15	0.64	0.59
3. Current service cost	7.67	4.73	8.12
4. Benefit Paid Directly by the Employer	(0.93)	-	
5. Actuarial changes arising from changes in demographic assumptions	-	-	(6.32)
6. Actuarial changes arising from changes in financial assumptions	4.50	0.71	(0.09)
7. Actuarial changes arising from changes in experience adjustments	5.61	2.00	(1.75)
8. Present Value of defined benefit obligation at the end of the year	**34.98**	**16.98**	**8.90**
II Net liability recognised in the balance sheet			
1. Present Value of defined benefit obligation at the end of the year	34.98	16.98	8.90
2. Fair value of plan assets at the end of the year	-	-	-
3. Net liability recognised in balance sheet	**34.98**	**16.98**	**8.90**
III Expenses recognised in the statement of profit and loss for the year			
1. Current service cost	7.67	4.73	
2. Interest cost on benefit obligation	1.15	0.64	
3. Total expenses included in employee benefits expense	**8.82**	**5.37**	

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Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

INR in Millions

IV Recognised in other comprehensive income for the year	March 31, 2020	March 31, 2019
1. Actuarial changes arising from changes in demographic assumptions	-	-
2. Actuarial changes arising from changes in financial assumptions	4.50	0.71
3. Actuarial changes arising from changes in experience adjustments	5.61	2.00
4. Recognised in other comprehensive income	**10.11**	**2.71**

V Maturity profile of defined benefit obligation	March 31, 2020	March 31, 2019
1st following year	1.36	0.33
2nd following year	1.90	0.86
3rd following year	2.38	1.22
4th following year	2.84	1.50
5th following year	3.19	1.75
Sums of years 6 to 10	11.70	7.11

VI Quantitative sensitivity analysis for significant assumption is as below:	March 31, 2020	March 31, 2019
1. Increase/(decrease) on present value of defined benefits obligation at the end of the year		
(i) One percentage point increase in discount rate	(3.53)	(1.62)
(ii) One percentage point decrease in discount rate	4.30	1.93
(i) One percentage point increase in rate of salary increase	4.19	1.91
(ii) One percentage point decrease in rate of salary increase	(3.51)	(1.63)
(i) One percentage point increase in employee turnover rate	(1.12)	(0.39)
(ii) One percentage point decrease in employee turnover rate	1.24	0.41

2. Sensitivity Analysis Method

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

VII Actuarial assumptions	March 31, 2020	March 31, 2019	April 1, 2018
1. Discount rate	5.45%	6.76%	7.18%
2. Salary escalation	7.00%	7.00%	7.00%
3. Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)
4. Mortality post retirement rate	N.A	N.A	N.A
5. Rate of Employee Turnover	**Operations :-** Service < 5 yrs - 35% Service <= 10 yrs - 15% Service >= 11 yrs - 5% **RSC:-** Service < 5 yrs - 15% Service >= 5 yrs - 5%	**Operations :-** Service < 5 yrs - 35% Service <= 10 yrs - 15% Service >= 11 yrs - 5% **RSC:-** Service < 5 yrs - 15% Service >= 5 yrs - 5%	Service < 4 yrs - 35% Service > 4 and <=10 yrs - 15% Servive > 10 yrs - 5%
6. Retirement age	58 years	58 years	58 years

Notes :

(i) The actuarial valuation of the defined benefit obligation were carried out at March 31, 2020. 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.
(iv) The average duration of the defined benefit plan obligation at March 31, 2020 is 13 years (March 31, 2019: 12 years, April 1, 2018: 12 years).

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Burger King India Limited (formerly known as 'Burger King India Private Limited')
Notes forming part of Financial Statements for the year ended March 31, 2020

INR in Millions

Note 34 : Related party transactions

Names of related parties and related party relationship

Related parties where control exists

Holding company	QSR Asia Pte. Ltd.
Holding company of QSR Asia Pte. Ltd.	F&B Asia Ventures (Singapore) Pte. Ltd.
Ultimate Holding Company	F&B Asia Ventures Ltd. (Mauritius)

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

Fellow Subsidiary	Harry's India Private Limited
Enterprises over which Key Management Personnel/ shareholders or their relatives is/are able to exercise significant influence	Pan India Food Solutions Private Limited (upto April 25, 2019)
Key management personnel	
Directors	Mr. Rajeev Varman (Chief Executive Officer) Mr. Shivakumar Pullaya Dega (Independent Director) (w.e.f Oct 14, 2019) Mrs. Tara Subramaniam (Independent Director) (w.e.f Oct 14, 2019) Mr. Sandeep Chaudhary (Independent Director) (w.e.f. Oct 14, 2019)
Chief Financial Officer	Mr.Tanmay Kumar (Uptill Aug 9, 2019) Mr. Sumit Zaveri (w.e.f Sep 23, 2019)
Company Secretary*	Ms. Ranjana Saboo (Uptill Aug 31, 2020)

* The Company is in the process of appointing a full time Company Secretary

Transactions with related parties

	March 31, 2020	March 31, 2019
(a) Issue of 8% Compulsory Convertible Preference Shares to related party#		
QSR Asia Pte Ltd	-	1,000.00
# Converted into equity shares during year ended March 31, 2020		
(b) Rent Received		
Harry's India Private Limited	0.51	1.63
(c) Remuneration to Key management personnel *		
Mr. Rajeev Varman	40.66	26.29
Mr. Tanmay Kumar	5.74	18.93
Ms. Ranjana Saboo	4.09	5.01
Mr. Sumit Zaveri	8.15	-
Above remuneration includes:		
Compensation of key management personnel of the Company		
Short-term employee benefits	0.12	0.81
Post-employment gratuity	0.22	0.48
Share-based payment transactions	12.06	2.75

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

	March 31, 2020	March 31, 2019
(d) Directors' sitting fees		
Mrs. Tara Subramaniam	0.35	-
Mr. Shivakumar Pullaya Dega	0.30	-
Mr Sandeep Chaudhary	0.24	-
(e) Outstanding balances with related parties		
(a) Advance for expense		
Rajeev Varman	-	0.11
(b) Other Receivables		
Harry's India Private Limited	0.14	-
(c) Trade Payables		
Pan India Food Solutions Private Limited	-	0.04

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CHARTERED ACCOUNTANTS

INR in Millions

Note 35 : Share-based payments

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

	For year ended March 31, 2020	For year ended March 31, 2019
Expense arising from equity-settled share-based payment transactions	27.05	7.80
Total expense arising from share-based payment transactions	**27.05**	**7.80**

There were no cancellations or modifications to the awards in March 31, 2020 or March 31, 2019.

2. ESOP 2015 Scheme (as last amended vide shareholders' resolution dated October 23, 2019)

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)(as last amended vide shareholders' resolution dated October 23, 2019) for issue of stock options to the key employees of the Company. According to the Scheme 2015, the employee selected will be entitled to convert options based on option value, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 5 years from the date of commencement of employment. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 years. The other relevant terms of the grant are as below:

Vesting period	5 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	After the Vesting Date
Expected life	5 years
Exercise price	Cashless
Conversion price	Rs 20.85 (w.e.f. 1 July 2019) Erstwhile, 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

	For year ended March 31, 2020	For year ended March 31, 2019	For year ended March 31, 2018
Movements during the year			
Outstanding at April 1	63.50	41.00	41.00
Granted during the year	-	27.50	-
Exercised during the year	34.00	-	-
Lapsed during the year	3.00	5.00	-
Change pursuant to ESOP Scheme*	26.50	-	-
Outstanding at March 31	**-**	**63.50**	**41.00**
Option unvested at the end of the year	-	49.50	-
Option exercisable at the end of the year	-	14.00	-

* With effect from July 1, 2019, the number of options have been fixed based on the fair value of shares on the date of grant i.e. 20.85. The total number of options outstanding as on March 31, 2020 are 1,270,983. All of the options outstanding as on December 31, 2019 are unvested as the period end. The weighted average fair value of the option granted ranges from INR 5.48 - INR 9.56.

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CHARTERED ACCOUNTANTS

Burger King India Limited (formerly known as 'Burger King India Private Limited')

Notes forming part of Financial Statements for the year ended March 31, 2020

INR in Millions

3. Additional Grant under ESOP 2015 Scheme (as last amended vide shareholders' resolution dated October 23, 2019)

	Tranche I	Tranche II	Tranche III	Tranche IV
No. of Options Granted	3,416,608	3,549,108	378,571	18,929
No. of Options lapsed	18,929	-	-	-
Grant Date	7/1/2019	8/30/2019	9/26/2019	2/1/2020
Weighted average exercise price	52.83	52.83	52.83	52.83
Market Price on the date of grant	52.83	52.83	52.83	52.83
Weighted average Fair Value on grant date of the option	15.34	17.38	15.48	16.65
Vesting Period	The Stock Options, subject to the ESOS 2015 (as amended form time to time), shall vest as follows : 50% on Initial Public Offering subject to a minimum of 1 year from the grant date or 3 years from the grant date, whichever is earlier. 50% on 3 years from Grant Date.	The Stock Options, subject to the ESOS 2015 (as amended form time to time), shall vest as follows : 50% on Initial Public Offering subject to a minimum of 1 year from the grant date or 3 years from the grant date, whichever is earlier. 50% on 3 years from Grant Date.	The Stock Options, subject to the ESOS 2015 (as amended form time to time), shall vest as follows : 50% on Initial Public Offering subject to a minimum of 1 year from the grant date or 3 years from the grant date, whichever is earlier. 50% on 5 years from Grant Date.	The Stock Options, subject to the ESOS 2015 (as amended form time to time), shall vest as follows : 50% on Initial Public Offering subject to a minimum of 1 year from the grant date or 3 years from the grant date, whichever is earlier. 50% on 3 years from Grant Date.
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
Exercise Period	Vested Options may be exercised for equity shares within 1 year of the vesting date.	Vested Options may be exercised for equity shares within 1 year of the vesting date.	Vested Options may be exercised for equity shares within 1 year of the vesting date.	Vested Options may be exercised for equity shares within 1 year of the vesting date.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 is 2.82 years (March 31, 2019: NIL, April 1, 2018: NIL)

The weighted average fair value of the option granted during the year is 16.34

	For year ended March 31, 2020	For year ended March 31, 2019	For year ended March 31, 2018
Movements during the year			
Outstanding at April 1	-	-	-
Granted during the year	7,363,216.00		
Exercised during the year	-	-	-
Lapsed during the year	(18,929.00)	-	-
Exercisable at year end	**7,344,287.00**	-	-

The following tables list the inputs to the models used for valuation of respective grants dates:

Fair Valuation	Tranche I		Tranche II		Tranche III		Tranche IV	
No. of options	1,698,840	1,698,840	1,774,554	1,774,554	189,286.00	189,285.00	9,465.00	9,464.00
Method Used	Black- Scholes		Black- Scholes		Black- Scholes		Black- Scholes	
Risk-Free Rate	6.20%	6.51%	5.56%	5.95%	5.61%	6.42%	5.56%	5.95%
Option Life (Years)	1.75	3.5	1.59	3.5	1.51	5.5	1.17	3.5
Expected Volatility	33.32	37.19	33.12	35.99	34.59	36.49	33.12	35.99
Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%

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

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INR in Millions

Note 36 : Commitments and contingencies

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

	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	150.08	114.05

b. Contingent Liabilities
There are no contingent liabilities as on the Balance Sheet date.

c. The Company believes that there is no impact of retrospective applicability of the Supreme Court (SC) judgement on definition of basic wages for PF contributions. The Company has complied with the Supreme Court (SC) judgement on prospective basis.

Note 37 : Segment Reporting

The Chief Executive Officer (CEO) of the Company has been identified as Chief Operating Decision Maker ("CODM") of the Company who evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. CODM reviews the entire operating results of the business as a whole for the purpose of making decisions about resource allocation and performance assessment and therefore, Company believes that there is single reportable segment i.e. " Restaurants and Management". Segment performance is evaluated based on Profit or loss and is measured consistently with profit or loss in the financial statement.
The Company operates only in India and hence all non current assets belong to reportable segment are located in India. The Company doesn't have any individual customer who is contributing more than 10% of revenue.

Note 38 : Capitalization of pre-operative expenditure

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

	March 31, 2020	March 31, 2019	March 31, 2018
Salary, Bonus and Allowances	68.73	34.27	37.76
Stamp Duty & Registration Charges	7.51	3.45	3.56
Commission and Brokerage	4.44	3.62	2.22
Legal and Professional Fees	7.40	4.44	5.97
Power and Fuel	4.23	3.89	1.34
Rent	2.35	2.97	0.40
Miscellaneous Expenses	7.72	8.39	5.00
	102.38	61.03	56.25

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INR in Millions

Note 39 : Fair values of financial instruments

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

a. Fair value hierarchy

The company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 — Quoted prices (unadjusted) in active market for identical assets or liabilities that the Co—operative can access at the measurement date,
- Level 2 — Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 — Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

b. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.
Management has determined that the carrying amounts of cash and bank balances, receivables and payables approximate their fair values due to their short-term nature.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value			Fair Value		
	March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
Financial assets carried at amortised cost						
Security deposits	280.05	213.08	161.40	280.05	213.08	161.40
Loan to employees	10.89	-	-	10.89	-	-
Bank deposits	0.87	0.62	0.30	0.87	0.62	0.30
Trade and other receivables	32.20	58.98	25.85	32.20	58.98	25.85
Cash and cash equivalents	40.54	158.55	72.04	40.54	158.55	72.04
Bank balances other than cash and cash equivalents	239.90	1.61	1.86	239.90	1.61	1.86
Other financial assets	12.31	29.69	13.32	12.31	29.69	13.32
Financial assets at fair value through profit or loss						
Investments	185.76	384.14	868.92	185.76	384.14	868.92
Total	**802.52**	**846.67**	**1,143.69**	**802.52**	**846.67**	**1,143.69**
Financial liabilities carried at amortised cost						
Borrowings	1,985.16	-	-	1,985.16	-	-
Trade payables	816.01	609.00	434.11	816.01	609.00	434.11
Other financial liabilities	153.51	222.15	157.39	153.51	222.15	157.39
Financial liabilities carried at fair value through profit or loss						
8% Compulsory Convertible Preference shares (CCPS)	-	1,000.00	-	-	1,000.00	-
Total	**2,954.68**	**1,831.15**	**591.50**	**2,954.68**	**1,831.15**	**591.50**

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

The fair values for security deposits is 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.

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INR in Millions

Particulars	Significant unobservable inputs	Discount rate	Sensitivity of the input to fair value
Security Deposits	Discount Rate	10.8%	1% (March 31, 2019: 1%; March 31, 2018: 1%) increase in the growth rate would result in decrease in fair value by INR 15.08 Million (March 31, 2019: INR 11.86 Million; March 31, 2018: INR 9.16 Million)

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

Note 40 : Financial risk management objectives and policies

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

a. Credit risk

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

Trade and Other receivables:

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

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

Financial instruments and Cash deposits:

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

Credit risk concentration:

The Company's revenue is principally settled on cash terms or through credit cards, thus there are no significant past due balances in the company's trade receivables. The Company's customers are walk-in whose individual annual expenditure at the Company's establishments does not constitute a substantial percentage relative to the company's revenue.

Other receivables consist mainly of deposits placed with well-established and reputable lessors for lease of retail space.

The Company's maximum exposure to credit risk for the components of the balance sheet as at March 31, 2020 is the carrying amount as provided in Note no 6,7, 11 to 14.

(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 ensure that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. The Company is dependent on financial support from its immediate holding company and has access to funds from the immediate holding company to meet its obligations as and when necessary.

The Company's operations are financed mainly through internally generated funds. The Company assessed the concentration of risk with respect to its borrowings and concluded it to be low.

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INR in Millions

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

	March 31, 2020			March 31, 2019		
	Payable on demand	>1 yrs.	<1 yrs.	Payable on demand	>1 yrs.	<1 yrs.
8% Compulsory Convertible Preference shares (CCPS) (Unsecured)	-	-	-	1,000.00	-	-
Term Loan	-	1,810.00	-	-	-	-
Bank Overdraft	197.29	-	-	-	-	-
Trade and other payables	-	-	816.01	-	-	609.00
Other financial liabilities	-	-	153.51	-	-	222.15
Lease liabilities	-	9,600.46	952.68	-	9,284.91	710.36

	March 31, 2018		
	Payable on demand	>1 yrs.	<1 yrs.
8% Compulsory Convertible Preference shares (CCPS) (Unsecured)	-	-	-
Term Loan	-	-	-
Bank Overdraft	-	-	-
Trade payables	-	-	434.11
Other financial liabilities	-	-	157.39
Lease liabilities		7,010.37	549.55

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

With all other variables held constant, the Company's loss after tax is impacted through floating rate borrowings.

Interest rate sensitivity

Year	Increase / decrease in basis points	Effect on loss before tax
March 31, 2020	+10	(5.59)
March 31, 2020	-10	5.59

No impact on March 31, 2019 since no borrowings

Note 41: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company had issued Compulsory Convertible Preference Shares to maintain sufficient cash in order to support its business.

The primary objective of the Company's capital management is to ensure it maintains sufficient cash in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2020. The Company is dependent on financial support from the immediate holding Company. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

	March 31, 2020	March 31, 2019	April 1, 2018
Total borrowings	1,985.16	1,000.00	-
Less : Cash and cash equivalents	40.54	158.55	72.04
Net Debt	**1,944.62**	**841.45**	-
Equity	2,754.26	2,496.47	2,871.31
Debt to equity ratio	**0.71**	**0.34**	-

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INR in Millions

Note 42: Leases

Leases are shown as follows in the Company's balance sheet and profit & loss account

The Company has lease contracts for operational stores, corporate office and restaurant equipment's used in its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Right-of-Use Assets - : Lease hold	**March 31, 2020**	**March 31, 2019**	**April 1, 2018**
Cost	6,804.04	5,260.31	4,032.09
Accumulated depreciation	1,614.44	1,105.10	689.49
Net carrying amount	**5,189.60**	**4,155.21**	**3,342.60**

Right-of-Use Assets - : Other Assets	**March 31, 2020**	**March 31, 2019**	**April 1, 2018**
Cost	232.78	163.56	105.67
Accumulated depreciation	42.88	26.52	14.80
Net carrying amount	**189.90**	**137.04**	**90.87**

Lease liabilities - Borrowings	**March 31, 2020**	**March 31, 2019**	**April 1, 2018**
As at the beginning of the year	4,740.20	3,700.24	2,909.87
Additions (net off remeasurements)	1,547.28	1,217.25	908.16
Accretion of interest	585.33	462.01	366.51
Payments	(837.43)	(639.30)	(484.30)
Deletions	(57.91)	-	-
As at the end of the year	**5,977.47**	**4,740.20**	**3,700.24**
Current	311.99	231.82	177.40
Non-current	5,665.48	4,508.38	3,522.84

Amounts recognized in the Statement of Profit and Loss	**March 31, 2020**	**March 31, 2019**
Other income		
Operating lease income	0.51	1.63
Other Expenses		
Variable lease rent expense	380.69	269.60
Depreciation and impairment losses		
Depreciation of right of use lease asset	540.69	427.33
Finance cost		
Interest expense on lease liability	585.33	462.01
Amount recognised in statement of cash flow		
Total cash outflow for leases	895.34	639.30

Changes in liabilities arising from financing activities	**March 31, 2020**	**March 31, 2019**	**April 1, 2018**
As at the beginning of the year	4,740.20	3,700.24	2,909.87
New leases (net off remeasurements)	1,547.28	1,217.25	908.16
Cash outflows	(252.10)	(177.29)	(117.79)
Deletion	(57.91)	-	-
As at the end of the year	**5,977.47**	**4,740.20**	**3,700.24**

The Company had total cash outflows for leases of INR 895.34 million, INR 639.30 million, INR 484.30 million for the years ended March 31, 2020, March 31, 2019 and April 1, 2018, respectively.

The Company also had non-cash additions to Rights-of-use assets of INR 1,672.73 million, INR 1,286.10 million and INR 952.39 million for the years ended March 31, 2020, March 31, 2019 and April 1, 2018, respectively.

The Company also had non-cash additions to lease liabilities of INR 1,547.28 million, INR 1,217.25 million and INR 908.16 million for the years ended March 31, 2020, March 31, 2019 and April 1, 2018, 2018, respectively.

Difference between ROU assets and lease liabilities pertaining to new leases recorded on initial recognition represents initial direct costs and deferred component of Security deposits given to lessors.

Short term leases or leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of restaurant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

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CHARTERED ACCOUNTANTS

Note 43: Going Concern

During the current year, the Company has incurred loss of INR 775.81 million. The accounts of the Company for the above periods have been prepared on the basis of going concern, as the management is confident that the performance of the Company will improve in the upcoming years. Additionally, the Company has obtained financial support from QSR Asia Pte. Ltd. through additional funding for meeting its operating and financial requirements and such support to enable the Company to continue as a going concern for at least next twelve months commencing from March 31, 2020. The Company is therefore considered as a going concern and accordingly, the financial statements have been prepared based on going concern assumption.

Note 44: Exceptional items

The Company operates in QSR Segment, its inventory includes food items which are perishable in nature. Based on the situation of COVID-19 resulting in overall decline in customer frequencies, the Company has provided for write off of food inventory and related commitments amounting to Rs. 43.45 million for the year ended March 31, 2020.

Note 45: Covid-19

The World Health Organisation declared COVID-19 to be a pandemic in March 2020. Consequently, Government of India declared a nation-wide lockdown with effect from March 24, 2020, which caused significant disruption in economic activity and has impacted the business activities and lives of the people. In view of the COVID- 19 outbreak such as complete lockdown of states, brought economic activity to a standstill affecting our restaurant traffic as well which is no exception for industry as a whole. During the trying times our priorities are to serve most hygienic and safe food to our customers.

The Company has assessed the impact of this pandemic on its business operations and has considered all relevant information available up to the date of approval of these financial statements, in determination of the recoverability of its all its non-current and current assets and recognised necessary adjustments to carrying values of these assets. Further, given the uncertainties associated with nature, condition and duration of COVID -19, the impact assessment on the company's financial statements will be continuously made and any material changes will be provided for as required.

Since Company operates in QSR Segment, its inventory includes food items which are perishable in nature. Based on the situation of COVID-19 resulting in overall decline in customer frequencies, the Company has provided for write off of food inventory and related commitments amounting to Rs. 43.45 million for the year ended March 31, 2020 (**Refer Note 44**).

Note 46: Standards issued but not yet effective

The new and amended standards that are notified, 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 new and amended standards if applicable, when they become effective.

(i) Amendments to Ind AS 103 Business Combinations

The amendments to the definition of a business in Ind AS 103 help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors align the definition of 'material' across the standards and clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial tatements.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.

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CHARTERED ACCOUNTANTS

(iii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments to Ind AS 107 prescribe the disclosures which entites are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company's 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 28, 2020

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

Rajeev Varman
Director &
Chief Executive Officer
DIN: 03576356

Shivakumar Pullaya Dega
Director

DIN: 00364444

Tara Subramaniam
Director

DIN: 07654007

Sumit Zaveri
Chief Financial Officer

Place: Mumbai
Date: September 28, 2020