



Date: August 7, 2021

To

<p>The Manager, Listing Department <b>BSE Limited</b> P.J. Towers, Dalal Street, Mumbai – 400 001</p> <p><b>Scrip Code: 543283</b></p>	<p>The Manager, Listing &amp; Compliance Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra, Kurla Complex, Bandra East, Mumbai – 400051</p> <p><b>Scrip Symbol: BARBEQUE</b></p>
--	--

Dear Sirs,

**Sub: Submission of Annual Report for the financial year 2020-21**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of the Annual Report of Barbeque-Nation Hospitality Limited (the "Company") for the financial year 2020-21 along with the Notice of 15<sup>th</sup> Annual General Meeting of the Shareholders/Members of the Company which is being circulated to our shareholders by email.

The Annual Report and the Notice of 15<sup>th</sup> Annual General Meeting shall be made available on the Company's website at [www.barbequenation.com](http://www.barbequenation.com).

This is for your information and records.

Thanking you,

Yours faithfully,

**For Barbeque-Nation Hospitality Limited**


**Nagamani C Y**

**Company Secretary and Compliance officer**

**M. No: A27475**

*Encl.: As above*

**BARBEQUE-NATION HOSPITALITY LIMITED**

**Registered Office:** Sy. No. 62, Site No. 13, 6<sup>th</sup> Cross, NS Palya, BTM Layout, Bengaluru- 560 076, Karnataka, India  
**T:** +91 80 45113000, **F:** +91 80 45113062, **E-mail:** corporate@barbequenation.com, **CIN:** U55101KA2006PLC073031  
[www.barbequenation.com](http://www.barbequenation.com)





# TABLE OF CONTENTS

## WELCOME

---

- 1 A year of transformation
- 3 Who we are
- 4 Demonstrating resilience and innovation
- 5 Key highlights

## LEADERSHIP STATEMENTS

---

- 6 Letter from the Managing Director
- 10 Note from the Chief Executive Officer and Whole Time Director

## STRATEGIC REVIEW

---

- 12 Business model
- 14 Creating value by harnessing our capitals
- 20 Material matters and key stakeholders
- 22 ESG reporting
- 24 Our food festivals

## CORPORATE INFORMATION

---

- 26 Profile of our Board
- 28 Board's report
- 48 Corporate governance report
- 61 Management's discussion and analysis
- 68 Standalone financial statement
- 124 Consolidated financial statement
- 185 Notice



### Who we are

Barbeque Nation is an iconic brand that has served a generation of customers.

[Read more page no 3](#)



### Demonstrating resilience and innovation

The COVID-19 pandemic accelerated key trends, including the emergence of our delivery business.

[Read more page no 4](#)



### Letter from the Managing Director

Review of the transformation journey underway at the Company and its forward outlook.

[Read more page no 6](#)



### Note from the Chief Executive Officer & Whole Time Director

Analysis of the Company's performance for the year and long-term value creation focus.

[Read more page no 10](#)



### Our food festivals

Focusing on sustaining consumer excitement around our brand and our propositions.

[Read more page no 24](#)

# A YEAR OF TRANSFORMATION.

At Barbeque-Nation Hospitality Limited, the year FY2020-21 was one of deep transformation as we focused on strengthening our foundations to secure long-term sustainability and value creation. Some of the key focus points of the year included:

- Transforming our positioning from a casual dining restaurant (CDR) chain into a holistic food services Company, catapulted on the back of our delivery business and digital assets.
- Strengthening our delivery business with new product innovations, like Barbeque-in-a-box, Grill-in-a-box and Meal-in-a-box, which our customers could access through our app, website or via other food aggregators.
- Reinforcing the scalability of our delivery business through our existing 160+ kitchens pan-India, with minimal capex and maximised utilisation.
- Bolstering our digital assets with the result that our Barbeque Nation app could be used for both dine-in reservations as well as delivery orders.
- Launching of our loyalty program under “Smiles” that helped in the sustainment of consumer stickiness, engagement and brand recall.
- Expanding into an additional cuisine choice (Italian) with the acquisition of Toscano in the casual fine dine segment that will enable us to cater to a different customer segment.

Going forward, as part of our transformation journey, we will continue to focus on progressive transitioning from a North Indian casual dining restaurant chain into a full-fledged food services Company. We now offer multiple cuisine choices, products and services and a new channel of business, thus opening up our addressable market in catering to diverse customers and their needs at different times, moments and occasions, including dining-out or ordering-in.

## FAST FACTS



# 147

Barbeque-Nation  
restaurants in India



# 6

Barbeque-Nation  
restaurants overseas



# 11

Italian restaurants  
under Toscano

## About this report

# WE ARE PLEASED

## to present our first-ever Annual Report for 2020-21 as a listed Company!

### Integrated thinking and reporting

At Barbeque-Nation, we have always believed that sustained value creation neither happens in isolation nor is an outcome of sporadic initiatives. In fact, it is a sustained process and our approach to embedding integrated thinking in our organisation is continuous and takes into account the relationship between the capitals that we use and impact in our strategic choices.

### Report objective and scope

Our annual report for the year 2020-21 presents a holistic view of Barbeque-Nation for the year ended 31 March 2021. It includes information on our performance, governance and prospects to enable stakeholders to make an informed assessment of our ability to create and sustain value over the various cycles of our business. While the information disclosed in this report is for our primary audience comprising providers of financial capital, including our shareholders, investors and our banking consortium, it also has information that caters to a much wider stakeholder audience.

### Key strategic material matters

The legitimate interests of all our key stakeholders have been taken into account in determining information that is considered to be material for inclusion in this report. Further, we have defined strategic matters as those that are most material to the formulation and execution of our strategy and those that have the potential to significantly affect our ability to create stakeholder value and contribute to the future sustainability of the business. The COVID-19 pandemic, likened to a black swan event, had a material impact on our business operations in fiscal year 2020-21.

### Forward-looking statements

This annual report contains forward-looking statements that, unless indicated, reflect the Company's expectations at best. Actual results may differ from our expectations. The Company cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on them. The Company disclaims any intention and assumes no obligation to revise any forward-looking statement, even if new information becomes available, other than as stipulated by the stock exchange listing requirements and other applicable regulations.



Operational excellence



Talent futurisation



Financial performance of restaurants in India



Capital management



Regulatory compliance



Please help us to reduce the Company's carbon footprint by reading this report online on [www.barbequenation.com](http://www.barbequenation.com)

# AMONGST INDIA'S ICONIC

casual dining restaurant chain leading the transformation into a holistic food services Company.



## Our key imperatives

High-quality customer offerings

Sustainability

People-centeredness

Ethics and compliance

Menu innovation

Caring and empathetic leadership

Respect for all

### Our brands



### Our purpose

To be a leading food services Company through our network of restaurants across cuisines, products, services and channels, with focus on digital channels.

### Achieving our purpose

Build a sustainable delivery business to meet the order-in demand and shift towards transforming into a food services organisation.



Demonstrating resilience and innovation

# STRENGTH THROUGH RESILIENCE

**demonstrated by adapting to the challenging times.**

FY2020-21 has been a challenging year due to unprecedented business and social disruptions imposed by COVID-19 globally.

Barbeque-Nation was also severely impacted by the challenges of the pandemic. However, strong dedication of the team and unrelenting focus on innovation to ensure customer delight enabled the Company to undergo deep transformation during the year – from a casual dining restaurant chain into a holistic food services organisation.

The Company launched new and exciting product innovations, such as “Barbeque-in-a-box”, “Grill-in-a-box”, “Meal-in-a-box”, etc., to further strengthen its delivery business. Besides, multiple access points were opened up for customers to access our delivery channel, including via our app and website, and through other food aggregators. Moreover, our existing network of 160+ kitchens spread out across 80 cities in India remained foundational in enabling quick ramp up of our delivery business. We also launched a #NoCompromiseDining campaign to articulate our hygiene and safety practices, which contributed to building customer assurance and

enabled safe resumption of our dine-in business.

Our focus has always been on building capabilities through innovation-driven transformation. Thus, sustained investment in our digital assets ensured that Barbeque Nation app could be used for both dine-in reservations and delivery orders. The app also helps enhance customer engagement, thus further bolstering brand recall.

The Company embraced menu innovation through transforming its offering from North Indian cuisine to multiple cuisines. This helped cater to a wider customer segment, addressing their needs across different moments and occasions.

Thus, the Company remains committed to enhance its dine-in network and scale up incremental business from delivery, hence supporting future growth prospects.



## Key highlights

**A SHARPENED FOCUS ON operational efficiencies, food delivery, digital investments, etc., enabled the Company to navigate through the challenges and ensure greater business resilience.**

## Agility and resilience



Rapid scale-up of food delivery model with key focus on value proposition, reflected in the development of 'Barbeque-in-a-box', complete with starters, main course and desserts

Reinforced digital presence through revamping the BBQ app that, among other convenience-driven features, also facilitated dine-in customers with the option of making payments in a contact-less way



Introduced the Smiles loyalty program to offer value to repeat customers

Focused majorly on cost control initiatives, including rent relief, renegotiation of commercial contracts, realignment of restaurant operating costs, etc.



# 194.9%

YoY growth in food delivery business

# 2.6mm

BBQ app downloads

# 4.5/5

App rating on an internet app store

# 32.5%

Reduction in total expenses

*All figures pertain to the year 2020-21*

## Features contributing to our long-term success

- Demonstrated track record of over 15 years
- Established business model
- Operational excellence
- High-performance culture
- Improved digital presence
- Clear customer value propositions
- Employee commitment and responsiveness
- Internal capabilities and expertise
- Strategic expansion road map
- Integrated and scalable business model
- High growth potential in the delivery business
- Strong customer feedback and engagement through the unique GSI, or Guest Service Index score





Letter from our Managing Director

# STRENGTH THROUGH TRANSFORMATION

has been our key mantra in what was an extraordinarily challenging year.



“

The year gone by has been a dire one for society. The unprecedented toll on lives and livelihoods has been most upsetting and leaves us with more questions than answers. Yet, as I seek to make sense of the disorder around us and what it foretells, I feel a sense of measured optimism for the future of your Company. My confidence stems from the deep transformation that is firmly taking root.

- Kayum Dhanani

## Dear shareholder,

Our focus on metamorphosing into a food services Company was only accelerated by the pandemic and is anchored on key trends shaping the market. For one, the North Indian food delivery segment is huge and growing, with no national-level brand, except for Barbeque Nation, which has a footprint in 80 cities of the country with 160+ kitchens. We are targeting to capture this market and are best positioned to do so. Two, our focus on dine-in business will continue unabated, with store expansion being in line with our historical pace of store opening. Three, there are several structural shifts driving market potential for new store expansion, including urbanisation, disposable income growth and multiple high-potential trade areas across the country. Four, expansion into Italian cuisine via the acquisition of Toscano opens up a completely new cuisine range and also a new customer segment. Thus, considering these, my confidence in our future remains as optimistic as ever.

## Our maiden public listing

Notwithstanding the challenges, the ongoing pandemic will also be remembered for Barbeque-Nation's historic IPO (initial public offering) in the month of April 2021 (fiscal year 2021-22). On the listing day, the Company's closing market capitalisation on the BSE stood at ₹2,216.50 cr, which made me nostalgic and hark back to the times when we established our first Barbeque Nation outlet in the year 2006. Despite the passage of 15 years, our guest service philosophy remains unchanged – to provide an innovative buffet



**The Company completed a pre-IPO placement for an aggregate sum of ₹1,499.69 million in January 2021, followed by the IPO through which we mobilised ₹1,800 million.**

menu at value prices, along with great customer service and experience.

The Company completed a pre-IPO placement for an aggregate sum of ₹ 1,499.69 mn in January 2021, followed by the IPO, through which we mobilised ₹1,800 million. We are thankful to our investors for their trust and belief reposed in our brand, our enterprise strengths and our future outlook. These funds, in addition to meeting our forward capex requirements, will also enable us to pare down debt on the balance sheet and thus ensure

that we are better prepared to handle any further negative COVID-19-related impacts. The pre-IPO private placement funds garnered during the fiscal year under report has already enabled us to substantially lower our consolidated debt. Debt-equity ratio as on March 2021 remains at 0.63.



**The strength of our brand and the resilience, agility and fortitude of our team enabled us to successfully develop food delivery as a new segment of our business, on top of our dine-in business.**

### Our focus on transformation

Our focus on mitigating the impact of COVID-19 was absolute and in fact, even enhanced by the strong foundations that we have been able to build over the years.

At the beginning of the year in review, our business model was predominantly dine-in, and delivery as a segment was virtually non-existent, which had an impact on our cash flows and liquidity position when the stringent lockdown came into force in late March 2020. However, the strength of our brand and the resilience, agility and fortitude of our team enabled us to successfully develop food delivery as a new segment of our business, on top of our dine-in business. The

focus here was on product menu and delivery experience. Thus, similar to the way we pioneered the on-the-table barbeque grill when we started the business, in the new reality of today to cater to our at-home consumers, we launched an exciting new innovation for food delivery, 'Barbeque-in-a-box'.

The concept of Barbeque-in-a-box upholds Barbeque Nation's brand ethos of providing value, variety and experience. It comprises an assemblage of various starters, main course, biryani and desserts and strives to cater to the celebratory needs of our consumers in the delivery segment. Furthermore, the product also addresses one more point for us, which is the

customer acquisition process. With abundance of food per box, the perceived value of the product is quite high and this has attracted a whole new set of consumers to try our products at-home first and then gradually into our restaurants, thus facilitating the creation of a strong pipeline of new consumers.

This was reflected in our numbers too, as the delivery business contributed to over 15% of our total



revenue in 2020-21. Moreover, our delivery channel has continued to expand even after the recovery of our dine-in business, which is a very encouraging trend.

### Risk and resilience

Our organisation demonstrated agility in managing cost, which has remained paramount in such testing times.

Long-term relationships with our landlords helped us in obtaining rental waivers to compensate for the slowdown in the general business environment. I must mention that all our stakeholders have been cooperative and we are fortunate for that. The recovery in dine-in business, coupled with our focus on growing our delivery business enabled us to restrict the decline in our revenues for the year.

Further, locking attractive commercial agreements and sensing long-term potential, we established three new restaurants in 2020-21, offsetting 3 restaurants that were permanently closed during the year. Though such closure is unprecedented in our history, it was important to take the decision during the tough times. Thus, the offset resulted in our store count remaining unchanged at 164 restaurants in India. Today, though we have not seen the end of the pandemic as yet, we perceive transition to normalcy which has given us the confidence to establish 20 new restaurants in the current financial year.

### Our governance practices

The events of 2020-21 highlighted the importance of robust governance structures and the role of an independent, skilled Board. During these times, our Board paid particular attention to its role as custodian of corporate governance in the Company.

- Over the initial phases of

lockdown, the Board and the management interacted regularly to support and guide management decisions and actions in dealing with the multiple challenges and new risks facing the business

- The Company has voluntarily taken steps for the implementation of directives of corporate governance to ensure fortified value system of integrity, fairness, transparency, accountability and adoption of best-in-class standards of business ethics, which are of benefit to all stakeholders

Going forward, we will continue to steward the business with responsibility and embrace the highest standards of governance – both in letter and spirit.

### Forward outlook

As noted earlier, the fundamentals

supporting Barbeque-Nation's growth trajectory remain in place, supplemented by a strong Board and management team as well as healthy liquidity.

Our business benefits from a number of unique strengths. Chief among these is our strong business model coupled with robust value proposition. This combination allows us to tap into the potential of the respective micro-markets, without being location dependent. It also keeps our rental cost to revenue favourable. While our food festivals organised throughout the year are another big draw for our customers, our sharpening insights into the food delivery business will only ensure accrual of incremental gains.

Thank you and stay safe!

Best wishes,

**Kayum Dhanani**



Note from the Chief Executive Officer & Whole Time Director

# LEADING CHANGE THROUGH TRANSFORMATION

helped the business adapt to the new market dynamics arising out of the COVID-19 crisis.



“

Barbeque-Nation has developed an integrated digital ecosystem which has proved beneficial during the pandemic. With new addition of delivery to our dine-in business, the Company has been able to broaden its reach and cater to new customers. Further, continued investment in digital platforms has provided the Company with not only an additional revenue source but also a much stronger position for the future.

- Rahul Agrawal

Dear shareholder,

Various measures implemented by governments around the world in an attempt to curb the spread of the COVID-19 virus had a devastating impact on the global economy and the short-term forecast remains subdued.

Many businesses in India, as also in the world, were forced to close down, while some others face an existential threat. In times like these, it is important for companies to re-assess their business model and transform to meet the demands of a fast-changing world, driven by technological advances and changing consumer behaviour.

Barbeque-Nation was one of them as we weathered the impact of the storm during the initial few months and thereafter moved swiftly to adapt to changing consumer trends through novelty in products and services. Eventually, our aim was to ensure quick and safe resumption of in-restaurant dining, while continuing to ensure sales traction in our delivery business.

This transition has manifested in our quarterly results for the year. But before that let me take you through our performance for the full year FY2021.

- Our consolidated revenue from operations was down by 40% to ₹5,070.82 million, while our total expenses also reduced by about 33% to ₹4,606.99 million for the year.
- Our focus on aligning costs with the scale of the business yielded satisfactory results, as we reported a positive EBIDTA of ₹924.31 million, vs ₹1,680.39 million in FY2020.

- Our rigorous financial controls and efforts in debt reduction brought in reasonable results, with only about 12% YoY growth in our interest expenses to ₹848.68 million.
- With the severe impacts of the pandemic, it was inevitable that the business would report a net loss. Net loss stood at ₹918.85 million, as against a loss of ₹329.28 million in FY2020
- Notably, on standalone basis, there was an appreciable reduction in net loss from ₹926.65 million in FY2020 to ₹702.94 million in FY2021.

Our consolidated revenue from operations stood at ₹2,263 million in Q4 FY2021, representing a growth of 19% over Q4 FY2020. Importantly, delivery channel expanded at 5.7x in Q4 FY2021, vs the corresponding quarter of the previous year.

Our consolidated gross margins stood at 66.6% in Q4 FY2021, comprising an improvement of a sharp 261 basis points, compared to Q4 FY2020. This progress was primarily driven by recovery in the dine-in business and increased operating efficiency, leading to reduction in food wastages and hence costs. Furthermore, our consolidated restaurant operating margins enlarged from 9.7% in Q4 FY2020 to 20.5% in Q4 FY2021, which came on the back of robust sales recovery, higher gross margins and various other cost control measures adopted by the Company that came into play.

We have a total of 6 restaurants located overseas and this business achieved stabilisation and reported double-digit operating EBITDA margin of 31.5% in Q4 FY2021. This also attests to the faster economic recovery visible



**Our consolidated gross margins stood at 66.6% in Q4 FY2021, comprising an improvement of a sharp 261 basis points, compared to Q4 FY2020.**

in this region. Our investment in Toscano in the year 2019-20 was vindicated with the business delivering double-digit EBITDA margin, with EBITDA of ₹32 million in Q4 FY2021, as against ₹10 million in Q4 FY2020. These figures factor in the impact of Ind-AS 116.

Today, with consumers becoming increasingly comfortable with digital, we are focusing on continued investments in our own digital assets, covering reservation, delivery and loyalty. This investment is justified as the share of business coming from our own digital platforms (app and website) increased from 20.1% in Q4 FY2020 to 24.7% in Q4 FY2021. Our loyalty program, Smiles, that offers 5% of the bill value as reward points that can be subsequently redeemed either for dine-in or delivery orders has helped us create a large and growing base of loyal consumers.

Going forward, we will continue

to cement our position as a leading casual dining and delivery business with efficient cost optimisation measures, strong cash flow generation, growth in our delivery segment, and materialising our market penetration strategy. Furthermore, providing the safest environment to our guests and maintaining employee wellbeing will continue to be our top priority.

Thank you for being a part of our growth story.

Sincerely,  
**Rahul Agrawal**



## Business model

# OUR OPERATING MODEL

**is integral to achieving our strategic priorities, which in turn determines long-term value creation for our shareholders.**

To ensure that we engage in sustainable restaurant expansion and create value in perpetuity, we consider key inputs (our six capitals) that are transformed by our business activities into intended outcomes that comprise the benefits or impacts of our activities on the capitals.

**Key facets of our business model that enable sustainable value creation include the following:**





### Our financial capital

- Strong balance sheet
- Cash and liquid balances
- Access to cost-effective borrowings
- Improved working capital/liquidity management



### Our human capital

- 5,710 employees (standalone basis)
- Values-driven culture
- Strong and highly experienced leadership team
- Highly skilled project management team



### Our intellectual capital

- Specialist capabilities in supply chain management and product innovation
- Business administration expertise, which is crucial to ensure consistent restaurant expansion



### Our infrastructure capital

- 147 restaurants located in India and 6 globally (under Barbeque Nation)
- 11 Italian restaurants under the Toscano brand
- Robust logistical infrastructure that are a key part of our supply chain



### Our social and relationship capital

- Effective stakeholder engagement
- Sound relationships with investors and the financial community, clients and employees
- Responsiveness to stakeholder expectations

Creating value by harnessing our capitals



## FINANCIAL CAPITAL

**Our shareholders' equity and debt that are used to support our business and operational activities.**

### Creating value

Optimal capital management and allocation is critical to our ability to generate long-term value for our stakeholders, and we invest in our other capitals in a measured way to grow and sustain our business. Maintaining sound financial metrics is a key management priority.

### 3-year journey



### Strategic imperatives

- Continue to focus on cost rationalisation/optimisation to strengthen unit economics and create a structural advantage
- Ensure prudent liquidity management, especially in the face of the COVID-induced uncertainty
- Continue with our strategic investments in restaurant expansion, with the goal of launching 20 new outlets in the current year; focus also remains on investing in and further scaling-up our food delivery business





# INFRASTRUCTURE CAPITAL

**Our restaurants and other infrastructure that enable us to conduct our business.**

## Creating value

Continued investment in our Company-owned restaurants and commissary, facilities, equipment and IT infrastructure that enables us to widen our customer base and provide homogeneous experience to our customers.

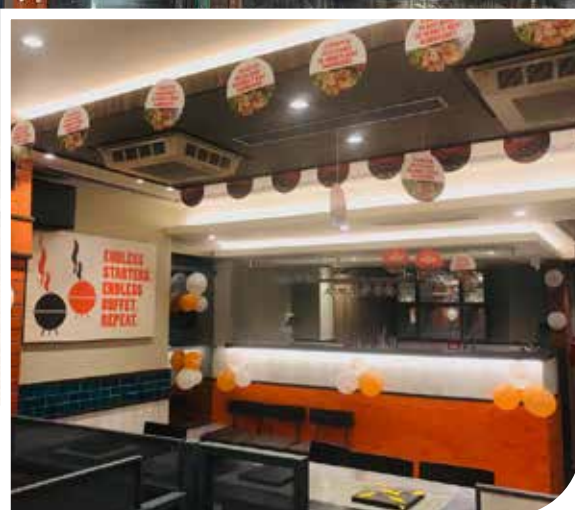
## Restaurant portfolio

Restaurant brand	No. of outlets as on 31 March 2021	New additions in 2020-21	No. of cities of presence
Barbeque Nation – India	147	3	77
Barbeque Nation – international	6	-	4
Toscano – India	11	-	3



## Strategic imperatives

- Constant evaluation of the estate in terms of location, relevance and appeal to our target markets
- Continued investment in digital technology, equipment and facilities to improve operational efficiencies and customer engagement



Creating value by harnessing our capitals



# INTELLECTUAL CAPITAL

**Our brand value, innovation capacity, digital assets and capabilities, reputation and strategic partnerships.**

## Creating value

Our business model relies on having the right people with the right skill-sets to create value. It is vital that our brands and restaurant operating practices instill confidence among our consumers, especially in the wake of the COVID-19 crisis that has caused major disruptions in the economy as well as in the restaurant sector.



## Major highlights

- We strategically stewarded our business to navigate through the virus-induced shutdowns, re-pivoting swiftly to face the new regulations around health, hygiene, safety and social distancing
- We leveraged our brand, enterprise strengths and strong knowhow to rapidly build and scale up our restaurant delivery business
- We bolstered our digital presence through investments in our Barbeque-Nation app that opened up a host of new features and conveniences for our customers, ensuring a high-tech and contactless dining and food delivery experience

## Strategic imperatives

- Conduct ongoing reviews of IT/digital requirements and risk assessments
- Continue to harness our rich experience and insights in the foods business to innovatively cater to new and emerging consumer trends







# HUMAN CAPITAL

## Our culture, our people and our collective knowledge, skills and experience.

### Creating value

We require our human capital input to generate value and we strive to nurture the commitment and support of this resource through strong personal relationships and incentives which recognise and reward individuals who make a positive difference to our business.

### Major highlights

Our employees are the strength of our organisation and the 6,600+ team of talented, experienced and diverse individuals help us to lead the way in fostering a sustainable business. We pride ourselves on having an open and honest relationship with our workforce, empowering them to have their say, whilst ensuring they remain supported. Some of the key initiatives of the year comprised:

- Support extended during the pandemic, including COVID-secure arrangements, etc.

- Activated additional processes to ensure the health and safety of our people
- Fostered engagement, ensuring two-way communication with our employees
- Focused on learning, development and capacity building, thus investing for the future
- Provided career advancement opportunities, articulating how our employees can grow and develop at the Company
- Placed emphasis on improving diversity and inclusion across the organisation

- Fostered fair employment, benefits and wellbeing
- Maintained our position as a Great Place To Work®

### Strategic imperatives

- Foster a high-performance culture and a workplace environment that is anchored on diversity, inclusion and meritocracy
- Nurture a safe working environment with fair labour practices
- Ensure full vaccination for all our employees





Creating value by harnessing our capitals



# SOCIAL AND RELATIONSHIP CAPITAL

**Stakeholder relationships, including our corporate citizenship activities.**

## Creating value

Trusted relationships with stakeholders are essential to bolstering our reputation and enabling us to meet our growth objectives. We also believe that the communities we serve should be better off as a result of our presence, and we extend upliftment-oriented initiatives that especially support the grassroots.







### Strategic imperatives

- Sustain our propositions to especially support value expectations of our customers
- Continue with our Smiles loyalty program that reward customers with tangible benefits on repeat engagement
- Support communities through our citizenship programs; we distributed free meals to migrant labour and other vulnerable populations in Bengaluru and six other cities of India during the pandemic.
- We are focused in fostering open and transparent relations with our shareholders and a key part of this agenda is to disclose material information on a timely basis

Material matters and key stakeholders

# WE EXECUTE OUR STRATEGIC OBJECTIVES

**in an integrated manner by focusing on what matters the most to our business.**

## Overview

At Barbeque-Nation, our strategy is premised on the intent to grow our business in a sustainable manner and create value for all our stakeholders. In this context, we have identified key risks and opportunities, prioritising the economic, social, environmental and governance matters that can have a substantive impact on our focus to create sustainable value for the Company's stakeholders. Importantly, by ensuring an integrated approach to managing these matters, we enhance our ability to deliver on this intent and strategy.

## Our key material matters



### Operational excellence

#### How are we doing it

- Through our longstanding vendor/supplier relationships
- Through our ongoing focus on unit cost optimisation via augmenting resource consumption, minimising wastages, etc.
- Through our strong backend IT infrastructure and processes

#### Three-year trends

Cost of food and beverages consumed as a % of total expenses

41.7    42.8    38.7



2018-19    2019-20    2020-21

Operating expenses as a % of total expenses

58.3    57.2    61.3



2018-19    2019-20    2020-21







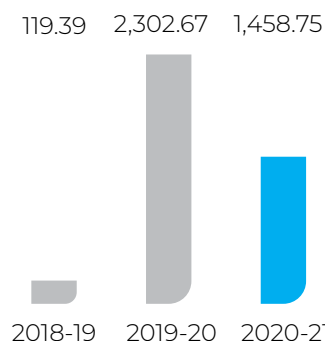
## Financial performance

### How are we doing it

- Through strengthening the balance sheet via debt reduction
- Through bolstering our key financial metrics, including debtor/inventory turnover, current ratio, etc.

### Three-year trends

#### Consolidated debt (₹ mn)



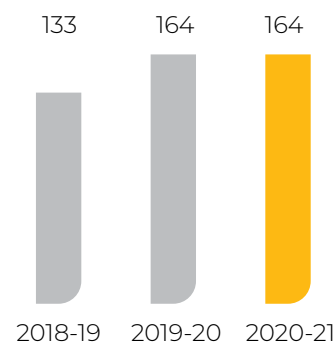
## Capital management

### How are we doing it

- Through a capital allocation strategy that is anchored on long-term value unlocking
- Through ensuring consistent and sustainable growth in our restaurant network

### Three-year trends

#### Consolidated no. of stores



## Talent futurisation

### How are we doing it

- Through our focus on driving a learning-oriented, high-performance culture
- Through providing extensive theoretical as well as on-the-floor training and skills development opportunities
- Through inculcating owner's mindset, especially amongst our senior team leaders
- Through building our capabilities and expertise in digital



## Regulatory compliance

### How are we doing it

- Through being mindful and conscious that compliance with all relevant regulations and good relationships with industry authorities improves our reputation as a responsible corporate citizen and has a positive impact on the business
- By adopting rules and regulatory guidelines in both letter and spirit

## ESG reporting

# EMBEDDING ESG PRINCIPLES

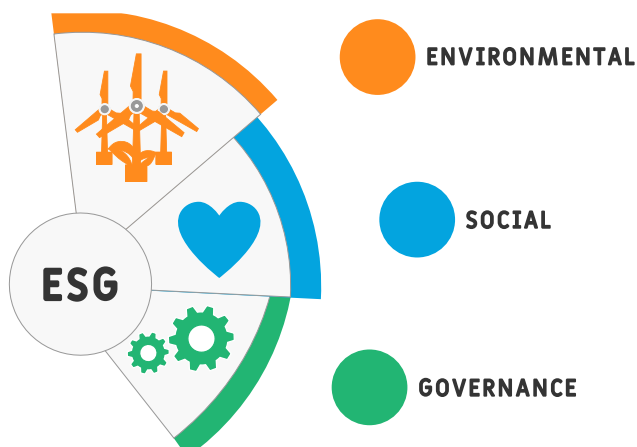
## in our business.

### Overview

The Covid-19 pandemic has highlighted the value of companies integrating effective environmental, social and governance (ESG) practices into their business to ensure long-term sustainability. Thus, as the demand for ethical behaviour increases from both consumers and shareholders, there is an increased focus on ESG issues, including compliance with legislation, responsible sourcing, food security, and the impact of our business on the environment.

### Our response to ESG

- We are a responsible corporate citizen and are mindful of our operational practices, which may have a negative impact on our stakeholders and the environment in general
- We strive to comply meticulously with all industry and other related legislation
- We have developed comprehensive policies, including whistle-blower policy, related party transactions policy, anti-sexual harassment policy, etc., to guide us in our business conduct and ensure compliance with regulations
- We strive to practice responsible use of non-renewable resources, reduce wastage of food and recycling, wherever possible
- We achieve reduction in the use of plastic by using majority of paper-based elements in our delivery packaging
- Our Board independence is reflected in the fact that 1/3rd of our Board, or 3 members, are non-executive members
- We have taken the initiative to provide free meals to daily-wage earners during COVID-19, having provided over 180,000 meals in Bengaluru
- We partnered with the National Restaurant Association of India (NRAI) and NGOs Goonj and BBMP to distribute 1,55,000 free meals to communities in need across six cities in India
- We launched #NoCompromiseDining with comprehensive operating procedures outlining physical distancing, contact-free experience, sanitisation protocols and customer experience to ensure guest and employee safety





### Future expectations

- We expect healthier eating to remain a key focus area and we continue to conduct menu reviews, introducing a variety of healthier meal options on our menus and ensuring we are compliant with all industry legislations regarding salt and sugar use, etc.
- We will continue to engage openly with investors and prospective investors regarding our ESG-related matters



Our food festivals

# SUSTAINING CONSUMER EXCITEMENT

is an integral part of our business and we do so through curating popular food festivals that offer our customers a range of Indian and international cuisine choices.

## Major food festivals of 2020-21



January 2021

### *New year celebrations!*

“With new year festivities, the best way to celebrate is with delicious food. Head over to Barbeque Nation and savour a delightful spread of grills and buffet spread.”

January 2021

### *New year double celebrations!*

“Hurrah! It's our Anniversary Week, join us for the celebration at your nearest BBQ Nation and get 15% cashback in your account.”

February 2021

### *Celebrating the season of love!*

“Valentine's Day is almost here! Sip on some amazing cocktails while you celebrate the day with your loved one at Barbeque Nation.”



February 2021

### *Delicious sea food festival!*

“Binge on some delicious sea treasures from crabs and fish to squids and lobsters at Barbeque Nation's Grill Loot.”



February 2021

### **Celebrating street food!**

"Barbeque Nation is celebrating its Street Food Festival. Treat yourself to mouth-watering delicacies, including jhaal murri and jaljeera, sugar cane kabab, markesh roll, chicken kebab fry, egg pakoda, momos, popcorn, karari palak chaat, chilli chicken and many more."

February 2021

### **On a safari of flavours!**

"Experience the robust and bold spices of Africa through the journey of food at Barbeque Nation. Presenting 'Hakuna Matata'. Immerse yourself in the safari of flavours!"



March 2021

### **Celebrating women empowerment!**

"To the phenomenal women out there! Celebrate with delectable grills and buffet @ a special price on Women's Day."



March 2021

### **Celebrating the festival of colours!**

"Holi Hai! The festival of colours is incomplete without festive treats of the season. Enjoy amazing gujyas, namakpara/shakkarpara and much more with super delicious grills and buffet."

## PROFILE OF OUR BOARD

The role of our Board is to promote the long-term success of the Company, generating value for shareholders and contributing to the wider society by providing effective leadership and direction to the business. It sets the corporate and sustainability strategy, having regard to stakeholders, while maintaining a balanced approach to risk within the framework of effective controls. It has also established the Company's purpose and values, and monitors culture to ensure alignment.



**T Narayanan Unni** is the Chairman and a Non-Executive Director and Independent Director of our Company. He has been a Director of our Company since February 9, 2009. He holds a bachelor's degree in commerce from Vikram University, Ujjain, and a bachelor's degree in law from the University of Indore. He is a member of the Institute of Chartered Accountants of India and has been a practising chartered accountant since July 1, 1975.



**Kayum Dhanani** is the Managing Director of our Company. He has been a Director of our Company since November 30, 2012. He holds a diploma in sole-making from the Central Leather Research Institute, Chennai. He has been associated with Sara Suole Private Limited since 2005, which is involved in the business of manufacturing, processing and selling leather goods, including soles, shoes and other leather accessories.



**Rahul Agrawal** is the Whole-time Director and Chief Executive Officer of our Company. He has been a Director of our Company since December 31, 2020. He holds a bachelor's degree in commerce (honors) from Shri Ram College of Commerce, University of Delhi, and a post graduate diploma in management from the Indian Institute of Management, Bengaluru. Prior to joining our Company, he was associated with Ernst & Young and Beacon BVM Advisors. He was also associated with CX Advisors LLP from October 2009 to July 2017. He joined our Company on July 24, 2017.



**Raooof Dhanani** is a Non-Executive Director of our Company. He has been a Director of our Company since July 1, 2015. Prior to joining our Company, he was involved in the fertilisers business, which he divested in the year 2013. He joined the management of Sayaji Hotels Limited (SHL) in 2013 and is currently involved in managing the operations of SHL.





**Suchitra Dhanani** is a Non-Executive Director of our Company. She holds a bachelor's degree in home science with a major in clothing and textiles from Maharaja Sayajirao University, Baroda, and a master's degree in social work from the same university. She was a Director of our Company from November 2, 2006 until March 28, 2008. Thereafter, she was appointed as a consultant from January 2012 to March 2012, and later as an employee of our Company until March 2013, for interior decorating and housekeeping-related activities. She was subsequently appointed as a Director of our Company on July 1, 2015.



**Tarun Khanna** is a Non-Executive, Nominee Director of our Company. He has been a Director of our Company since April 12, 2013. He holds a bachelor's degree in science from the University of Maryland and a master's degree in business administration from the University of Baltimore. He was previously associated with Citibank NA for a period of five years and with YES Bank for a period of over three years. He has worked with GE Capital Transportation Financial Services in the past. He joined CX Advisors LLP in February 2009 in the capacity of an investment principal and was inducted as a partner of the firm from March 2013. He is currently a partner of CX Advisors LLP.



**Devinjit Singh** is a Non-Executive Director of our Company. He has been a Director of our Company since December 31, 2020. He holds a bachelor's degree in mathematics (honors) from the University of Delhi, and a master's degree in business administration from the Duke University. He was previously associated with Carlyle Group for over nine years and with Citigroup N.A. and Citigroup Global Markets India. He joined Xponentia Capital Partners in 2018 as the Founder and Managing Partner.



**Abhay Chaudhari** is an Independent Director of our Company. He has been a Director of our Company since February 28, 2017. He holds a master's degree in chemistry from Nagpur University and a diploma in business management from the same university. He is a certified associate of the Indian Institute of Bankers. He joined State Bank of India on October 29, 1979. He was promoted to chief general manager and was deputed to SBI Capital Markets, Mumbai, from State Bank of India. He held the position of president and chief operating officer of SBI Capital Markets, Mumbai, from October 21, 2013 until January 31, 2016, and was involved with the management, merger and advisory, private equity, equity and debt markets and credit and project advisory during his tenure.



**Natarajan Ranganathan** is an Independent Director of our Company. He has been a Director of our Company since December 31, 2020. He holds a bachelor's degree in commerce from Madras University and is an associate member of the Institute of Cost Accountants of India. He was previously associated with Helion Advisors and is currently a designated partner at Foundation Partners LLP and Schatz Consulting LLP.

# BOARD'S REPORT

To  
The Members  
Barbeque-Nation Hospitality Limited

Your Directors have pleasure in presenting the Fifteenth (15th) Annual Report of the Company, together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2021 ('FY 2021').





## 1. FINANCIAL SUMMARY OR HIGHLIGHTS

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020
Revenue from Operations	4,532.74	7,870.52	5,070.82	8,469.70
Other Income	405.42	33.06	460.48	38.24
Total Income	4,938.16	7,903.58	5,531.30	8,507.94
Total Expenses	4,133.80	6,308.11	4,606.99	6,827.55
EBITDA	804.36	1,595.47	924.31	1,680.39
Finance Costs	705.93	631.61	848.68	755.92
Depreciation	1,011.61	1,045.73	1,211.70	1,339.63
Profit/Loss before Tax and Exceptional Items	(913.18)	(81.87)	(1,136.07)	(415.16)
Exceptional Items – Loss/(Gain)	(20.67)	766.86	(20.67)	(163.80)
Profit/(Loss) before Tax	(892.51)	(848.73)	(1,115.40)	(251.36)
Tax Expense/Benefit	(189.57)	77.92	(196.55)	77.92
Net Profit/(Loss)	(702.94)	(926.65)	(918.85)	(329.28)
Other Comprehensive Income/(Losses)	(7.6)	(5.76)	25.56	(26.49)
Total Comprehensive Income/(Losses) for the year	(695.34)	(932.41)	(893.29)	(355.77)
Earnings per Share (Basic & Diluted)	(24.23)	(33.11)	(31.14)	(11.77)

## 2. STATE OF COMPANY'S AFFAIRS AND BUSINESS PROSPECTS

Your Board is pleased to report that FY 2021 journey started with a store network of 164 outlets, which included 147 Barbeque Nation restaurants in India, 6 Barbeque Nation restaurants outside India and 11 restaurants which are operated by the subsidiary Red Apple Kitchen Consultancy Private Limited. During the year, 3 Barbeque Nation Restaurants were opened and 3 Barbeque Nation Restaurants were closed and the cumulative number of stores/outlets of the Company as at the end of FY 2021 was 164.

The hospitality industry was one of the worst-affected by the COVID-19 pandemic, as lockdowns, social distancing norms and heightened concerns over safety crimped demand. With a large pan-India presence, your Company was also not immune to the major challenges triggered by the pandemic and though your Company focused on innovation and responsible stewardship to navigate through the challenges and operate in the new normal scenario, the pandemic had an inevitable negative impact on the performance for the year.

Revenue from operations declined by about 40% to ₹5,070.82 million, while total expenses also reduced by around 32% to ₹4,606.99 million on account of cost negotiations as well as lower overall business. It must be noted that despite a challenging environment, your Company turned in a positive EBITDA of ₹924.31 million, vs. ₹1,680.39 million in 2019-20. The Company incurred a net loss of ₹918.85 million for the year.

Yet, there were many positives too and one of the major highlights was rapid success achieved in the

delivery business through product innovation and transformation, including “Barbeque in a box”, “Grills in a box”, etc., that sought to recreate the same Barbeque-Nation dine-in experience for in-home consumption. Further, the new products offered deep value propositions that resonated with customers.

Moreover, your Company also made rapid strides in digital, with its own app and website geared to take delivery orders as well as provide in-store dining reservations. These features were available on third-party aggregators too, thus enabling your Company to create a new channel for customers. Furthermore, your Company also placed emphasis on the Smiles loyalty program that reinforced your Company's value proposition to its customers, helping expand engagement and creating opportunities for multiple consumption.

### COVID-19 pandemic and its impact on the Company:

The World Health Organization declared the outbreak of COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Further, on March 14, 2020, India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown, which was announced on March 24, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. The outbreak of COVID-19, as well as Government of India (GoI) measures to reduce the spread of COVID-19 have had a substantial adverse impact on our restaurant operations since March 2020, and the timing of how long the COVID-19 pandemic will last is still uncertain. In addition, the Company's restaurants

in different states and regions in India have been disproportionately affected by COVID-19 and the measures implemented in each state have varied due to regional and regulatory differences in each state of the country. As a result of COVID-19, the Company had to temporarily close a number of restaurants across India, commencing from March 2020 and experienced reduced store-level operations, including reduced operating hours and restaurant closures. During the initial stages of the crisis, footfalls and sales in the restaurants fell significantly due to the lockdown and other measures implemented by the GoI.

#### Re-opening of Outlets:

As and when restrictions on operations were lifted by the concerned regulatory authorities, the Company ramped up the operations of its restaurants.

During the COVID-19 pandemic, the Company implemented high standards of safety and hygiene protocols across its Barbeque-Nation Restaurants in India covering guest safety, employee safety, sanitisation, physical distancing, temperature checks and safe deliveries. The Company has made required changes to the seating layouts and restricted movement of crowds to maintain physical distancing. The Company also launched #NoCompromiseDining with operating procedures outlining physical distancing, contact-free experience, sanitization protocols and customer experience.

#### Sales Recovery:

Sales have recovered gradually post lockdown release and easing of various supply side restrictions, like restrictions on operating hours, operational capacity and sales of liquor. While some of these restrictions have eased across a few states, the Company continues to face some restrictions across some cities. Recovery of the Company's monthly sales has been driven both by an increase in dine-in sales and delivery sales.

#### Delivery Focus with Product Innovation:

Delivery business has grown from ₹260.93 million in Fiscal 2020 to ₹769.8 million in Fiscal 2021. The Company will continue to focus on the delivery segment and will continue to work on improving product offering in relation to consistency, quality, recipes, delivery menu and meal combos. One of the Company's delivery products, "Barbeque-in-a-Box" that was launched in June 2020, provides a wide range of starters, main course and desserts. This is in addition to two other products, "Grills in a Box" and "Meals in a Box", which are offered through delivery among other offerings. The Company will continue to work towards increasing the average daily sales of these products and their variants.

#### Onset of the second wave (Resurgence of COVID-19 pandemic):

India has been facing yet another crisis with the onset of the second wave of COVID-19 leading to emergence of lockdowns in various parts of the country from early April 2021. There have been restrictions on operating hours, closure of dine-in business and restrictions on the movement of general non-essential services. This has once again impacted the Company's dine-in business and the timing of recovery of this situation is still uncertain. The Company has, however, continued to focus on its delivery business and has seen strong growth that is expected to add incremental sustainable business on top of its dine-in business.

### 3. CHANGE IN THE NATURE OF BUSINESS

During the year under review, the Company has witnessed higher proportion of revenue derived from its delivery segment. In FY 2021, 15.20% of the Company's revenue was derived from the delivery segment, as compared to 3.10% in FY 2020.

### 4. DIVIDEND

In view of the losses incurred, dividend could not be recommended for FY 2021.

### 5. AMOUNTS TRANSFERRED TO RESERVES

The Company does not have any surplus to transfer to reserves during the FY 2021.

### 6. ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, copy of the Annual Return of the Company for the Financial 2020-21 is available on the Company's website at <https://www.barbequenation.com/report-presentation>

### 7. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed separately in the Annual Report.

### 8. BOARD MEETINGS

Fifteen (15) meetings of the Board of Directors were held during FY 2021. The intervening gap between any two meetings was within the prescribed period as per the Companies Act, 2013. The details of the meetings of the Board and its Committees are given in the Corporate Governance Report which forms an integral part of the Annual Report.

### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The composition of the Board of Directors, Key



Managerial Personnel and changes in the composition of the Board of Directors and Key Managerial Personnel as on 31st March 2021 is exhibited below:

Sl. No.	Name	Designation	Date of appointment
1.	Mr. T N Unni	Chairman, Non-Executive, Independent Director	09/02/2009
2.	Mr. Kayum Razak Dhanani	Managing Director	30/11/2012
3.	Mr. Rahul Agrawal*	Chief Executive Officer & Whole Time Director	31/12/2020
4.	Mr. Raoof Razak Dhanani	Non-Executive Director	01/07/2015
5.	Mrs. Suchitra Dhanani	Non-Executive Director	01/07/2015
6.	Mr. Abhay Chintaman Chaudhari	Non-Executive, Independent Director	28/02/2017
7.	Mr. Natarajan Ranganathan**	Non-Executive, Independent Director	31/12/2020
8.	Mr. Devinjit Singh***	Non-Executive Director	31/12/2020
9.	Mr. Tarun Khanna	Nominee Director	12/04/2013
10.	Mr. Amit V Betala	Chief Financial Officer	14/01/2020
11.	Ms. Nagamani C Y	Company Secretary	21/07/2014

\* Mr. Rahul Agrawal was appointed as Chief Executive Officer & Whole-Time Director of the Company at the Board meeting held on December 31, 2020 which was approved by the Shareholders at the Extra-ordinary General Meeting held on January 23, 2021.

\*\* Mr. Natarajan Ranganathan was appointed as a Non-Executive, Independent Director of the Company pursuant to the resolution passed by the shareholders at the Annual General Meeting held on December 31, 2020.

\*\*\* Mr. Devinjit Singh was appointed as an Additional Director of the Company at the Board Meeting held on December 31, 2020 and further appointed as a Non-Executive Director of the Company pursuant to the resolution passed by the shareholders at the Extra-Ordinary General Meeting held on January 23, 2021.

The Company has received necessary declarations under Section 149(7) of the Companies Act, 2013 from all Independent Directors of the Company to the effect that they meet the criteria of independence as laid down

under Section 149 (6) of the Companies Act, 2013.

## 10. FORMAL ANNUAL EVALUATION

Your Company has formulated a Policy for selection of Directors, determining independence of Directors and for the performance evaluation of Board, Committees, other individual Directors and Independent Directors. Detailed information about the performance evaluation of the Board and its criteria are given in the Corporate Governance Report forming integral part of this Report.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of Board's knowledge and belief and according to the information and explanations obtained by the Board of Directors, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- in the preparation of the annual accounts for the FY 2020-21, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting

policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the Profit and Loss of the Company for that period;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS AS STATED IN SECTION 178(3) OF THE COMPANIES ACT, 2013.

Your Company has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on 31st March 2021 the Board consists of 9 (Nine) members - 2 (Two) Executive Directors, 3 (Three) Independent Directors, 1 (One) Nominee Director of investors and 3 (Three) Non-Executive Directors. The Board periodically evaluates the need for change in its composition and size. The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Sub-Section (3) of Section 178 of the Companies Act, 2013, has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. The copy of the policy is available on the website of the Company at <https://www.barbequenation.com/corporate-governance-policies>

## 13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 forms part of

Messrs Xponentia Opportunities Fund I, Jubilant FoodWorks Limited, certain employees and Public Shareholders:

Sl. No.	Date of Allotment	No. of Shares Allotted	Issue Price per Share (in ₹)
1.	02/12/2020	2,38,890	252
2.	04/12/2020	59,524	252
3.	01/01/2021	12,30,159	252
4.	05/01/2021	4,96,435	252
5.	20/01/2021	42,630	252
6.	25/01/2021	38,83,494	252

Further, in the month of April 2021, the Company raised ₹1,800 million through an Initial Public Offer (IPO). Post the IPO, Paid-up share capital of the Company increased to ₹18,77,14,600/- divided into 3,75,42,920 Equity Shares of ₹5/- each. The Company has issued and allotted 36,00,000 Equity Shares of ₹5/- each at a premium of ₹495/- per Share in the IPO.

The Company has taken necessary approvals of the Board and Shareholders for the aforesaid issue of Shares.

the notes to the financial statements.

## 14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

All Related Party Transactions (RPTs) which were entered in to, during the financial year were on arm's length basis and were in the ordinary course of business. All RPTs were placed before the Audit Committee for approval. A Policy on RPTs as approved by the Board is uploaded on the Company's website at <https://www.barbequenation.com/corporate-governance-policies>. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 are enclosed in the prescribed format, Form AOC-2, as Annexure-2.

## 15. CHANGES IN SHARE CAPITAL:

### A. CAPITAL STRUCTURE:

The Authorized/Nominal Share Capital of the Company is ₹30,00,00,000/- divided into 6,00,00,000 Equity Shares of ₹5/- each. The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on 31st March 2021 is ₹16,97,14,600/- divided into 3,39,42,920 Equity Shares of ₹5/- each. The Company has only one class of Equity Share.

During the year under review, the Paid up Share Capital of the Company was increased from ₹13,99,58,940/- to ₹16,97,14,600/-. The Company has issued and allotted 59,51,132 Equity Shares of ₹5/- each at a premium of ₹247/- per Share through Private Placement on a Preferential basis (as "Pre- IPO") on the below mentioned dates to

### B. Buy Back of Securities:

The Company has not bought back any of its securities during the year under review.

### C. Details of issue of Sweat Equity Shares:

The Company has not issued any Sweat Equity Shares during the year under review.

### D. Disclosure in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates:



There are no such cases arisen during the year under review.

#### E. Details of Issue of Equity Shares with Differential Rights:

The Company has not issued any Equity Shares with differential rights during the year under review.

#### F. Bonus Shares:

No Bonus Shares were issued during the year under review.

### 16. INVESTORS' EDUCATION AND PROTECTION FUND:

Pursuant to the Section 125 of the Companies Act, 2013, read with the Investors' Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed Dividends are required to be transferred by the Company to the Investors' Education and Protection Fund, established by the Government of India, after the completion of seven years. Further, according to the aforesaid Rules, the Shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority.

During the year under review, there were no unpaid or unclaimed amount required to be transferred to IEPF account and further, the Company has unclaimed Dividend of ₹200/- lying in the Unpaid Dividend account of the Company for the FY 2021.

### 17. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events occurred after the Balance Sheet date which have material impact on financial statement, except as stated below:

#### A. Initial Public Offer

The Company has successfully completed Initial Public Offer (fresh issue and Offer for Sale) of Equity Shares of the Company which are listed on National Stock Exchange of India Limited (NSE) and BSE Limited on April 7, 2021. In compliance with SEBI Circular No. CIR/CFD/CMD/6/2015 dated 13th October, 2015, the Company has executed a Uniform Listing Agreement with BSE Limited and National Stock Exchange of India Limited, where the Shares of the Company got listed.

In the aforesaid Initial Public (IPO) Offer 36,00,000 fresh Equity Shares of ₹5/- each at premium of ₹495/- each aggregating to ₹1,800,000,000/- (Rupees One

Eighty crores only) were offered to the Public.

Further, Offer for Sale of 54,57,470 Equity Shares of ₹5/- each by certain existing shareholders (selling shareholders) at an offer price of ₹500/- per Share aggregating to ₹2,728,735,000/- (Two hundred and Seventy Two Crores Eighty Seven lakhs Thirty Five thousand only) was also made in the IPO.

The Company has paid Annual Listing Fees for the Financial Year 2021-22 to both the Stock Exchanges.

#### B. 2nd Wave of COVID-19 (resurgence of pandemic)

With the onset of second wave of COVID-19 and various state-level lockdown restrictions, the dine-in business has been significantly impacted which can have significant impact on the Company's financial performance.

### 18. MATERIAL CHANGES & COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report except as reported under para 17 above.

### 19. PROHIBITION OF INSIDER TRADING

In compliance with SEBI (Prohibition of Insider Trading) Regulation 2015, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading'. The said Code is available on the Company's website at <https://www.barbequenation.com/corporate-governance-policies>.

### 20. EMPLOYEE STOCK OPTION SCHEME

Your Company has an Employee Stock Option Scheme under Barbeque Nation Hospitality Limited Employee Stock Option Plan 2015 ('ESOP Plan 2015') which is administered by the Nomination and Remuneration Committee for the benefit of employees. The certificate from the statutory auditor of the Company stating that the ESOP Plan 2015 has been implemented in accordance with the SEBI (Share Based Employees Benefits) Regulations, 2014 and in accordance with the resolutions passed by shareholders of the company in the general meeting will be placed before the AGM and the same will also be made available in the company's website.

Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulations made by SEBI, the applicable disclosures in relation to the ESOP Plan 2015 as on 31st March, 2021 are as follows:

#### (i) Description of the existing ESOP Plan is summarized below:

Sl. No.	Particulars	ESOP Plan 2015
1.	Date of Shareholder's Approval	August 26, 2015
2.	Date of last Modification	August 27, 2020
3.	Total number of Options approved	9,32,480

Sl. No.	Particulars	ESOP Plan 2015
4.	Exercise Price Per option	Exercise Price varies from employee to employee depending on the various factors such as their level, experience, number of years of service in the company etc.
5.	Pricing Policy	The exercise price shall not be less than the face value of the Equity Shares of the company and shall not exceed fair market value of Equity shares of the company on the date of grant.
6.	Vesting period	Vesting period varies from 1 year to 3 year, subject to continuous employment with the Company during the Vesting Period.
7.	Exercise Period	60 months from the date of vesting, subject to the terms and conditions as stipulated in the ESOP Plan 2015.
8.	Variation in terms of Options during FY 21#	See Note below

**# Variation of terms of options:**

During the FY 2021 the ESOP Plan 2015 was modified as hereunder:

- Pursuant to the resolution passed by the shareholders at the Extra-Ordinary General meeting held on August 27, 2020, the exercise period was increased from 24 months to 60 months, in case of continuation of employment.
- Pursuant to the resolution passed by the shareholders at the Extra-Ordinary General meeting held on August 27, 2020, the sub clauses 2, 4, 5 and 6 of clause 7.2 of the ESOP Plan 2015 were substituted.

**(ii) Movement of options during the FY 2021 is as follows:**

Sl. No.	Particulars	ESOP Plan 2015
1.	Number of Options outstanding at the beginning of the FY 2021 (April 1, 2020)	5,27,955
2.	Number of Options granted during the FY 2021 (including re-grant of surrendered options)	8,06,410
3.	Number of Options forfeited/lapsed during the FY 2021	71,498
4.	Number of Options vested during the FY 2021	1,709
5.	Number of Options exercised during the FY 2021	0
6.	Number of shares arising as a result of exercise of options	0
7.	Money realized by exercise of options (Rs.)	0
8.	Number of options outstanding at the end of the FY 2021 (March 31, 2021)	8,85,155
9.	No. of options exercisable as of March 31, 2021	1,00,572

**(iii) Employee wise details of options granted during the FY 2021 is as follows:**

Sl. No.	Particulars	Number of Options Granted (including Re-Issue)	Exercise Price per Option (in ₹)
1	<b>Key Managerial Personnel (MD, CEO, CFO, CS)</b>		
	a. Rahul Agrawal – Chief Executive Officer & Whole Time Director	2,98,214	252
	b. Amit V Betala – Chief Financial Officer	20,805	252
	c. Nagamani C.Y – Company Secretary	974	252
2	<b>Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year</b>		
	a. Rahul Agrawal – Chief Executive Officer & Whole Time Director	2,98,214	252
	b. Gulshan Chawla – Chief People Officer	55,555	252
	c. Mansoor Memon – Head of Projects	47,619	252
3	<b>Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant</b>	Nil	-



## 21. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### (i) Conservation of Energy:

The Company has been working effectively for the conservation of all types of energies used across all the restaurants and at the Registered Office.

The Company is using LED lighting system, to ensure that consumption of energy is at minimal levels in the operations.

The Company has not taken any steps for alternative source of energy.

The Company has installed timers for exhaust and fresh air system and energy management system to save energy.

### (ii) Technology absorption:

#### Strengthened Digital Assets

Your Company recently updated its BBQ App. This updated BBQ App includes: (i) option to make dine-in reservations; (ii) online ordering for our

### (iii) Foreign Exchange Earnings and Outgo:

#### Foreign Exchange Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Food and Beverages	125.86	2,568.60

#### CIF Value of Imports and Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Capital Imports	28.26	216.45
Fish Import	339.26	957.96

## 22. A STATEMENT ON THE DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The business and financial risk of the Company are akin to any other company in the same line of business. The Company has a robust enterprise risk management framework to identify and evaluate business risk opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the risk management approach across the enterprise at various levels, including documentation and reporting. The model has different modes that help identify risk trends, exposure and potential impact analysis at a company level and also separately for different business segments. The Company has identified various risks and also has mitigation plans for each risk identified. The said Risk Management Policy is available on the Company's website at <https://www.barbequenation.com/corporate-governance-policies>.

delivery products; and (iii) exclusive offers through digital coupons. The BBQ App also provides a payment option for Company's dine-in customers. Company's share from its digital assets (BBQ App, Company's website and chat bots) as a percentage of total reservations has grown from 34.6% in the month of February 2020 to 47.5% in the month of December 2020. Our cumulative mobile downloads have increased from over 1.28 million at the end of November 30, 2019 to over 2.2 million at the end of December 2020.

Under the Smiles Loyalty program, the Company currently provides 5% of the bill value (subject to certain terms and conditions) to customers as Smiles points which can be redeemed within a defined timeline during the customer's next dine-in visit or delivery order from the BBQ App or website. In the month of February 2020, only 0.8% of customer bills reflected the redemption of Smiles points but this has grown to 9.6% of customer bills for the month of December 2020. As of January 24, 2021, the average rating of the BBQ App on an internet app store was 4.5 out of 5.0.

## 23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of Mr. Tarun Khanna, Mr. T N Unni, Mr. Abhay Chaudhari, Mr. Kayum Dhanani and Mrs. Suchitra Dhanani. Annual Report on CSR including a brief outline of the CSR Policy is enclosed separately as Annexure -4. The copy of CSR Policy is available on the Company's website at <https://www.barbequenation.com/corporate-governance-policies>

## 24. INTERNAL FINANCIAL CONTROL

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Internal Controls in the Company have been designed to further the interest of all its stakeholders by providing an environment which is facilitative to conduct its operations and to take care of, inter alia, financial and operational risks with emphasis on integrity and ethics as a part of work culture.

The scope and authority of the Internal Audit (IA) is defined by the Audit Committee. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company and its compliance with accounting procedures, financial reporting and policies at all locations of the Company. Based on the report of internal audit, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee and the Board.

Pursuant to Section 138 (1) of the Companies Act, 2013, read with rules made thereunder and resolution passed by the Board in its Meeting held on 19th November, 2018, Messrs. KPMG were appointed as an Internal Auditor of the Company for a period of 2 years from 1st October, 2018 to 30th September, 2020 and further re-appointed for a period of 6 months from 1st October 2020 to 31st March 2021 in the Board Meeting held on 15th October, 2020.

Your Company had laid down set of standards, process and structures which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively.

## 25. COMMITTEES OF THE BOARD

As on 31st March, 2021, the Board has 5 Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, IPO Committee and Stakeholders' Relationship Committee. The composition of the Committees, Roles and Responsibilities, Meetings and compliances, as per the applicable provisions of the Act and Rules are given in the Corporate Governance Report forming integral part of the Annual Report.

### (i) Executive Directors:

Sl. No.	Name	Designation	Ratio to median remuneration	% increase in remuneration in the financial year
1	Mr. Kayum Dhanani*	Managing Director	NA	NA
2	Mr. Rahul Agrawal**	CEO & WTD	60.50	Nil

\* The Company is not paying any remuneration to Mr. Kayum Dhanani.

\*\* Mr. Rahul Agrawal was Appointed as a CEO & WTD of the Company w.e.f. December 31, 2020 and ratio to median remuneration is calculated considering the remuneration received for the whole FY.

### (ii) Non-Executive Directors:

The Company is not paying any remuneration to Non-Executive Directors, except the sitting fees of ₹25,000/- per Board Meeting.

### (iii) Key Managerial Personnel:

During the financial year under review, there was no increase in remuneration of Key Managerial Personnel (i.e. Chief Financial Officer and Company Secretary).

## 26. REMUNERATION RECEIVED BY MANAGING / WHOLE TIME DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY

During the year under review, no Commission or Remuneration was paid to the Executive Directors from Subsidiaries of the Company. Further, the Company does not have any Holding Company.

## 27. DISCLOSURE REGARDING FRAUDS

During the year under review, there were no frauds reported by the Auditor to the Audit Committee or to the Board.

## 28. VIGILANCE MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013, the Company has established a Whistle Blower Policy for Directors and employees to report any unethical conduct, misuse of unpublished price sensitive information, actual or suspected fraud or violation of Company's Code of Conduct. The detailed policy is available on the website of the Company at <https://www.barbequenation.com/corporate-governance-policies>

## 29. DISCLOSURE IN RELATION TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES UNDER THE ACT

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

- b. The percentage increase in the median remuneration of employees in the financial year:  
Nil

In view of the economic conditions impacted by the COVID-19 pandemic the Company has not increased the remuneration of employees of the Company.

- c. The number of permanent employees on the payroll of Company:

5,710 employees as on March 31, 2021.

- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial

remuneration:

Nil

- e. Names and particulars of the employees as required under section 197(12) of the Act read with Rule 5 (2) and 5(3) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Age	Designation	Remuneration (INR)		Qualification & experience	Date of commencement of employment	Previous employment	% of shares held in the company	Whether relative of any directors or manager
			Monthly	Yearly					
*Mr. Rahul Agrawal	38 Yrs	CEO & WTD	11,01,577	1,32,18,926	Post Graduate Diploma in Management from the Indian Institute of Management, 14 Years of experience	24-July-17	Worked as Principal at CX Advisors LLP	1,00,000/- equity shares representing 0.29% of the paid share capital	Not a relative as per Companies Act, 2013
Mr. Mansoor Memon	47 Yrs	Head-Projects	8,50,000	1,02,00,000	BE in Civil Engineering 16 Years of experience	01-March-19	Business	0	Not a relative as per Companies Act, 2013

\*Mr. Rahul Agrawal was appointed as Chief Executive Officer in the Board Meeting held on January 14, 2020 and further, appointed as Chief Executive Officer & Whole Time Director in the Board Meeting held on December 31, 2020 and Shareholders' Meeting dated January 23, 2021.

**Notes:**

- The employees included in the table above are permanent employees of the Company and their appointments are non-contractual.
- In calculating the above remuneration ESOP value has not been considered.

- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

### 30. DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 and under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 during the financial year. Hence, details to be given under the Rule 8(5) (v) of the Companies (Accounts) Rule, 2014 are: NIL

#### Borrowing of unsecured loan from Mr. Raoof Razak Dhanani, Director of the Company.

During the FY 2021, the Company has borrowed unsecured loan of ₹2,00,00,000/- (Rupees Two Crores only) from Mr. Raoof Razak Dhanani, Director and the Company has repaid the entire loan granted by Mr. Raoof Razak Dhanani as on January 2021.

Further, pursuant to Rule 2(c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014 Mr. Raoof Razak Dhanani has provided declaration to the Company that the said loan amount has been given out of his own funds and not given out of funds acquired by him by borrowing or accepting loans or deposits from others.

### 31. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES, AND JOINT VENTURES

Salient features of the financial statements of Subsidiaries/Associate Companies/Joint ventures of the Company are given separately in Form AOC – 1, as Annexure-1

Particulars	Name	Country of Incorporation	% of Shareholding held by the Company
Holding Company	The Company is not a subsidiary of any company	NA	NA
Subsidiaries	Red Apple Kitchen Consultancy Private Limited	India	61.35%
Wholly owned subsidiaries	Barbeque Nation Mena Holding Limited (BBQ Mena)	Dubai	100%
	Barbeque Nation Holdings Private Limited	Mauritius	100%



Particulars	Name	Country of Incorporation	% of Shareholding held by the Company
Step Down Subsidiaries	Barbeque Nation Restaurant LLC	Dubai	BBQ Mena holds 49%
	Barbeque Nation (Malaysia) SDN. BHD.	Malaysia	BBQ Mena holds 100%
	Barbeque Nation International LLC	Oman	BBQ Mena holds 49%
	Barbeque Nation Kitchen LLC*	Dubai	BBQ Mena holds 49%
Associates/Joint Ventures	Nil	NA	NA

#On the basis of control, BBQ Mena has 100% control over the step down subsidiaries.

\*Barbeque Nation Kitchen LLC is yet to commence the Business Operations.

Barbeque Holdings Private Limited, a Wholly Owned Subsidiary situated in Mauritius, was wound up wef 10th August 2020, pursuant to the notice issued by Registrar of Companies, Port Louis, Mauritius.

## 32. AUDITORS AND AUDITOR'S REPORT

### STATUTORY AUDITORS

Pursuant to the provisions of Section 139 (2) of the Companies Act, 2013, Messrs Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), were re-appointed as Statutory Auditors of the Company for the second term of five consecutive years in the 12th Annual General Meeting held on 4th June, 2018 to hold office until the conclusion of 17th Annual General Meeting.

The Auditors' Report read together with Annexure referred to in the Auditors' Report for the financial year ended March 31, 2021 do not contain any qualification, reservation, adverse remark or disclaimers. During the year under review, the Statutory Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### SECRETARIAL AUDITOR

Mr. Vijayakrishna K T, Practising Company Secretary, Bengaluru was appointed as a Secretarial Auditor of the Company, for the financial year 2020-21, by the Board at its Meeting held on 10th February, 2021. The Secretarial Audit Report for the FY 21 received from Mr. Vijayakrishna K T in Form MR-3 is enclosed separately as Annexure-3. The report does not contain any qualifications, reservations, adverse remarks or disclaimers.

## 33. CORPORATE GOVERNANCE

The Company has been following and adhering to best Corporate Governance practices to ensure value system of integrity, fairness, transparency, accountability and adoption of the highest standards of business ethics which are of benefit to all stakeholders. The Corporate Governance Report in terms of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") along with Certificate from a Practising Company Secretary regarding compliance to the conditions stipulated under Chapter IV of the

Listing Regulations is annexed herewith as Annexure-5 forming integral part of this Report.

## 34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company at <https://www.barbequenation.com/corporate-governance-policies>. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

The following is the summary of sexual harassment complaints received and disposed off during the year.

No. of complaints received during financial year 2020-21	: 3
No. of complaints disposed off during the financial year	: 3
No. of complaints pending as on the end of the financial year	: NIL

## 35. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

## 36. INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year.

### 37. SECRETARIAL STANDARDS

During the financial year 2020-21, your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

### 38. DISCLOSURE ABOUT COST AUDIT

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

### 39. ACKNOWLEDGEMENTS

The Directors place on record their appreciation of the co-operation and continued support extended by

customers, shareholders, investors, partners, vendors, bankers, the Government and statutory authorities for the Company's growth. We thank employees at all levels across the Group for their valuable contribution to progress and look forward to their continued support.

For and on behalf of The Board of Directors

**Kayum Razak Dhanani**

**T.N. Unni**

Place: Bengaluru *Managing Director*

*Director*

Date: May 24, 2021

DIN: 00987597

DIN: 00079237

# FORM AOC-1

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of  
Subsidiaries/Associate companies/Joint Ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary has been presented with amounts in INR million)

Sl. No.	NAME OF THE SUBSIDIARY	RED APPLE KITCHEN CONSULTANCY PRIVATE LIMITED, COUNTRY-INDIA	BARBEQUE NATION MENA HOLDING LIMITED, COUNTRY-DUBAI	BARBEQUE NATION RESTAURANT LLC, COUNTRY-DUBAI	BARBEQUE NATION MALAYSIA SDN BHD, COUNTRY-MALAYSIA	BARBEQUE NATION HOLDINGS PVT LTD, COUNTRY-MAURITIUS	BARBEQUE NATION INTERNATIONAL LLC, Country -OMAN
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period is same 1st April 2020 to 31st March 2021	Reporting period is same 1st April 2020 to 31st March 2021	Reporting period is same 1st April 2020 to 31st March 2021	Reporting period is same 1st April 2020 to 31st March 2021	Reporting period is same 1st April 2020 to 31st March 2021	Reporting period is same 1st April 2020 to 31st March 2021
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR March 2021 Rate: NA	AED March 2021 Rate: 19.92	AED March 2021 Rate: 19.92	RM March 2021 Rate: 17.66	USD March 2021 Rate: 73.17	OMR March 2021 Rate: 190.29
3	Share capital	0.53	317.57	5.98	17.66	3.66	28.54
4	Reserves and surplus	115.54	-93.20	-656.60	-77.29	-4.17	-36.95
5	Total assets	403.22	909.80	375.86	54.69	1.10	87.70
6	Total Equity and liabilities	403.22	909.80	375.86	54.69	1.10	87.70
7	Investments	-	35.66	-	-	-	-
8	Turnover/Revenue	259.61	34.66	270.50	25.70	-	26.14
9	Profit before taxation	-43.75	-6.13	-95.59	-12.62	-1.25	-23.71
10	Provision for taxation	-6.98	-	-	-	-	-
11	Profit after taxation	-36.77	-6.13	-95.59	-12.62	-1.25	-23.71
12	Proposed dividend	-	-	-	-	-	-
13	% of shareholding	61.35%	100%	49%	100%	100%	49%

### Barbeque Holdings Private Limited ("BHPL")

Application for the winding up of BHPL, a Wholly Owned Subsidiary incorporated in Mauritius, was filed with Corporate and Business Registration Department on 27th November, 2019 and Order from Registrar of Companies, Corporate and Business Registration Department, Port Louis, Mauritius was received on 10th August 2020 for having wound up wef 10th August 2020.

### Barbeque Nation Kitchen LLC ("BBQ Kitchen LLC")

BBQ Kitchen LLC, Dubai, incorporated on 9th January 2019 is yet to commence its Operations.

## Part "B": Associates and joint ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures: Not Applicable

For and on behalf of The Board of Directors

Place: Bengaluru  
Date: May 24, 2021

Kayum Razak Dhanani  
Managing Director  
DIN: 00987597

T.N. Unni  
Director  
DIN: 00079237



# FORM AOC-2

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

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

<b>1.</b> Details of contracts or arrangements or transactions not at arm's length basis	There are no transactions which are not at arm's length basis
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

(Amount in ₹)

Sl. No.	Name	Nature of contracts	Duration of the contracts	Amount (in ₹)	Terms and conditions	Date of the Board approval, if any,	Amount paid as advance, if any
1.	Sara Suole Private Limited	Entered Sub Lease Agreement for Office premises	5 years from 2nd November 2019 (the Agreement was terminated wef, 31/07/2020)	Rent of ₹5,22,000/- p.m. plus applicable taxes and paid CAM Charges on actual basis	As per the agreement	Approved through Circular Resolution and ratified at the Board Meeting held on 31st October, 2019	Paid security deposit of ₹31,32,000/-
2.	Liberty Restaurant Private Limited	Entered Lease Agreement for Office premises	51 months wef. effective from 01.08.2020 to 31.10.2024	Rent of ₹5,22,000/- p.m. plus applicable taxes and paid CAM Charges on actual basis	As per the agreement	Approved by the Board at its meeting held on 28th July 2020.	Paid security deposit of ₹31,32,000/-
3.	Red Apple Kitchen Consultancy Private Limited	Entered Memorandum of Understanding (MOU) for usage of liquor license	3 years	License fees of ₹1,50,000/- p.m. plus applicable taxes	As per Memorandum of Understanding agreed between parties	Approved through Circular Resolution and ratified at the Board Meeting held on 31st October, 2019	Paid security deposit of ₹25,00,000/-
4.	Sanya Dhanani	Daughter of Mrs. Suchitra Dhanani, Director. Promoted as a Senior Marketing Manager from the position of Cluster Manager	Employment	Salary not exceeding ₹30,00,000/- p.a.	Based on HR Policy	15th October 2020	Nil

Sl. No.	Name	Nature of contracts	Duration of the contracts	Amount (in ₹)	Terms and conditions	Date of the Board approval, if any,	Amount paid as advance, if any
5.	Gulshan Mohammed Ismail Memon	Lease Deed	9 Years commencing from 25th March 2019	Paid Rent of ₹4.94 million for the FY 2021	As per the agreement	29th June, 2017 and 4th February 2019	Paid security deposit of ₹55,13,005/-
6.	Sayaji Hotels Limited (SHL)	Renewal of Franchise Agreement (Tripartite agreement by and amongst the Company, SHL & DYP Hospitality Private Limited (franchisee))	5 years wef. 01/01/2021 to 31/12/2025	Company shall pay 3% out of 10% of monthly gross sales received from the franchisee to SHL for providing operational and management service.	As per the agreement	Approved by the Board at its meeting held on 20th February 2021.	Nil

For and on behalf of The Board of Directors

Place: Bengaluru  
Date: May 24, 2021

**Kayum Razak Dhanani**  
Managing Director  
DIN: 00987597

**T.N. Unni**  
Director  
DIN: 00079237

# FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
BARBEQUE-NATION HOSPITALITY LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by bearing BARBEQUE-NATION HOSPITALITY LIMITED, CIN: U55101KA2006PLC073031 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. The Equity Shares of the Company were listed on Stock Exchanges on 7th April, 2021.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2021 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made there under;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The Industry specific laws applicable to the Company are as follows:
  - ▶ Prevention of Food Adulteration Act, 1954
  - ▶ Food Safety and Standards Act, 2006
  - ▶ The Legal Metrology Act, 2009
  - ▶ The Narcotic Drugs and Psychotropic Substances (Karnataka) Rules 1985
  - ▶ The Karnataka Excise Act, 1965
  - ▶ The Trade Marks Act, 1999
- (vi). The other general laws as may be applicable to the Company including the following:
  - ▶ Karnataka Shops & Commercial Establishment Act & Rules
  - ▶ The ESI Act & General Regulations
  - ▶ The Employees Provident Funds & Miscellaneous Provisions Act
  - ▶ The Minimum Wages Act & Rules
  - ▶ The Payment of Wages Act & Rules
  - ▶ The Payment of Gratuity Act & Rule.
  - ▶ The Payment of Bonus Act & Rules
  - ▶ The Maternity Benefit Act.
  - ▶ The Equal Remuneration Act



- ▶ The Employment Exchanges (CNV) Act & Rules
- ▶ The Karnataka Labour Welfare Fund Act & Rules
- ▶ Industrial Employment Standing Orders Act.
- ▶ The Karnataka (National & Festival) Holidays Act & Rules
- ▶ The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act.
- ▶ For majority of Central Labour Laws, the States have introduced Rules [names of each of the Rules is not included here]
- ▶ The Competition Act, 2002
- ▶ The Indian Contract Act, 1872
- ▶ The Sales of Goods Act, 1930
- ▶ The Indian Stamp Act, 1899
- ▶ The Transfer of Property Act, 1882

(vii). Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable. In my opinion, the Company needs to strengthen the compliances under the Companies Act read with the Rules thereto, and the Secretarial Standards as well as other laws including HR and Labour Law.

Certain non-material findings made during the course of the audit relating to the provisions of the Companies Act, 2013 HR and Labour Laws were noted which have been communicated to the Company.

I further state that during the period under the review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable labour laws, environmental laws and other applicable laws as mentioned above.

I further report that I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

As per the information received from the Company Secretary, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there case instance was no such.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that I could not physically verify few documents/registers/returns due to Lockdown situation in relation to outbreak of Pandemic Covid-19 and I have relied up on the soft copies/information shared with me.

Place: Bangalore  
Date: 24.05.2021

Vijayakrishna KT  
FCS No.: 1788  
C P No.: 980  
UDIN: F001788C000362324

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

#### 'Annexure'

##### **My report of even date is to be read along with this letter:**

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Goods and Services Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore  
Date: 24.05.2021

**Vijayakrishna KT**  
FCS No.: 1788  
C P No.: 980

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

Barbeque-Nation shall lay down its focus on the following CSR activities in line with statute governing the CSR and for the benefit of public.

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation, and making available safe drinking water,
- (ii) Promoting education, including special education and employability-enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- (viii) Contribution to Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- (ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the central government;
- (x) Rural development projects.
- (xi) Any other CSR activities as per Companies Act, 2013 and approved by the Board from time to time.

### 2. Composition of the CSR committee:

Name of the Directors	Category	Designation	No. of Meetings	
			Held during tenure	Attended
Mr. T N Unni	Independent Director	Chairman	0	0
Mr. Abhay Chaudhari	Independent Director	Member	0	0
Mr. Tarun Khanna	Non-Executive Director	Member	0	0
Mr. Kayum Dhanani	Executive Director	Member	0	0
Mrs. Suchitra Dhanani	Non-Executive Director	Member	0	0

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

- a) Composition of the CSR committee as disclosed above is available on the Company's website at: <https://www.barbequenation.com/board-of-director>
- b) CSR Policy: <https://www.barbequenation.com/corporate-governance-policies>
- c) CSR projects approved by the Board: Nil

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2019-20	0	0
2	2020-21	0	0

6. Average net profit of the Company for last three financial year as per section 135(5):

Nil (the Company has incurred losses during the last 2 financial years)

7. Prescribed CSR Expenditure:

Sl. No.	Particulars	Amount (in ₹)
a)	2% Average net profit of the Company for last three financial year as per section 135(5)	Nil
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c)	Amount required to be set off for the financial year, if any	Nil
d)	Total CSR obligation for the financial year (7a+7b-7c)	Nil

8. Details of CSR amount spent or unspent during the financial year:

- CSR amount spent or unspent for the financial year: Nil
- Details of CSR amount spent against ongoing projects for the financial year: Nil
- Details of CSR amount spent against other than ongoing projects for the financial year: Nil
- Amount spent in Administrative Overheads : Nil
- Amount spent on Impact Assessment, if applicable: Not applicable
- Total amount spent for the Financial Year (8b+8c+8d+8e): Nil
- Excess amount for set off, if any:

9. a) Details of Unspent CSR amount for the preceding three financial years: NIL

- Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- Date of creation or acquisition of the capital asset(s): None
- Amount of CSR spent for creation or acquisition of capital asset: NIL
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Not Applicable

For and on behalf of The Board of Directors

Place: Bengaluru  
Date: May 24, 2021

Kayum Razak Dhanani  
Managing Director  
DIN: 00987597

T.N. Unni  
Director  
DIN: 00079237

# CORPORATE GOVERNANCE REPORT

## 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has been following and adhering to best Corporate Governance practices to ensure value system of integrity, fairness, transparency, accountability and adoption of the highest standards of business ethics which are of benefit to all stakeholders. The Shares of the Company having got enlisted on the Stock Exchanges on 7th April 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") have become applicable and the Company will endeavor to adhere to the same fully.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel. The Company's Corporate Governance philosophy has been further strengthened through Code of Conduct for Prevention of Insider Trading Policy and Whistle Blower Policy.

## 2. BOARD OF DIRECTORS

The Board composition and categories of Directors, their number of Directorships, Committee Membership(s)/ Chairmanship(s) as on March 31, 2021, attendance of each Director at the Board Meetings of the Company held during FY 2021 and at the last Annual General Meeting ('AGM') of the Company along with equity shareholding of each Director as at March 31, 2021 are given below:-

Name, Designation & Category of the Director Messrs	DIN	Directorships*	Committee Positions <sup>^</sup>		Attendance at Meetings			No. of Equity Shares held
			Memberships	Chairmanships	No. of Board Meetings held during tenure	Attended	Last AGM Attended	
<b>A. Promoter Directors</b>								
i. Executive, Non-Independent								
Mr. Kayum Dhanani, Managing Director	00987597	14	2	0	15	11	Yes	3,33,400
ii. Non-Executive, Non-Independent								
Mr. Raof Dhanani	00174654	15	0	0	15	10	No	0
Mrs. Suchitra Dhanani	00712187	11	3	0	15	10	No	6
<b>B. Executive Director</b>								
Mr. Rahul Agrawal, CEO & WTD#1	07194134	1	0	0	5	5	Yes	1,00,000
<b>C. Non - Executive Directors</b>								
Mr. Devinjit Singh#2	02275778	2	0	0	5	5	No	0
Mr. Tarun Khanna	02306480	3	1	0	15	12	No	40,000
<b>D. Non-Executive Independent Directors</b>								
Mr. T N Unni, Chairman	00079237	6	5	4	15	15	No	0
Mr. Abhay Chaudhari	06726836	4	4	0	15	12	No	0
Mr. Natarajan Ranganathan#3	00218008	5	1	1	5	5	No	0

\*Excluding Section 8 Companies and Foreign Companies as per Companies Act, 2013 but including Directorship in Barbeque-Nation Hospitality Limited.

<sup>^</sup>Includes only Audit Committee and Stakeholders Relationship Committee of Indian public companies, including committees of Barbeque-Nation Hospitality Limited

Mr Kayum Dhanani and Mr Raof Dhanani are related to each other, being brothers. Mrs. Suchitra Dhanani is a Sister-in-law of Mr Kayum Dhanani and Mr Raof Dhanani

#1 Appointed w.e.f. December 31, 2020

#2 Appointed w.e.f. December 31, 2020

#3 Appointed w.e.f. December 31, 2020

Directorships in other listed entities- Names of other listed entities in which Director holds Directorship and the category of Directorship as on March 31, 2021 are given below:

Sl. No.	Name of the Directors	Name of other listed entity	Category of Directorship
1	Mr. T N Unni	Sayaji Hotels Limited	Independent Director
2	Mr. Kayum Razak Dhanani	Nil	NA
3	Mr. Rahul Agrawal	Nil	NA
4	Mr. Raoof Dhanani	Sayaji Hotels Limited	Managing Director
5	Mrs. Suchitra Dhanani	Sayaji Hotels Limited	Whole-Time Director
6	Mr. Abhay Chaudhari	Sayaji Hotels Limited	Independent Director
7	Mr. Natarajan Ranganathan	*Virtusa Consulting Services Private Limited	Director
8	Mr. Devinjit Singh	Nil	NA
9	Mr. Tarun Khanna	Nil	NA

\*Debt listed entity

### Board Meetings

The Company held minimum one (01) Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed one hundred & twenty (120) days. During the year under review, the Board met 15 (Fifteen) times as per details below.

The Agenda and notes thereon for the Meeting were circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated and maintained according to the provisions of Secretarial Standards and the Companies Act, 2013.

### Number of Meetings of the Board of Directors held during the FY 2021:

Sl. No.	Date of Meeting held	No. of Directors attended
1.	5th June, 2020	2
2.	28th July, 2020	6
3.	5th August, 2020	2
4.	15th October, 2020	6
5.	3rd November, 2020	6
6.	2nd December, 2020	5
7.	8th December, 2020	5
8.	22nd December, 2020	2
9.	30th December, 2020	5
10.	31st December, 2020	4
11.	25th January, 2021	9
12.	10th February, 2021	9
13.	20th February, 2021	8
14.	18th March, 2021	7
15.	31st March, 2021	9



## KEY SKILLS, EXPERTISE AND COMPETENCIES OF BOARD OF DIRECTORS

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The key skills, expertise and competence identified by the Board of Directors as required in context of Company's business to function effectively and said skills available with the Board are as under:-

Particulars	Mr. T N Unni	Mr. Kayum Dhanani	Mr. Rahul Agrawal	Mr. Raoof Dhanani	Mrs. Suchitra Dhanani	Mr. Abhay Chaudhari	Mr. Natarajan Ranganathan	Mr. Devinjit Singh	Mr. Tarun Khanna
<b>Leadership and Management skills</b>									
Strong leadership & management experience, Business Development, Strategic thinking & vision, decision making. Entrepreneurial skills to evaluate risk and rewards and perform advisory role	√	√	√	√	√	√	√	√	√
<b>Industry knowledge and experience</b>									
Knowledge and experience in Food Service Industry, FMCG or Retail, information technology & digital, major risks/threats and potential opportunities in the industry and customer insight	√	√	√	√	√	√	√	√	√
<b>Governance including Legal Compliance</b>									
Experience in high governance standard with an understanding of changing regulatory framework. Knowledge of the Rules and Regulations applicable to the Company, understanding rights of Shareholders and obligations of the Management	√	√	√	√	√	√	√	√	√
<b>Financial Skills</b>									
Financial acumen, knowledge of Accounting and Auditing Standards, tax matters	√	√	√	√	√	√	√	√	√
<b>Behavioural skills attributes and competencies</b>									
Personal characteristics such as integrity, accountability, attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	√	√	√	√	√	√	√	√	√

## Performance Evaluation of the Board and its Criteria

Disclosure in relation to Performance Evaluation of the Board and its Criteria was not applicable to the Company for the FY 2020-21. The Company got listed in the month of April 2021.

## INDEPENDENT DIRECTORS

The Independent Directors of the Company have been appointed in compliance with the requirements of the Act and Listing Regulations. The Company has issued letter of appointment to all the Independent Directors and terms and conditions thereof have been disclosed on the website of the Company (Web link: <https://www.barbequenation.com/corporate-governance-policies>). At the time of appointment and thereafter at beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with eligibility criteria mentioned under the Act and Listing Regulations. Based on the disclosures received from all the Independent Directors, the Board is of the opinion that, all the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent of the management.

## FAMILIARISATION PROGRAMS FOR INDEPENDENT DIRECTORS

The Company conducts Familiarisation Program for its Independent Directors to familiarise them with regard to their roles, rights, responsibilities in the Company, nature of industry, Company's strategy, Organisation Structure, business model, performance updates of the Company, risk management, code of conduct and policies of the Company etc. The Familiarisation Program has been disclosed on the website of the Company (Web link: <https://www.barbequenation.com/corporate-governance-policies>).

**MEETING OF INDEPENDENT DIRECTORS:**

Meeting of Independent Directors without the attendance of Non-Independent Directors and members of the management of the Company was held during the year. The Independent Directors, inter-alia, evaluated performance of Non-Independent Directors, the Chairperson of the Company and the Board as a whole. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. Outcome of the evaluation was submitted to the Chairman of the Company. The Directors discussed and expressed their satisfaction with the entire evaluation process.

**CEO/ CFO CERTIFICATION**

In compliance with Regulation 17(8) of the Listing Regulations, a declaration by CEO and CFO was placed before the Board, certifying the accuracy of Financial Statements and the adequacy of internal controls pertaining to Financial Reporting for the year ended March 31, 2021. Copy of the Certificate is annexed as Annexure-6.

**3. COMMITTEES OF THE BOARD**

The Board has 5 Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, IPO Committee and Stakeholders' Relationship Committee. The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

**(i) Audit Committee**

The roles and responsibilities of the Audit Committee are as follows:

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the Statutory Auditor and the fixation of audit fee;
- c) Review and monitor the Auditor's independence and performance and the effectiveness of audit process;
- d) Scrutiny of inter-corporate loans and investments.
- e) Evaluation of internal financial controls and risk management systems.
- f) Reviewing with the management, annual financial statements and the Auditors' Report thereon before the submission to the Board for approval, with particular reference to;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Monitoring the end use of funds raised through public offers and related matters.

The members of the Audit Committee are financially literate and the Chairperson of the Audit Committee has accounting and financial management expertise.

During FY 2021, seven (7) Audit Committee Meetings were held on July 28, 2020; October 15, 2020; November 3, 2020; December 02, 2020; January 25, 2021; February 10, 2021 and February 20, 2021. Composition of the Audit Committee along with number of meetings & attendance details are mentioned below:-

Name of the Member Messrs	Category	Designation	Meetings	
			Held during tenure	Attended
Mr. T N Unni	Independent Director	Chairman	7	7
Mr. Kayum Dhanani	Executive Director	Member	7	7
Mr. Abhay Chaudhari	Independent Director	Member	7	7

**(ii) Nomination and Remuneration Committee**

The roles and responsibilities of the Nomination and Remuneration Committee are as follows:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management.
- b) To evaluate the performance of the Board members and submit necessary Reports for further evaluation from the Board.

- c) To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and senior management.

During FY 2021, five (5) Nomination and Remuneration Committee Meetings were held on July 28, 2020; October 15, 2020; December 08, 2020; December 31, 2020 and January 25, 2021. Composition of the Nomination and Remuneration Committee along with number of meetings & attendance details are mentioned below:-

Name of the Member Messrs	Category	Designation	Meetings	
			Held during tenure	Attended
Mr. Abhay Chaudhari	Independent Director	Chairman	5	5
Mr. T N Unni	Independent Director	Member	5	5
Mr. Tarun Khanna	Non-Executive Director	Member	5	5

### (iii) Corporate Social Responsibility Committee

The roles and responsibilities of the Corporate Social Responsibility Committee are as follows:

- Formulating and recommending to the Board the Corporate Social Responsibility Policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the Rules made thereunder;
- Identifying Corporate Social Responsibility Policy partners and Corporate Social Responsibility Policy Programmes;
- Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

No Corporate Social Responsibility Committee has not conducted any meetings were held during the FY 2021. Composition of the Corporate Social Responsibility Committee along with number of meetings & attendance details are mentioned below:-

Name of the Member Messrs	Category	Designation
Mr. T N Unni	Independent Director	Chairman
Mr. Abhay Chaudhari	Independent Director	Member
Mr. Tarun Khanna	Non-Executive Director	Member
Mr. Kayum Dhanani	Executive Director	Member
Mrs. Suchitra Dhanani	Non-Executive Director	Member

\*During the year under review, the Company has not conducted any CSR Committee meeting.

### (iv) Stakeholders' Relationship Committee

The roles and responsibilities of the Stakeholders Relationship Committee are as follows:

- Redress grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;
- Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders; and
- Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.



During FY 2021, Stakeholders' Relationship Committee has not conducted any meetings. Composition of the Stakeholders' Relationship Committee is mentioned below:-

Name of the Member Messrs	Category	Designation
Mr. T N Unni	Independent Director	Chairman
Mr. Abhay Chaudhari	Independent Director	Member
Mr. Tarun Khanna	Non-Executive Director	Member
Mr. Kayum Dhanani	Executive Director	Member

\*During the year under review, the Company has not conducted any Stakeholders Relationship Committee meeting.

The status of shareholders' complaint(s) received during FY 2021 is mentioned below:-

Complaints received during the FY: 0

Complaints resolved during the FY: 0

Complaints pending at the FY: 0

#### (V) IPO Committee

The roles and responsibilities of the IPO Committee are as follows:

- To finalize, settle, approve, adopt and file along with the Selling Shareholders in consultation with BRLMs where applicable, the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, and take all such actions as may be necessary for the submission, withdrawal and filing of these documents including incorporating such alterations/corrections/modifications as may be required by the Securities and Exchange Board of India, the RoC or any other relevant governmental and statutory authorities or in accordance with applicable laws, rules, regulations and guidelines;
- To decide along with the Selling Shareholders in consultation with the BRLMs on the size, timing, pricing and all the terms and conditions of the Offer, including the price band, bid period, offer price, and to accept any amendments, modifications, variations or alterations thereto.
- To appoint and enter into and terminate arrangements along with the Selling Shareholders, where applicable, with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;
- To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the NSDL, the CDSL, Registrar and Transfer Agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforesaid documents;

During FY 2021, four (4) IPO Committee Meetings were held on February 22, 2021; March 16, 2021; March 19, 2021 and March 23, 2021. Composition of the IPO Committee along with number of meetings & attendance details are mentioned below:-

Name of the Member Messrs	Category	Designation	Meetings	
			Held during tenure	Attended
Mr. Abhay Chaudhari	Independent Director	Member	4	4
Mr. Kayum Dhanani	Executive Director	Member	4	4
Mr. Tarun Khanna	Non-Executive Director	Member	4	4

#### 4. REMUNERATION OF DIRECTORS

##### Remuneration to Executive Directors:

Sl. No.	Name	Designation	Remuneration (in ₹)
1.	Mr. Kayum Dhanani*	Managing Director	Nil
2.	Mr. Rahul Agrawal**	CEO & WTD	1,32,18,926

##### \* Kayum Dhanani

The Company is not paying any remuneration to Mr. Kayum Dhanani

##### \*\* Mr. Rahul Agrawal, Chief Executive Officer and Whole Time Director

- Mr. Rahul Agrawal was appointed as a CEO & WTD of the Company w.e.f. December 31, 2020 and remuneration disclosed above is for the FY 2021. Incentives, Personal Accident and Term Life Insurance, Mediclaim Coverage, notice period etc. will be as per Company's policy.
- The variable pay of Mr. Rahul Agrawal is linked to the desired performance and business objectives of the organization. The criteria for variable pay, which is paid out quarterly/annually, includes financial parameters like revenue and other strategic goals as decided by the Board from time to time.
- 2,98,214 Options were granted (including re-issue) to Mr. Rahul Agrawal (CEO & WTD) on October 2020 and 2,00,000 Options will vest on October 2021 and 98,214 options will vest in multiple tranches over a period of 3 years.

##### Remuneration to Non-Executive Directors:

Except for Mr. Tarun Khanna and Devijit Singh, other Non-Executive Directors ('NEDs') were paid remuneration by way of sitting fees for attending the Board Meetings. The sitting fee for attending Board Meeting is ₹25,000/- per meeting.

Sl. No.	Particulars of Remuneration	Name of Director	Name of Director	Name of Director	Total Amount
1	<b>Independent Directors</b>	<b>Mr. T N Unni</b>	<b>Mr. Abhay Chintaman Chaudhari</b>	<b>Mr. Natarajan Ranganathan</b>	<b>-</b>
	Fee for attending Board and committee meetings	3,75,000	3,00,000	1,25,000	8,00,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>3,75,000</b>	<b>3,00,000</b>	<b>1,25,000</b>	<b>8,00,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Mrs. Suchitra Dhanani</b>	<b>Mr. Raoof Razak Dhanani</b>	<b>-</b>	<b>-</b>
	Fee for attending Board and committee meetings	2,50,000	2,50,000	-	5,00,000
	Commission	0	0	-	0
	Others, please specify	0	0	-	0
	<b>Total (2)</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>-</b>	<b>5,00,000</b>
	<b>Total (B)=(1+2)</b>	<b>6,25,000</b>	<b>5,50,000</b>	<b>1,25,000</b>	<b>13,00,000</b>
	<b>Total Managerial Remuneration</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
	<b>Overall Ceiling</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>

The Company has not executed any service contract with any of the Directors of the Company.

## 5. CODES AND POLICIES

Pursuant to the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has adopted the following codes and policies.

1. Code of conduct for prevention of insider trading;
2. Code of conduct for board of directors and senior management personnel;
3. Internal code for prevention of insider trading;
4. Policy on board diversity;
5. Policy for determining materiality of event or information;
6. Policy on familiarization programmes for independent directors;
7. Policy for determining material subsidiaries;
8. Policy on preservation of documents /archival policy on website;
9. Policy of related party transactions;
10. Risk management policy; and
11. Whistle blower policy/vigil mechanism.

The aforesaid policies are available on the website of the Company (web link: <https://www.barbequonation.com/corporate-governance-policies>).

## 6. GENERAL BODY MEETINGS

Details of AGM's held during last three (3) years is mentioned below:

Financial Year ended	Date	Place	Items approved by Special Resolution
March 31, 2020 (14th AGM)	31-12-2020	Registered Office	2
March 31, 2019 (13th AGM)	23-07-2019	Registered Office	3
March 31, 2018 (12th AGM)	04-06-2018	Registered Office	0

### Resolutions passed through Postal Ballot

During the year, no special resolution was passed through postal ballot. Further, no special resolution is proposed to be passed through postal ballot.

## 7. MEANS OF COMMUNICATION

### (a) Financial Results

The Company's Shares were listed on 7th April 2021 consequent upon which all requisite steps will be taken on the requisite means of communication with the Shareholders/Investors.

### (b) Company's Website:

Various sections of the Company's website ([www.barbequonation.com](http://www.barbequonation.com)) keep the investors updated on the key and material developments of the Company by providing timely information like Board profile, press release, financial results, annual reports, shareholding pattern, stock information, stock exchange filings etc.

## 8. GENERAL SHAREHOLDER INFORMATION:

### (a) Annual General Meeting -

The Day, Date, Time and Venue of 15th Annual General Meeting of the Company have been set out in the Notice convening the Annual General Meeting.

### (b) Financial Year;

The Company follows April 01 to March 31 as its financial year.

### (c) Dividend payment date;

The Company has not declared any Dividend for FY 21.

### (d) The name and address of each stock exchange(s) at which the listed



Name and address of Stock Exchanges	Stock Code/Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	543283
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	BARBEQUE

The Company has paid the listing fees for the Financial Year 2021-22 to the Stock Exchanges where the shares of Company are listed.

**ISIN Number:** INE382M01027

- (f) **Market price data-** high, low during each month in last financial year - Not Applicable, since the equity shares of the Company are listed on the stock exchanges on April 7, 2021.
- (g) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.** – Not Applicable, since the equity shares of the Company got listed on Stock Exchanges on April 7, 2021.
- (h) **In case the securities are suspended from trading, the directors report shall explain the reason thereof** – Not Applicable
- (i) **Registrar to an issue and share transfer agents;**  
Link Intime India Private Limited is the Registrar and Share Transfer Agent ('RTA') of the Company. All the investor related activities are attended to and processed by the Company's RTA including transfer/transmission of shares, change of mandate, dematerialisation and rematerialisation, who can be contacted as per below details:  
**Link Intime India Private Limited**  
247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083  
Tel: +91 22 49186000;  
Detailed list of Link Intime Offices is available at their website ([www.linkintime.co.in](http://www.linkintime.co.in)).
- (j) **Share transfer system;**  
The Company's shares are traded in the Stock Exchanges compulsorily in dematerialised mode. The entire paid share capital of the Company is held in dematerialised form. The dematerialised shares are transferred directly to the beneficiaries by the depositories.
- (k) **Distribution of shareholding;** Since the company was not listed as on 31.3.2021, it is not applicable
- (l) **Dematerialization of shares and liquidity;**  
As at March 31, 2021, entire paid up share capital is held in the dematerialised form. As on the date of report the Equity shares are frequently traded on BSE Ltd. and National Stock Exchange of India Ltd.
- (m) **Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity;**  
As on March 31, 2021, no FCCBs/GDRs/ADRs/Warrants or convertible instruments were outstanding.
- (n) **Commodity price risk or foreign exchange risk and hedging activities;**  
The Company is exposed to risk of price fluctuation in a few raw materials/ commodities being used by the Company to prepare its food recipes. However, there is a limited price risk attached to these as there is not significant dependency on any single commodity.  
Further, the Company is mitigating the risks of price volatility by proactively entering into yearly/quarterly/ monthly contracts with suppliers depending upon volatility and seasonality of the base commodity. The Company has a framework and governance mechanism in place to ensure that its interests are protected from the market volatility in terms of price and availability.  
As per the Company's Policy for Determination of Materiality of Events and Information, the Company does not have material exposure to any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.
- (o) **Plant locations;**  
As on March 31, 2021, the Company has 164 Restaurants across India and Overseas. The details of Restaurants are available on the website of the Company.

**(p) Address for correspondence;****Compliance Officer:**

Ms. Nagamani C.Y is a Company Secretary & Compliance Officer of the Company. The correspondence address of the Company is:

**Registered Office & Corporate Office:** Sy. No. 62, Site No.13, 6th Cross, N.S. Palya, BTM Layout, Bengaluru – 560 076, Karnataka, India.

Tel: +91 80 4511 3000;

E-mail: [compliance@barbequenation.com](mailto:compliance@barbequenation.com)

Website: [www.barbequenation.com](http://www.barbequenation.com)

**(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

Not Applicable, as the Company got listed on April 7, 2021.

**9. Other Disclosures:**

a) **Related Party Transactions** - The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Related Party disclosures have been disclosed in Note No. 45 to the Standalone Financial Statements forming integral part of the Annual Report.

**b) Details of Non-Compliances**

During last three (03) years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI or any other statutory authority for non-compliance of any matter related to capital markets.

**c) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

During the year, the Company has raised ₹1,499.69 million through Private Placement on preferential basis in accordance with provisions of the Companies Act, 2013 and the rules made thereunder. The funds raised were utilised for the purpose for which it has been raised as mentioned in the offer letter.

d) Total fees of ₹11.65 million was paid by the Company, for all services including the reimbursement of out of pocket expenses on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part for FY 2021.

**e) Certificate from Practicing Company Secretary on Non-Disqualification of Directors**

The Company has obtained a certificate from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with SEBI (LODR) Regulations. Copy of the Certificate is attached as Annexure-7.

**10. Compliance with Mandatory requirements of Listing Regulations**

The Company is in compliance with applicable mandatory corporate governance requirements of the Listing Regulations. Specifically, Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

The Company has obtained a certificate from Mr. Parameshwar G Bhat, a Practicing Company Secretary on compliance of conditions of Corporate Governance as stipulated in Listing Regulations. Copy of the Certificate is annexed separately as Annexure-8.

**11. Details of compliance with discretionary requirements of Part E of Schedule II of Listing Regulations –**

a. **The Board** - Non-Executive Chairman's Office: The Chairman of the Company is a Non-Executive Director and is allowed reimbursement of expenses incurred in performance of his duties.

**b. Shareholder Rights**

Since the company is listed on 7th April 2021, the Company will publish the financial results/statements in the newspapers and will be posted on the Company's website.

c. **Modified Opinion(s) in Audit Report:** There are no Audit qualifications for FY 2021.

d. **Reporting of Internal Auditor:** The Internal Auditors report to the Audit Committee.

**CEO and CFO Certification**  
**(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)**

To  
**The Board of Directors,**  
**Barbeque-Nation Hospitality Limited**

We, Mr. Rahul Agrawal, Chief Executive Officer & Whole Time Director and Mr. Amit V Betala, Chief Financial Officer of Barbeque-Nation Hospitality Limited, to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief we state that:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the listed Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- 1) significant changes if any in internal control over financial reporting during the year;
  - 2) significant changes if any in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Barbeque-Nation Hospitality Limited**

Date: May 24, 2021  
Place: Bengaluru

**Rahul Agrawal**  
*CEO & Whole Time Director*

**Amit V Betala**  
*Chief Financial Officer*

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE UNDER SEBI (LODR) REGULATIONS, 2015.**

To  
The Members of  
Barbeque-Nation Hospitality Limited  
Sy. No. 62, Site No.13, 6th Cross, NS Palya  
BTM Layout, Bangalore – 560076

I have examined the compliance of the conditions of Corporate Governance by Barbeque-Nation Hospitality Limited for the year ended 31st March, 2021 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: May 24, 2021  
Place: Bengaluru

**Parameshwar G Bhat**  
*Practising Company Secretary*  
FCS: 8860  
CP: 11004  
UDIN: FOO8860C000362345



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members  
Barbeque-Nation Hospitality Limited  
Sy. No. 62, Site No.13, 6th Cross, NS Palya  
BTM Layout, Bangalore – 560076

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Barbeque-Nation Hospitality Limited (hereinafter referred to as 'the Company') having CIN U55101KA2006PLC073031 and having registered office at Sy. No. 62, Site No.13, 6th Cross, NS Palya, BTM Layout, Bangalore - 560076, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Thottappully Narayanan Unni	00079237	09.02.2009
2	Mr. Raoof Razak Dhanani	00174654	01.07.2015
3	Mr. Natarajan Ranganathan	00218008	31.12.2020
4	Mrs. Suchitra Dhanani	00712187	01.07.2015
5	Mr. Kayum Razak Dhanani	00987597	30.11.2012
6	Mr. Devinjit Singh	02275778	31.12.2020
7	Mr. Tarun Khanna	02306480	12.04.2013
8	Mr. Abhay Chintaman Chaudhari	06726836	28.02.2017
9	Mr. Rahul Agrawal	07194134	31.12.2020

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Parameshwar G Bhat**  
Practising Company Secretary  
FCS: 8860  
CP: 11004  
UDIN : F008860C000362378

Date: May 24, 2021  
Place: Bengaluru

# MANAGEMENT DISCUSSION & ANALYSIS

## COMPANY OVERVIEW

Barbeque-Nation Hospitality Ltd (BNHL) is one of India's leading casual dining restaurant chains and operates Barbeque Nation restaurants. It also owns and operate Italian restaurants (under the brand name of Toscano, Collage and La Terrace) and UBQ by Barbeque Nation.

### Key differentiators

- Pioneered the format of 'over the table barbeque'
- Popular destination for celebration - fixed price, wide range of offering and prompt service
- Strong emphasis on customer service – customer feedback through internally devised and managed Guest Satisfaction Index ("GSI")
- Strong business process and back-end systems leading to efficient operations
- High proportion of revenue from weekday sales and lunch covers
- Ranked 7 amongst India's best companies to work for in 2020 by Great Place to Work®

## ECONOMIC REVIEW

### Global economy

Impact of the COVID-19 pandemic was felt across the world. Lockdowns announced by countries had unprecedented impact on global trade, more so in the first half of FY 2020-21. Gradual unlocking of the economies, coupled with stimulus packages introduced by countries led to growth recovery in second half of FY 2020-21.

As per World Economic Outlook (WEO) released by IMF in April 2021, global growth is projected at 6% in 2021, moderating to 4.4% in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 WEO estimates. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalisation, and the evolution of financial conditions.

### Indian economy

India went into a complete lockdown starting from the fourth week of March 2020 up until May 2020. The lockdown has been one of most stringent, with virtually the whole population staying indoors.

COVID-19 had a massive impact on the Indian economy in FY 2021, with GDP in Q1 FY 2020-21 contracting by 24% as compared to the same period last year. The contraction in Q1 FY 2021 was not uniform; it varied from state to state and sector to sector. The aviation sector was the worst hit, followed by tourism, realty, etc. However, as the government eased lockdown restrictions and the economy started to open, things started getting better by the end of Q1 2021. India's economy started recovering by Q2 FY 2020-21, with de-growth of 7.5% and growth of 0.4% in Q3 FY 2020-21, respectively. The Indian economy's recovery has been one of the most decisive among major economies, validating India's long-term growth potential. Thus, the road ahead for the Indian economy still stands promising.

According to the latest IMF report, the Indian economy is projected to grow by 12.5% in FY 2021-22 and then moderate to 6.9% in FY 2022-23. The resurgence of COVID-19 cases in Q1 of FY 2021-22 and restriction announced by various state governments could be a dampener.

## INDUSTRY REVIEW

As per Technopak, the share of food services in the Indian GDP is expected to increase to 2.2% by FY 2025 from 2.1% in FY 2020 on account of faster growth rate as compared to GDP growth. The size of the food services market in India is estimated at INR 4.24 lakh crore in FY 2020 and is projected to grow at a CAGR of 9% over the next 5 years to reach INR 6.51 lakh crore by FY 2025. Some of the implications driving growth of the food services market is as follows:

- Pre-COVID Indian consumers had been dining-out more frequently. Younger Indians have shed the biases of their elders against eating-out.
- With higher disposable income, the younger population, who are well-travelled, brand conscious and well-connected through social media, along with rise in presence of branded retail chains, have been spending

more on eating-out and this trend is expected to continue post-COVID. National and international chains are endorsing Tier-I and II cities as engines for growth and expansion.

- It is estimated that Indians spend 8-10% of their food expenditure outside the home in restaurants, cafeterias and other food establishments. This trend is expected to strengthen in the future. However, due to COVID, this trend has undergone some changes. A lot of consumers now prefer delivery and takeaway in comparison to dine-in. Considering this as an isolated occurrence, it is expected people will again start to dine-out post-COVID vaccination drive.
- Post-COVID, customers have started giving immense importance to safety and hygiene. Hence, restaurants will have to provide their services keeping both these factors in mind.
- The trend of delivery and takeaway has risen in the past few months due to COVID, hence most formats of restaurants, whether it is QSR (Quick Service Restaurants), CDR (Casual Dining Restaurants) or cafes, have started these services apart from dine-in to remain competitive in the food services market.

Within the food services industry, the organised market (chain and organised standalone outlets, excluding restaurants in hotels) is estimated at INR 1.60 lakh crore in FY 2020 and is projected to grow at a CAGR of 15% to reach a size of INR 3.27 lakh crore by FY 2025, gaining a share of 50% from 38% in FY 2020. The organised market is expected to outpace the unorganised sector.

In the chain market, QSR and CDR (Casual Dining Restaurants) constituted 81% in FY'20. As per Technopak, the CDR market in India has been flourishing over the last few years. The chain CDR segment represents the 2nd largest share in the chain food services market in India after QSR. In FY 2020, the size of the Chain Casual Dining market is estimated at INR 134 billion. This segment is expected to grow at a healthy CAGR of 18% to reach INR 302 billion by FY 2025.

## Key growth drivers

### *Demographic profile*

India has one of the youngest demographics as compared to other leading economies. The country's median age will continue to remain under 30 years till 2030. Thus, India's sizeable young population augurs well on two counts.

First, it is contributing to a declining dependence ratio; the ratio of the number of elderly people and children to the working-age (aged 15-64 years) population declined from 64% in FY 2000 to 50% in FY 2019.

Second, substantial rise in the working age population (from 36% in FY 2000 to 50% in FY 2019) augurs well for the growth momentum of the Indian economy going forward, as it will lead to rising income levels. Moreover, a younger population is naturally pre-disposed to adopting new trends and exploration given their education profile and exposure to media and technology. This backdrop manifests as an opportunity for domestic consumption in the form of brand-conscious behaviour, organised retail and product design.

### **Increasing urbanisation**

India is second largest urban community in the world after China, with an urban population of about 472 mn (FY 2019). Though, India fares lower than the global average in terms of urban population's share in the total population with only 34.5% (FY 2019) of India's population classified as urban compared to the global average of 54%. It is the pace of India's urbanisation that is a key trend to note for implication on India's economic growth.

It is estimated that by FY 2027, 37% of India's population will be living in urban centres and will contribute to 70-75% of the nation's GDP. The urbanisation trend is expected to continue and by FY 2050, India will have half of its total population that will stay in urban areas and account for well over 80% of the GDP.

### **Growing middle-class**

The number of households with annual earnings of between US\$ 5,000-10,000 have grown at a CAGR of 12% during the period of FY 2012-18 and is expected to grow at the same CAGR of 12% to reach 153 mn by FY 2020. Households with annual earnings of between US\$ 10,000-50,000 have also grown at a CAGR of 25% during FY 2012-18.

Increase in the number of households with annual earnings of US\$ 10,000-50,000 will lead to increase in discretionary spends, which is likely to create a structural trend of premiumisation, thereby leading to higher expenditure on food and beverages, apparel and accessories, luxury products, consumer durables and across other discretionary categories.

### **Nuclearisation**

The growth in the number of households exceeds the increase in population growth, indicating increasing nuclearisation trend in India. According to census data of 2011, 74% of urban households have five or less members

as compared to 65% in 2001. It is expected that fall in the average household size coupled with rising disposable income will lead to more number of urban household units that are pre-disposed to discretionary expenditure, viz. for jewellery, fashion, packaged food, food services, etc.

### COVID impact

In FY 2021, due to COVID-19, the food services market is expected to register a dip of 53% in comparison to FY 2020. Similarly, in FY 2021, chain market is expected to record a dip of 42% in comparison to FY 2020.

In the beginning of H1 FY 2021, most of the restaurants were closed in the country. With state governments starting to ease out the strict lockdown-related restrictions in their respective states, restaurants gradually started opening in April and May 2020 but only delivery was allowed from these restaurants. Thus, with renewed focus on delivery, Barbeque-Nation introduced "Barbeque in a box", "Grill in a box", among other products.

Post lockdown, restaurants started dine-in operations but with strict rules and regulations on hygiene and social distancing. Chain restaurants adopted contactless dining and sanitisation protocols.

- In some states such as Delhi, UP, Tamil Nadu, etc., dine-in was also started gradually with limited capacity, but the operating hours of restaurants was reduced.
- Central and state governments had created "containment zones" for areas having a large number of COVID cases. These containment zones observed complete lockdown and restaurants in these areas were closed, impacting sales in such locations.
- Sales were primarily driven from chain restaurants doing home delivery and takeaways, cloud kitchens, and from a few dine-in restaurants.

## OPPORTUNITIES

### Larger focus on value meals

In the Indian food services market, value for money will continue to be the order of the day as Indians are eating-out and ordering-in much more at an average of 6-7 times per month per household. Indian consumers, irrespective of their economic class and the type of city they live in, are eating-out/ordering-in more. This is primarily to experiment and socialise and unwind over food. Indian consumers, though willing to spend more and more on experiential eating, are cost-conscious and look at value for money concepts, or for cost-efficient functions when ordering-in.

### Streamlining standard operating procedures

With high focus on craftsmanship and fresh produce, the very format of chain CDR with limited usage of standardised products in the ready to cook/eat food, restricts the fast scalability of this format, along with expansion in smaller cities. QSRs have been able to penetrate Tier-II markets due to their robust supply chain and central commissary. CDR brands can also expand at a faster pace with the backing of commissary and building robust supply chains.

### Creating digital assets

The connection between end-consumers and businesses has always played a pivotal role in the development and growth of any business. Brands which invest in digital assets, such as loyalty programs, are in a better position to sustain growth coming out of the COVID-19 crisis. Thus, it is imperative to invest in mobile app, analytics, loyalty program, personalisation and integrated delivery partnerships or owned delivery. All of these pieces are critical to retaining and growing digital share. As per BCG research, loyalty programs significantly enable digital sales. On average, nearly 60% of loyalty program members use the brand's mobile app (and engage digitally with the brand), compared with only 5% of all restaurant users.

### Increasing importance of hygiene

COVID has changed eating habits of people to a very large extent. People have now become concerned about hygiene and safety issues. This change in habit is bound to stay post-COVID. When things go back to normal, there will be an increased demand for safe, hygienic and clean places for eating-out. CDR chains are well-equipped to cater to the demand for safe and hygienic places.

## CHALLENGES

The food services industry remains fragmented with increasing competition. Inadequate supply chains, high fixed cost and shortage of quality manpower continues to pose challenges. Investing in building strong supply chains, improving operational efficiencies and standardisation would remain the key focus areas. Standardisation/scaling up in ethnic Indian cuisine is more challenging vs. western cuisine. Post COVID-19, consumers are likely to be more cautious and would prefer to dine-in at restaurants which can showcase high safety and hygiene standards.



## BUSINESS & FINANCIAL REVIEW

### Restaurant portfolio

Particulars	Number of Outlets as on March 31, 2020	New additions in FY 2021	Permanent closures in FY 2021	Presence in number of cities as on March 31, 2021
<b>India</b>				
Barbeque Nation	147	3	3	77
Italian restaurants	11	0	0	3
<b>Overseas</b>				
Barbeque Nation	6	0	0	4

As of March 31, 2021, the Company, on consolidated basis, had 164 restaurants owned and operated by us, which includes 147 Barbeque Nation restaurants across 77 cities in India, 6 international Barbeque Nation restaurants across four cities outside India, and 11 Italian restaurants across three metro cities in India, of which nine are operated under the brand name "Toscano", and one each under the brand names "La Terrace" and "Collage". In addition, the Company has one Barbeque Nation restaurant which is operated by a third-party on a franchisee model.

### Statement of Profit & Loss

Particulars	Consolidated		Standalone	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	5,070.82	8,469.70	4,532.74	7,870.52
Other income	460.48	38.24	405.42	33.06
<b>Total revenue</b>	<b>5,531.30</b>	<b>8,507.94</b>	<b>4,938.16</b>	<b>7,903.58</b>
<b>Expenses</b>				
Cost of food and beverages consumed	1,782.48	2,921.99	1,641.56	2,752.97
Employee benefits expenses	1,351.90	1,975.08	1,181.10	1,778.63
Other operating expenses	1,472.61	1,930.48	1,311.14	1,776.51
<b>Total expenses</b>	<b>4,606.99</b>	<b>6,827.55</b>	<b>4,133.80</b>	<b>6,308.11</b>
<b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA)</b>	<b>924.31</b>	<b>1,680.39</b>	<b>804.36</b>	<b>1,595.47</b>
Finance costs	848.68	755.92	705.93	631.61
Depreciation and amortisation expense	1,211.70	1,339.63	1,011.61	1,045.73
<b>Profit/(loss) before exceptional items and tax</b>	<b>(1,136.07)</b>	<b>(415.16)</b>	<b>(913.18)</b>	<b>(81.87)</b>
Exceptional Items	(20.67)	(163.80)	(20.67)	766.86
<b>Profit/(loss) before tax</b>	<b>(1,115.40)</b>	<b>(251.36)</b>	<b>(892.51)</b>	<b>(848.73)</b>
<b>Total tax expense</b>	<b>(196.55)</b>	<b>77.92</b>	<b>(189.57)</b>	<b>77.92</b>
<b>Profit/(loss) after tax</b>	<b>(918.85)</b>	<b>(329.28)</b>	<b>(702.94)</b>	<b>(926.65)</b>

The Company's business was significantly impacted due to COVID-19, which led to our restaurants being temporarily closed from the third week of March 2020, therefore impacting covers and sales. As and when, restrictions on operations were lifted by the concerned regulatory authority, we ramped up operations of our restaurants. The business started recovering in H2 FY 2021, which helped in the partial recovery of losses incurred in H1 FY 2021.

## Financial ratios

Particulars	Consolidated		Standalone	
	Financial Year 2021	Financial Year 2020	Financial Year 2021	Financial Year 2020
Debtors' turnover (times)	211.50	240.28	127.65	193.02
Inventory turnover (times)	11.54	21.36	11.86	21.89
Interest coverage ratio (times)	(0.23)	4.53	(0.18)	6.07
Current ratio (times)	0.82	0.25	0.88	0.25
Debt-equity ratio (times)	0.63	41.41	0.40	2.54
EBITDA margin (%)	16.71%	19.75%	16.29%	20.19%
Net profit margin (%)	-16.61%	-3.87%	-14.23%	-11.72%
Return on net worth (%)	-37.67%	-556.59%	-27.01%	-122.28%

## Key Focus Areas

### Re-opening of outlets

As of March 31, 2021, the Company had a consolidated store network of 164 restaurants, which included 147 Barbeque Nation restaurants, 6 international Barbeque Nation restaurants and 11 Italian restaurants. With restrictions lifted gradually by the concerned regulatory authority, the Company ramped up operations of restaurant outlets. The quarter-wise status of restaurants is set out below.

Number of restaurants	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Operational (A)	-	73	123	159	160
Temporarily closed and under construction (B)	167	92	41	5	4
Permanently closed (C)	0	2	1	-	-
<b>Total store network (A+B)</b>	<b>167</b>	<b>165</b>	<b>164</b>	<b>164</b>	<b>164</b>

## Sales recovery

Sales have recovered month on month post lockdown and easing of various supply-side restrictions, like restrictions on operating hours, restrictions on operational capacity, and restrictions on sales of liquor. While some of these restrictions have eased across a few states, the Company continues to face some restrictions across some cities. The recovery of the Company's monthly sales has been driven both by an increase in dine-in sales and delivery sales.

## Delivery focus with product innovation

The Company's delivery business has grown from ₹260.93 mn in FY 2020 to ₹769.69 mn in fiscal 2021. The Company will continue to focus on the delivery segment and will continue to work on improving its product offering in relation to consistency, quality, recipes, delivery menu and meal combos. One of delivery products, "Barbeque in a box" that the Company launched in June 2020 provides a wide range of starters, main course and desserts. This is in addition to two other products, "Grills in a box" and "Meals in a box", which are offered through delivery, among other offerings. The Company will continue to work towards increasing the average daily sales of these products and variants. The Company currently receives delivery orders both from its own BBQ app and website as well as various aggregators.

## Strengthened digital assets

The Company had updated its BBQ app. This updation includes: (i) option to make dine-in reservations; (ii) online order placement for its delivery products; and (iii) exclusive offers through digital coupons. The BBQ app also provides a payment option for its dine-in customers. The app's cumulative mobile downloads have increased from over 1.28 mn at the end of November 30, 2019, to over 2.6 mn at the end of March 2021.

Under our Smiles loyalty program, we currently provide 5% of the bill value (subject to certain terms and conditions) to customers as Smiles points, which can be redeemed within a defined timeline during the customer's next dine-in visit or delivery order from the BBQ app or website. As of March 2021, the average rating of the BBQ app on an internet app store was 4.5 out of 5.0.

## Cost optimisation

The Company has undertaken various cost optimisation efforts, such as seeking rent reliefs from landlords,

renegotiating commercial terms, temporarily reducing senior management salaries and realigning store operating costs and structures.

### Liquidity status

The financial impact of COVID-19 has had an adverse effect on the Company's liquidity. This also led to temporary delays in compliance with payment obligations to lenders and payment of statutory dues. The Company has recently completed a private placement of equity shares for an aggregate consideration of ₹1,499.69 mn and an IPO of ₹1,800 mn. This has helped the Company pare down its debt and be better prepared to handle ensuing COVID-19-related impact.

The Company has also engaged in rent relief negotiations with landlords and arrived at negotiated agreements with respect to reduction in rent and rental obligations during the COVID-19 pandemic with a large proportion of them. In addition, salaries of senior management and certain other support centre employees were reduced temporarily. The Company has also negotiated revised commercial terms during the COVID-19 pandemic with some of its other service providers, and it has managed inventory through promotions, re-organisation and liquidation of stock. This has provided the Company with working capital support and additional liquidity.

### ADEQUACY OF INTERNAL CONTROLS

Barbeque-Nation's internal controls are commensurate with its size and nature of operations. The Company has built internal controls into operating processes. Many of these internal controls have been implemented through IT modules and ERP. Further, an internal audit firm of repute performs audit of the Company's operations, which covers outlets operations as well as functional audit. The scope of the audit is as approved by the Company's Audit Committee. The Audit Committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, wherever necessary. It also maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

### HUMAN RESOURCES

The Company's core values prioritise being customer-focused to provide excellent products and services and employee-focused by maintaining a superior quality work environment.

The Company was ranked amongst the top-10 retail companies to work for by the Great Place to Work® Institute in 2020 in collaboration with the Retailers Association of India and was ranked #7 amongst India's best companies to work for in 2020 by the Great Place to Work® Institute in collaboration with The Economic Times.

None of our staff is represented by a labour union or covered by a collective wage bargaining agreement. We emphasise employee welfare by offering our employees bonuses and other incentives. We transfer our employees across our restaurant network to maintain our core values.


### Employee training




We have a defined learning and development structure which includes:

- A certified restaurant-level trainer
- Strengthening behavioural and technical competencies for business managers
- Launching learning management systems
- Training for hygiene audits

### RISK MANAGEMENT

The Audit Committee of the Company ensures effectiveness of our risk management framework, which includes risk identification, mitigation and monitoring.

Key Risk	Mitigation Strategy
 <p><b>Business model disruption owing to pandemic</b> Sales plummeting due to closure of dine-in and preparedness to shift from dine-in to delivery.</p>	<ul style="list-style-type: none"> <li>• The Company has worked on product innovation by developing "Barbeque in a box", "Grill in a box", among other products. This expanded our delivery revenue stream.</li> <li>• We developed a re-opening plan with social distancing and sanitisation protocol. This helped us open up the maximum number of restaurants as and when lockdown restrictions were eased.</li> </ul>

Key Risk	Mitigation Strategy
 <p><b>Staff and guest infection at the outlet</b> Resumption of dine-in business also brought risk of staff and guest infection at the outlet</p>	<ul style="list-style-type: none"> <li>We launched #NoCompromiseDining with operating procedures outlining physical distancing, contact-free experience, sanitisation protocols and customer experience.</li> <li>During the COVID-19 pandemic, we implemented high standards of safety and hygiene protocols across all our Barbeque-Nation and Toscano restaurants in India covering guest safety, employee safety, sanitisation, physical distancing, temperature checks and safe deliveries.</li> <li>We made required changes to the seating layouts and restricted movement of crowds to maintain physical distancing.</li> </ul>
 <p><b>Food safety compliance</b> Non-compliance with regulations stipulated for food safety standards can lead to actions by regulators and loss of guest confidence.</p>	<ul style="list-style-type: none"> <li>The outlets are subject to audit by FSSAI designated agency and have scored more than the required threshold in 2020.</li> <li>Our outlets are also subjected to regular hygiene audit, process audit and mystery shopper audit. The recommendation of these audits is implemented to close gaps.</li> <li>Further, regular training sessions are conducted for outlet and commissary staff.</li> </ul>
 <p><b>Liquidity stress due to lockdown</b> COVID-19 had a major impact on the Company's profitability and cash flow.</p>	<ul style="list-style-type: none"> <li>We have undertaken various cost optimisation efforts, such as seeking rent reliefs from our landlords, renegotiating our commercial terms, temporarily reducing senior management salaries and realigning store operating costs and structures.</li> <li>We have also negotiated revised commercial terms during the COVID-19 pandemic with some of our other service providers, and have managed our inventory through promotions, re-organisation and liquidation of stock. This has provided us with working capital support and additional liquidity.</li> <li>The Company raised equity of ₹3.3 bn through pre-IPO and IPO, which bolstered liquidity and helped pare down debt.</li> </ul>

## CAUTIONARY STATEMENT

The statements made in this section describe the Company's objectives, projections, expectations and estimations, which may be 'forward-looking statements' within the meaning of applicable laws and regulations.



# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
BARBEQUE-NATION HOSPITALITY LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of BARBEQUE-NATION HOSPITALITY LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial

statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
1	<p><b>Impairment assessment in respect of Goodwill</b> Refer note 6 of the standalone financial statements.</p> <p>The Company has goodwill of ₹189.66 million as at 31 March 2021 arising out of a past business combination and is subjected to impairment test as part of Cash Generating Unit (CGU) which includes goodwill. The goodwill is tested by the Management atleast annually, or more frequently if the events or changes in circumstances indicate that the asset might be impaired. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. The annual impairment testing of goodwill within such CGU was considered to be a key audit matter due to significant judgement involved to estimate the recoverable amount. The recoverable amount of the CGU (including goodwill) which is the value in use has been derived from discounted forecast cash flow models. These models use several key</p>	<p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>Tested the design and operating effectiveness of the Company's controls around the impairment testing of carrying value of goodwill.</li> <li>Understood the key assumptions considered in the management's estimates of future cash flows related to forecasted revenue and discount rate.</li> <li>Involved our independent valuation specialist to assist in evaluating the discount rates applied, which included comparing the weighted average cost of capital with sector averages for the relevant markets in which the CGUs operate;</li> <li>Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes.</li> </ul>

Sl. No.	Key Audit Matter	Response to Key Audit Matter
	<p>assumptions, of which the assumptions with highest degree of estimation, subjectivity and impact on value in use, are forecasted sales volumes and revenues and the weighted average cost of capital (discount rate) and potential impact of COVID-19 on these assumptions, if any.</p> <p>The annual impairment testing was significant to our audit, because of the significance of the goodwill and related assets and involvement of significant judgement, estimates and assumptions as aforesaid.</p>	<ul style="list-style-type: none"> <li>Evaluated the reasonableness of Management projections for forecasted revenue by comparing the historical cash flows including cashflows subsequent to reporting date with the past projections of the management for the same periods.</li> <li>Performed sensitivity analysis on the key assumptions of revenue growth during the forecast period and the discount rate applied to the future cash flows. We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring.</li> </ul>
2	<p><b>Impairment of investments in Red Apple Kitchen Consultancy Private Limited</b> <b>Refer note 7 of the standalone financial statements.</b></p> <p>In the standalone financial statements of the Company, the gross carrying value of investments in Red Apple Kitchen Consultancy Private Limited, a subsidiary of the Company, is ₹674.87 million as at 31 March 2021 against which a provision of ₹271 million has been recognised.</p> <p>Determination of the carrying value of the investment in the subsidiary is a key audit matter as the determination of recoverable value and/or impairment involves significant management estimates and judgement and have been derived from discounted forecast cash flow models of the underlying assets of such subsidiary. These models use several key assumptions, of which the assumptions with highest degree of estimation, subjectivity and impact on value in use, are forecasted sales volumes and revenues, and the weighted average cost of capital (discount rate) and potential impact of COVID-19 on these assumptions, if any.</p> <p>The aforesaid impairment testing was significant to our audit, because of the significance of the carrying value of the investment and involvement of significant judgement, estimates and assumptions as aforesaid.</p>	<p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>Tested the design and operating effectiveness of the Company's controls around the impairment testing of the investment.</li> <li>Understood the key assumptions considered in the management's estimates of future cash flows related to forecasted revenue and discount rate.</li> <li>Involved our independent valuation specialist to assist in evaluating the discount rate applied, which included benchmarking the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates and considering Company specific factors.</li> <li>Evaluated the reasonableness of Management projections for forecasted revenue by comparing the historical cash flows including cashflows subsequent to reporting date with the past projections of the management for the same periods.</li> <li>Performed sensitivity analysis on the key assumptions of revenue growth during the forecast period and the discount rate applied to the future cash flows. We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring.</li> </ul>

### Emphasis of Matter

We draw attention to Note 35 to the standalone Ind AS financial Statements for the year ended March 31, 2021, which describes the management's evaluation of COVID-19 impact on the carrying value of its assets as at March 31, 2021. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

### Information Other than the Financial

### Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone 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 standalone 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March,

2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 has disclosed the impact of pending litigations on its financial position in note 37 of its standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 008072S

**Sathya P Koushik**  
Partner

Bengaluru  
May 24, 2021

(Membership No. 206920)  
UDIN: 21206920AAAAFF8759



# ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Report on the Internal Financial Controls Over Financial Reporting 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 BARBEQUE-NATION HOSPITALITY LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 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 of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and

such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 008072S

**Sathya P Koushik**  
Partner

Bengaluru  
May 24, 2021

(Membership No. 206920)  
UDIN: 21206920AAAAFF8759

# ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified by the Management at reasonable intervals during the year and no material discrepancies were noticed on physical verification.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Tax deducted at source, value added tax, Goods and Services Tax, and other material statutory dues applicable to it for the period from April 2020 to December 2020 to the appropriate authorities, and there have been delays in a large number of cases.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods

and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ in Million)	Amount unpaid (₹ in Million)
Punjab Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Chandigarh	2011-2014	1.90	1.25
Maharashtra Value Added Tax, 2002	Value Added Tax	Commercial Tax Officer, Maharashtra	2011-2014	1.08	0.91
Gujarat Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Gujarat	January 2013 to December 2016	4.17	2.67
Gujarat Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Gujarat	2014-16	2.03	1.53
Delhi Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Delhi	2014-16	2.67	2.48
Rajasthan Value Added Tax Act, 2003	Value Added Tax	Commercial Tax Officer, Rajasthan	2014-16	0.63	-
Tamilnadu Value Added Tax Act, 2006	Value Added Tax	Commercial Tax Officer, Tamilnadu	2016-17	155.41	155.41
Punjab Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Chandigarh	2013-14	1.72	1.72
Gujarat Value Added Tax Act, 2005	Value Added Tax	Commercial Tax Officer, Gujarat	2016-17	1.32	1.32
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2011-12	26.76	26.76
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2012-13	25.64	20.51
Income Tax Act, 1961	Income tax	Assistant Commissioner of Income tax, Indore	2013-14	1.42	1.42
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2013-14	27.87	22.29
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2014-15	13.25	10.60
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2015-16	8.88	7.11
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2016-17	47.63	38.11
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2017-18	2.84	2.28
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2016-17	266.07	266.07*

\*Represents the disputed due relating to subsidiary disposed off during the FY 2018-19.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. However, there have been delays in repayment of upto 46 days in the repayment of principal dues amounting to ₹72.65 million and upto 36 days in repayment of interest dues amounting to ₹1.12 million in respect of loans from banks between October 2020 to December 2020.

The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the

Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment or private placement of shares during the year.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 008072S

**Sathya P Koushik**  
Partner

Bengaluru  
May 24, 2021

(Membership No. 206920)  
UDIN: 21206920AAAAFF8759



**Balance Sheet** as at 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(a)	2,518.24	2,817.93
Right-of-use asset	5	3,272.93	3,581.91
Capital work-in-progress		53.90	97.33
Goodwill	6	189.66	189.66
Other Intangible assets	4(b)	52.14	65.00
<b>Financial Assets</b>			
Investments	7	407.43	406.33
Loans	8	305.97	234.99
Other financial assets	9	17.71	21.59
Deferred tax assets (net)	36	464.92	277.90
Other non-current assets	10	46.58	57.24
<b>Total Non-current assets [A]</b>		<b>7,329.48</b>	<b>7,749.88</b>
<b>Current assets</b>			
Inventories	11	183.61	129.82
<b>Financial assets</b>			
Trade receivables	12	45.78	25.24
Cash and cash equivalents	13	2,424.46	125.24
Other financial assets	14	19.57	57.38
Other current assets	15	412.99	271.99
<b>Total current assets [B]</b>		<b>3,086.41</b>	<b>609.67</b>
<b>Total assets [A+B]</b>		<b>10,415.89</b>	<b>8,359.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	16	169.72	139.96
Other equity	17	2,433.17	617.85
<b>Equity attributable to owners of the Company [C]</b>		<b>2,602.89</b>	<b>757.81</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18	592.18	1,249.55
Lease Liability	19	3,616.92	3,880.15
Provisions	20	77.95	75.24
<b>Total Non-current liabilities [D]</b>		<b>4,287.05</b>	<b>5,204.94</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	21	219.93	405.92
Lease Liability	19	434.35	404.60
Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		38.27	8.67
- total outstanding dues of creditors other than micro and small enterprises		1,253.71	973.67
Other financial liabilities	23	1,421.97	428.15
Other current liabilities	24	82.94	108.99
Provisions	25	54.41	56.19
Current tax liabilities (Net)	26	20.37	10.61
<b>Total current liabilities [E]</b>		<b>3,525.95</b>	<b>2,396.80</b>
<b>Total liabilities [F= [D+E]]</b>		<b>7,813.00</b>	<b>7,601.74</b>
<b>Total equity and liabilities [C+F]</b>		<b>10,415.89</b>	<b>8,359.55</b>

See accompanying notes to standalone financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sathya P Koushik**  
Partner  
(Membership No. 206920)

**For and on behalf of the Board of Directors**

**Kayum Dhanani**  
Managing Director  
DIN No: 00987597

**T.N Unni**  
Director  
DIN No: 00079237

**Rahul Agrawal**  
Chief Executive Officer & Whole Time Director  
DIN No: 07194134

**Amit V Betala**  
Chief Financial Officer

**Nagamani C Y**  
Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021

**Statement of Profit & Loss** for the year ended 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>REVENUE</b>			
Revenue from operations	27	4,532.74	7,870.52
Other income	28	405.42	33.06
<b>Total (A)</b>		<b>4,938.16</b>	<b>7,903.58</b>
<b>Expenses</b>			
Cost of food and beverages consumed	29	1,641.56	2,752.97
Employee benefits expenses	30	1,181.10	1,778.63
Other operating expenses	31	1,311.14	1,776.51
<b>Total (B)</b>		<b>4,133.80</b>	<b>6,308.11</b>
<b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)</b>		<b>804.36</b>	<b>1,595.47</b>
Finance costs (D)	32	705.93	631.61
Depreciation and amortisation expense (E)	33	1,011.61	1,045.73
<b>Profit / (Loss) before tax and exceptional items (F) = (C-D-E)</b>		<b>(913.18)</b>	<b>(81.87)</b>
Exceptional items - loss / (gain) (G)	34	(20.67)	766.86
<b>Profit / (Loss) before tax (H) = (F-G)</b>		<b>(892.51)</b>	<b>(848.73)</b>
<b>Tax expense / (benefit):</b>	36		
Current tax		-	49.35
Deferred tax		(189.57)	(56.63)
Deferred tax impact due to change in tax rate		-	85.20
<b>Net tax expense / (benefit) (I)</b>		<b>(189.57)</b>	<b>77.92</b>
<b>Net Profit / (Loss) for the year (J) = (H-I)</b>		<b>(702.94)</b>	<b>(926.65)</b>
<b>Other Comprehensive Income / (Losses) (K)</b>	38		
Items that will not be reclassified to Statement of profit and loss			
Remeasurements of the defined benefit plans		10.15	(7.70)
Income tax on the above		(2.55)	1.94
<b>Total comprehensive income / (Losses) for the year (J + K)</b>		<b>(695.34)</b>	<b>(932.41)</b>
<b>Earnings per share</b>	41		
Basic (in ₹) (Face value of ₹5 each)		(24.23)	(33.11)
Diluted (in ₹) (Face value of ₹5 each)		(24.23)	(33.11)

See accompanying notes to standalone financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 008072S)

**Sathya P Koushik**

Partner

(Membership No. 206920)

**For and on behalf of the Board of Directors****Kayum Dhanani**

Managing Director

DIN No: 00987597

**T.N Unni**

Director

DIN No: 00079237

**Rahul Agrawal**

Chief Executive Officer &amp; Whole Time Director

DIN No: 07194134

**Amit V Betala**

Chief Financial Officer

**Nagamani C Y**

Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021

**Cash Flow Statement** for the year ended 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before tax	(892.51)	(848.73)
<b>Adjustments for:</b>		
Depreciation and amortisation	1,011.61	1,045.73
Interest expense on borrowings	188.92	133.27
Interest on lease liabilities	449.42	433.96
Interest expenses on provision for asset retirement obligations	4.37	3.56
Interest income	(27.27)	(24.06)
Rent Concession Due to Covid 19 (Refer note 28)	(371.33)	-
Expense on employee stock option scheme	51.18	13.12
Offer document filing fees written off	5.32	-
Provision no longer required	(5.98)	(9.00)
Provision for impairment of loans and interest receivable from subsidiary	-	117.90
Provision for impairment of investments	-	584.09
Recognition of credit loss in respect of financial guarantee given towards loan taken by subsidiary	-	71.20
Net (gain) / loss relating to restaurant units closed / relocated	(51.87)	(6.33)
Provision for doubtful receivables and advances	10.70	5.00
<b>Operating profit before working capital changes</b>	<b>372.56</b>	<b>1,519.71</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(53.79)	52.81
Trade receivables	(20.54)	31.07
Other assets (financial & non financial)	(4.66)	(88.19)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	309.64	311.12
Other liabilities	(26.05)	29.05
Non-current provisions	16.29	(26.91)
Current provisions	(6.15)	19.09
<b>Cash generated from operations</b>	<b>587.30</b>	<b>1,847.75</b>
Net income tax (paid) / refunds	12.31	(78.44)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>599.61</b>	<b>1,769.31</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment, including Right-of-use assets, CWIP and capital advances	(159.00)	(795.40)
Proceeds from sale of property, plant and equipment	0.09	0.68
Investment in subsidiary	(1.10)	(711.38)
Loan given to subsidiary	(65.26)	(111.95)
Deposits placed for margin money	-	(36.44)
Deposits held as margin money released	39.98	-
Interest received	30.31	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(154.98)</b>	<b>(1,654.49)</b>

**Cash Flow Statement** for the year ended 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares (net of share issue expenses)	1,494.97	1.02
Proceeds from Share Application money pending allotment	994.27	-
Share issue expenses / Expenses towards offer for sale of shares	(148.75)	(61.10)
Proceeds from long-term borrowings	176.55	899.03
Repayment of long-term borrowings	(879.43)	(216.03)
Net increase / (decrease) in working capital borrowings	(185.99)	248.82
Dividend paid (including dividend tax)	-	(33.73)
Payments of of lease liabilities	(454.23)	(766.65)
Receipt of Share application money on behalf of selling shareholders (Refer note 17)	1,049.42	-
Interest paid	(192.22)	(128.62)
<b>Net cash flow from financing activities (C)</b>	<b>1,854.59</b>	<b>(57.26)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2,299.22</b>	<b>57.56</b>
Cash and cash equivalents at the beginning of the year	125.24	67.68
<b>Cash and cash equivalents at the end of the year</b>	<b>2,424.46</b>	<b>125.24</b>
<b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet		
Cash on hand	5.54	1.81
Balances with bank	39.81	123.43
Earmarked balances with bank	2,379.11	-
<b>Cash and cash equivalents at the end of the year</b>	<b>2,424.46</b>	<b>125.24</b>

See accompanying notes to standalone financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 008072S)

**Sathya P Koushik**

Partner

(Membership No. 206920)

**For and on behalf of the Board of Directors****Kayum Dhanani**

Managing Director

DIN No: 00987597

**T.N Unni**

Director

DIN No: 00079237

**Rahul Agrawal**

Chief Executive Officer &amp; Whole Time Director

DIN No: 07194134

**Amit V Betala**

Chief Financial Officer

**Nagamani C Y**

Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021



## Statement of Changes in Equity

(Amount in Rupees Millions except for share data or as otherwise stated)

### (a) Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	139.96	139.92
Changes in equity share capital during the year		
Issue of the equity share during the year	29.76	0.04
<b>Closing balance</b>	<b>169.72</b>	<b>139.96</b>

### (b) Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus			Total other equity
		Securities premium	Share options outstanding account	Retained earnings	
<b>Balance as at 1 April 2019</b>	-	1,628.42	35.98	(94.51)	1,569.89
Loss for the period	-	-	-	(926.65)	(926.65)
Remeasurements of the defined benefit plans (net of tax)	-	-	-	(5.76)	(5.76)
Transfer on exercise of options	-	-	(1.61)	-	(1.61)
Transfer on forfeiture of options	-	-	(0.18)	0.18	-
Premium received on shares issued during the year	-	2.59	-	-	2.59
Share based compensation to employees	-	-	13.12	-	13.12
Dividend and tax thereon	-	-	-	(33.73)	(33.73)
<b>Balance as at 31 March 2020</b>	-	1,631.01	47.31	(1,060.47)	617.85
<b>Balance as at 01 April 2020</b>	-	1,631.01	47.31	(1,060.47)	617.85
Loss for the period	-	-	-	(702.94)	(702.94)
Remeasurements of the defined benefit plans (net of tax)	-	-	-	7.60	7.60
Premium received on shares issued during the year	-	1,469.93	-	-	1,469.93
Share issue expenses	-	(4.72)	-	-	(4.72)
Transfer on forfeiture/ replacement of options	-	-	(56.80)	56.80	-
Share based compensation to employees	-	-	51.18	-	51.18
Share application money pending allotment	994.27	-	-	-	994.27
Dividend and tax there on	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>994.27</b>	<b>3,096.22</b>	<b>41.69</b>	<b>(1,699.01)</b>	<b>2,433.17</b>

See accompanying notes to standalone financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sathya P Koushik**  
Partner  
(Membership No. 206920)

**For and on behalf of the Board of Directors**

**Kayum Dhanani**  
Managing Director  
DIN No: 00987597

**T.N Unni**  
Director  
DIN No: 00079237

**Rahul Agrawal**  
Chief Executive Officer & Whole Time Director  
DIN No: 07194134

**Amit V Betala**  
Chief Financial Officer

**Nagamani C Y**  
Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 1. Corporate information

Barbeque-Nation Hospitality Limited (the 'Company') is primarily engaged in the business of operating casual dining restaurant chain in India. The registered office of the Company is situated at Survey No. 62, Site No. 13, 6th cross, NS Palya, Stage 2, BTM Layout, Bengaluru - 560 076, Karnataka, India.

### 2. Significant accounting policies

#### 2.1 Statement of compliance:

These financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

COVID-19 pandemic impacted the Company's operations during the initial few months of the year ended March 31, 2021. Further, pursuant to the second wave of the COVID-19 pandemic, the jurisdictional regulatory authorities have announced amongst other measures, social distancing measures and lockdowns (in some parts of country) during the months of April and May 2021.

Due to the aforesaid restrictions placed by the jurisdictional regulatory authorities, the Company's restaurant outlets were not permitted to be open for dine-in operations in more than one state. The restriction placed continue to remain in force as at the date of approval of these financial statements.

The management of the Company has taken various measures to optimise the business operations which interalia, include:

- (i) The Company has already initiated effective steps to reduce its operational fixed costs which include re-negotiation of Rent and CAM charges for the rented properties.
- (ii) The Company continued focus on Takeaway and Delivery Sales during the lockdown period as permitted by respective jurisdictional authorities

#### 2.3 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Revenue from sale of food and beverages is recognized at the time of underlying sale to the customer. Revenue is presented net of discounts given to the customers and any taxes collected from customers for remittance to the government. In case of discount to customers in the form of gift voucher, the value of such discount is determined based on the percentage of redemption in the past. Customer purchases of gift cards are recognized as sales upon redemption of gift card or upon expiry.

Revenue from displays and sponsorships are recognized in the period in which the products or the sponsor's advertisements are promoted/displayed.

Royalty arrangements based on sales are recognised at the time the underlying sales occur.

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under Serve From India Scheme.

### 2.4 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

### 2.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss.

### 2.7 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on tangible assets have been provided on the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life of assets is given below:

Leasehold improvements	Amortised over the period of the lease
Furniture and fittings	10 Years
Plant & machinery	15 Years
Service equipments	10 Years
Computer equipments	3-6 Years
Vehicles	8 Years

### 2.8 Intangible assets

Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Liquor licenses with perpetual term purchased for restaurant chain business: Amortised over the lease term of the respective restaurants

Software and other licenses	3 Years
Brand name	Indefinite useful life

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

### 2.9 Investments in subsidiary

Investment in subsidiaries are measured at cost less impairment.

### 2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Cost of inventories include all costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.11 Financial Instruments

Financial assets and financial liabilities:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Subsequent measurement:

**Financial assets at amortised cost:** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial Assets at fair value through other comprehensive Income:** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

**Financial assets at fair value through profit or loss:** Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

### Financial liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of profit and loss.

## 2.12 Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 2.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.14 Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- (a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

### 2.15 Employee Benefits

#### Defined Contribution Plan

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

### 2.16 Share based payment transaction

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 2.17 Borrowing Costs

#### **Borrowing costs include:**

- (a) interest expense calculated using the effective interest rate method and
- (b) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

### 2.18 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Further, in respect of lease contracts of its outlet premises, the Company has elected not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

#### **Measurement of the right-of use asset:**

At the commencement date, the right-of-use asset is measured at cost and comprises:

- the amount of the initial measurement of the lease liability, to which is added, if applicable, any lease payments made at or before the commencement date, less any lease incentives received;
- where relevant, any initial direct costs incurred by the lessee for the conclusion of the contract. These are incremental costs which would not have been incurred if the contract had not been concluded;
- estimated costs for restoration and dismantling of the leased asset according to the terms of the contract, through a return obligation liability or provision determined as a discounted amount of the restoration and dismantling costs.

Following the initial recognition, the right-of-use asset is depreciated from the commencement date on a straight-line basis over the lease term. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

#### **Measurement of the lease liability**

At the commencement date, the lease liability is recognized for an amount equal to the present value of the lease payments over the lease term.

Amounts involved in the measurement of the lease liability are:

- fixed payments (including in-substance fixed payments; meaning that even if they are variable in form, they are in-substance unavoidable);

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

- variable lease payments that depend on an index or a rate, initially measured using the index or the rate in force at the lease commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured based on a process similar to the amortized cost method using the discount rate:

- the liability is increased by the accrued interests resulting from the discounting of the lease liability, at the beginning of the lease period;
- less payments made. The interest cost for the period as well as variable payments, not taken into account in the initial measurement of the lease liability and incurred over the relevant period are recognized as costs.

In addition, the lease liability may be remeasured in the following situations:

- change in the lease term,
- modification related to the assessment of the reasonably certain nature (or not) of the exercise of an option,
- remeasurement linked to the residual value guarantees,
- adjustment to the rates and indices according to which the rents are calculated when rent adjustments occur.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.19 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax:** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

A deferred tax asset is recognised on the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Current and deferred tax for the period

Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.20 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.21 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

### 2.22 Earnings per share (EPS)

Basic earnings per share are computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 2.23 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 3 Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 periods if the revision affects both current and future periods.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

### Impairment of investments made and loans given to subsidiaries

The Company reviews its carrying value of investments made and loans given to subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

### Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### Provision for site restoration obligations:

The Company has recognised provision for site restoration obligation associated with the stores opened. In determining the value of the provision, assumptions and estimates are made in respect of the expected cost to dismantle and remove the furniture/fixtures from the stores and the expected timing of those costs.

### Uncertain tax positions

The Company's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with relevant tax authorities. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

4 Property, plant and equipment and intangible assets

Particulars	Cost				Accumulated depreciation/amortisation				Net Block
	Balance as at Apr 01, 2020	Additions	Deletions	Balance as at 31-Mar-2021	Balance as at 01-Apr-20	Depreciation / amortisation expense for the period	Eliminated on disposal of assets	Balance as at 31-Mar-2021	Balance as at 31-Mar-2021
<b>4(a) Property, plant and equipment (owned)</b>									
Lease hold improvements	1,325.21	62.08	-	1,387.29	463.64	150.08	-	613.72	773.57
Furniture and fixtures	1,123.24	36.64	0.02	1,159.86	363.22	131.78	0.01	494.99	664.87
Plant & machinery	858.54	42.14	0.06	900.61	163.06	70.31	0.02	233.35	667.26
Service equipments	784.10	37.34	0.01	821.44	369.20	96.43	0.00	465.63	355.81
Computer equipments	172.50	9.85	0.05	182.30	93.69	44.09	0.05	137.73	44.57
Vehicles	9.25	6.79	0.06	15.98	2.10	1.74	0.02	3.82	12.16
<b>Total</b>	<b>4,272.84</b>	<b>194.84</b>	<b>0.20</b>	<b>4,467.48</b>	<b>1,454.91</b>	<b>494.43</b>	<b>0.10</b>	<b>1,949.24</b>	<b>2,518.24</b>
<b>4(b) Intangible assets (others)</b>									
Liquor licenses	8.23	-	-	8.23	6.00	0.20	-	6.20	2.03
Software and licenses	56.32	0.36	-	56.68	23.03	11.88	-	34.91	21.77
Brand name	29.48	0.45	-	29.93	-	1.59	-	1.59	28.34
<b>Total</b>	<b>94.03</b>	<b>0.82</b>	<b>-</b>	<b>94.84</b>	<b>29.03</b>	<b>13.67</b>	<b>-</b>	<b>42.70</b>	<b>52.14</b>
<b>Grand Total</b>	<b>4,366.87</b>	<b>195.66</b>	<b>0.20</b>	<b>4,562.32</b>	<b>1,483.94</b>	<b>508.10</b>	<b>0.10</b>	<b>1,991.94</b>	<b>2,570.38</b>

Particulars	Cost				Accumulated depreciation/amortisation				Net Block
	Balance as at 01-Apr-19	Additions	Deletions	Balance as at 31-Mar-2020	Balance as at 01-Apr-19	Depreciation / amortisation expense for the period	Eliminated on disposal of assets	Balance as at 31-Mar-2020	Balance as at 31-Mar-2020
<b>4(a) Property, plant and equipment (owned)</b>									
Lease hold improvements	1,090.90	234.82	0.51	1,325.21	297.77	166.36	0.49	463.64	861.57
Furniture and fixtures	947.73	176.02	0.51	1,123.24	231.73	131.78	0.29	363.22	760.02
Plant & machinery	696.63	166.35	4.44	858.54	103.28	62.37	2.59	163.06	695.48
Service equipments	651.83	133.06	0.79	784.10	250.75	118.93	0.48	369.20	414.90
Computer equipments	126.26	47.64	1.40	172.50	54.20	40.87	1.38	93.69	78.81
Vehicles	4.97	4.60	0.32	9.25	1.48	0.83	0.21	2.10	7.15
<b>Total</b>	<b>3,518.32</b>	<b>762.49</b>	<b>7.97</b>	<b>4,272.84</b>	<b>939.21</b>	<b>521.14</b>	<b>5.44</b>	<b>1,454.91</b>	<b>2,817.93</b>
<b>4(b) Intangible assets (others)</b>									
Liquor licenses	7.63	0.60	-	8.23	5.84	0.16	-	6.00	2.23
Software and licenses	36.70	19.62	-	56.32	13.53	9.50	-	23.03	33.29
Brand name	29.48	-	-	29.48	-	-	-	-	29.48
<b>Total</b>	<b>73.81</b>	<b>20.22</b>	<b>-</b>	<b>94.03</b>	<b>19.37</b>	<b>9.66</b>	<b>-</b>	<b>29.03</b>	<b>65.00</b>
<b>Grand Total</b>	<b>3,592.13</b>	<b>782.71</b>	<b>7.97</b>	<b>4,366.87</b>	<b>958.58</b>	<b>530.80</b>	<b>5.44</b>	<b>1,483.94</b>	<b>2,882.93</b>

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 5 Right-of-use asset

Particulars	Amount (Rs.)
<b>Gross carrying value</b>	
As at April 1, 2019	5,033.31
Additions	1,037.68
Deletions	(128.93)
<b>As at March 31, 2020</b>	<b>5,942.06</b>
Additions	187.67
Adjustment due to modification	88.11
Deletions	(325.44)
<b>As at March 31, 2021</b>	<b>5,892.40</b>
<b>Accumulated depreciation</b>	
As at April 1, 2019	1,886.90
Depreciation charge for the year	514.93
Deletions	(41.68)
<b>As at March 31, 2020</b>	<b>2,360.15</b>
Depreciation charge for the year	503.51
Deletions	(244.19)
<b>As at March 31, 2021</b>	<b>2,619.47</b>
<b>Net carrying value</b>	
As at March 31, 2021	3,272.93
As at March 31, 2020	3,581.91

### 6 Goodwill

Particulars	As at March 31, 2021	As at March 31, 2020
Goodwill allocated to the business of operating restaurant outlets	189.66	189.66

The recoverable amount of the above cash generating units have been determined based on a value in use approach by considering cash flow projections approved by the management. The following inputs have been used for arriving the said recoverable amount.

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Input considered</b>		
Discount rate	12.00%	18.00%
Terminal growth rate	2.00%	2.00%

The carrying value of brand referred in Note 4 and the goodwill referred above have been allocated to the business of operating restaurant outlets, which is considered cash generating unit by the Company for the purpose of impairment assessment. The recoverable amount of the above cash generating unit has been determined based on 'Value in use' model, wherein, the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 5 years and terminal value. The terminal value of each cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate. The Directors and the Management have assessed and concluded that reasonably possible change in the key assumptions would not result in carrying amount of brand and goodwill to exceed the aggregate of their recoverable amounts.



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 7 Investments

(Classified under non-current assets)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unquoted investments in equity instruments of subsidiaries (carried at cost):</b>		
<b>Barbeque Nation Mena Holding Limited (formerly known as Barbeque Nation Holdings Limited)</b>		
Cost of investment	313.09	313.09
Less:- Allowance for impairment	(313.09)	(313.09)
Number of equity shares (Equity shares of AED 100 each)	1,59,425	1,59,425
Percentage of holding	100%	100%
<b>Barbeque Nation Holdings Pvt Ltd</b>		
Cost of investment	3.56	2.46
Number of equity shares (Equity shares of USD 1 each)	49,960	34,970
Percentage of holding	100%	100%
<b>Barbeque Holdings Pvt Ltd</b>		
Cost of investment	-	1.39
Less: Impairment pursuant to wind up (Refer note (a) below)	-	(1.39)
Number of equity shares (Equity shares of USD 1 each )	-	19,980
Percentage of holding	-	100%
<b>Red Apple Kitchen Consultancy Private Limited</b>		
Cost of investment (Refer note (b) below)	674.87	674.87
Less:- Allowance for impairment (Refer note 34)	(271.00)	(271.00)
Number of equity shares (Equity shares of Rs 100 each)	3,232	3,232
Percentage of holding	61.35%	61.35%
<b>Total</b>	<b>407.43</b>	<b>406.33</b>
<b>Aggregate amount of un-quoted investments</b>	<b>407.43</b>	<b>406.33</b>

#### Note

- (a) Barbeque Holdings Pvt. Ltd has been wound up pursuant to the notice/ order, dated August 10, 2020, issued by the Registrar of Companies, Port Louis, Mauritius towards the application made on September 27, 2019.
- (b) During the previous year ended March 31, 2020, the Company acquired securities of Red Apple Kitchen Consultancy Private Limited ("Red Apple") representing 61.35% stake on a fully diluted basis and additional acquisition rights in Red Apple, for a total consideration of ₹674.87 towards 3,232 equity shares of face value of ₹100 each of Red Apple from Samar Retail Private Limited, a related party which is controlled by the Managing Director of the Company. This acquisition was approved by the Board of Directors and shareholders in their meeting dated December 30, 2019 and November 29, 2019, respectively.

### 8 Loans

(Classified under non-current assets)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost</b>		
<b>Unsecured, considered good</b>		
Security deposits		
considered good	240.71	234.99
credit impaired	11.69	11.69
Less: Allowance for impairment	(11.69)	(11.69)

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to related parties (Refer note 45)		
considered good	65.26	-
credit impaired	386.81	386.81
Less: Allowance for impairment (Refer note 34)	(386.81)	(386.81)
<b>Total</b>	<b>305.97</b>	<b>234.99</b>

### Movement in allowance for security deposits

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	11.69	-
Additional provision during the year	0.36	11.69
Written-off during the year	-0.36	
<b>Closing balance</b>	<b>11.69</b>	<b>11.69</b>

The above includes dues from a private company in which a director of the Company is a member or director:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Security deposits</b>		
Red Apple Kitchen Consultancy Private Limited		
- at amortised cost	2.50	2.50
- at refundable value	2.50	2.50
Sara Soule Private Limited		
- at amortised cost	3.13	3.13
- at refundable value	3.13	3.13
Sana Reality Private Limited		
- at amortised cost	2.45	2.22
- at refundable value	3.00	3.00

## 9 Other financial assets

(Classified under non-current assets)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances held as margin money or security	17.71	21.59
<b>Total</b>	<b>17.71</b>	<b>21.59</b>

## 10 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Amounts paid to statutory authorities under protest	30.16	29.77
Other security deposits	16.42	27.47
<b>Total</b>	<b>46.58</b>	<b>57.24</b>

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 11 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(At lower of cost and net realisable value)</b>		
Food & beverages	159.46	117.34
Stores & consumables	24.15	12.48
<b>Total</b>	<b>183.61</b>	<b>129.82</b>

The cost of inventories recognised as an expense includes ₹Nil (₹35.60 for the year ended March 31, 2020) in respect of write-downs of inventory to net realisable value pursuant to temporary lockdown of restaurant outlets on account of COVID-19 pandemic.

### 12 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (unsecured) consist of following		
Considered good	45.78	25.24
Credit impaired	1.69	1.65
	<b>47.47</b>	<b>26.89</b>
Less: Allowance for credit loss	(1.69)	(1.65)
<b>Total</b>	<b>45.78</b>	<b>25.24</b>

The Company 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 card issuing banks. The Company also has certain receivables from corporates on credit terms ranging upto 60 days.

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

**Movement in allowance for doubtful debts is as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1.65	14.68
Movement in Expected credit loss (ECL) allowance on trade receivables calculated at lifetime ECL	0.04	-
Written off during the year	-	(13.03)
<b>Closing balance</b>	<b>1.69</b>	<b>1.65</b>

### 13 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	5.54	1.81
Balances with banks :		
In current accounts	39.81	123.43
Earmarked balances with banks		
In current accounts (Refer note 47)	2,043.69	-
In deposit accounts (having maturity less than 3 months)	335.42	-
<b>Cash and cash equivalents as per balance sheet</b>	<b>2,424.46</b>	<b>125.24</b>

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 14 Other financial assets (current)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances held as margin money or security	-	36.10
Interest accrued on		
Fixed deposits	-	5.79
Loans to related parties	8.70	5.95
Less: Allowance for impairment	(5.95)	(5.95)
Other receivables from subsidiaries	16.82	15.49
<b>Total</b>	<b>19.57</b>	<b>57.38</b>

### 15 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to employees	25.96	27.43
Prepaid expenses	55.72	48.59
Advances paid for supply of materials / rendering of services		
Unsecured, considered good	48.21	57.25
Doubtful	8.98	8.98
	<b>57.19</b>	<b>66.23</b>
Less: Allowance for bad and doubtful advances	(8.98)	(8.98)
	<b>48.21</b>	<b>57.25</b>
Balance with Government authorities	3.49	2.54
Unamortised share issue expenses *	279.61	136.18
<b>Total</b>	<b>412.99</b>	<b>271.99</b>

\* The Company has incurred certain expenses towards proposed Initial Public Offering of its equity shares. The Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.

#### Movement in allowance for bad and doubtful advances

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	8.98	9.96
Additional provision during the year	10.30	-
Written-off during the year	(10.30)	(0.98)
<b>Closing balance</b>	<b>8.98</b>	<b>8.98</b>

### 16 Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised capital		
Equity shares of ₹5/- each, with voting rights		
Number of shares	6,00,00,000	6,00,00,000
Amount	300.00	300.00
Issued, subscribed and fully paid up capital		

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹5/- each, fully paid-up, with voting rights		
Number of shares	3,39,42,920	2,79,91,788
Amount	169.72	139.96
<b>Total</b>	<b>169.72</b>	<b>139.96</b>

### (a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year

Particulars	Number of shares	Rs.
<b>Outstanding at the 1 April 2019</b>	<b>2,79,84,014</b>	<b>139.92</b>
Add: Issued during the year #	7,774	0.04
<b>Outstanding at the 31 March 2020</b>	<b>2,79,91,788</b>	<b>139.96</b>
Add: Issued during the year #	59,51,132	29.76
<b>Outstanding at the 31 March 2021</b>	<b>3,39,42,920</b>	<b>169.72</b>

#

- (i) 7,774 equity shares of ₹5 each were issued to employees pursuant to Employee stock options scheme in FY 2019-20.
- (ii) 5,951,132 equity shares of ₹5 each were issued under Pre IPO Placement at a premium of ₹247 per share in FY 2020-21.

### (b) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Sayaji Housekeeping Services Limited	1,26,21,116	37.18%	1,26,21,116	45.09%
Tamara Private Limited	60,78,402	17.91%	60,78,402	21.71%
Jubilant FoodWorks Limited	36,50,794	10.76%	-	-
Pace Private Limited	31,82,964	9.38%	31,82,964	11.37%

### (c) Number of equity shares reserved for issuance

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹5/- each		
to eligible employees under Employee Stock Option Scheme	9,24,706	9,24,706

- (d) The Company has only one class of equity share having a par value of ₹5/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 17 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Share application money pending allotment (Refer note (i) below)	994.27	-
Reserves and surplus (Refer Note (ii) below)		
Securities premium	3,096.22	1,631.01
Share based payment reserve	41.69	47.31
Retained earnings	(1,699.01)	(1,060.47)
<b>Total</b>	<b>2,433.17</b>	<b>617.85</b>

#### (i) Share application money pending allotment

Pursuant to the Initial Public Offering, the Company has opened the bid/offer on March 23, 2021 to the Anchor investors and have received ₹2,043.69 on March 23, 2021. Out of this, the Company has allocated ₹994.27 towards fresh issue of equity shares and such shares have been issued at a price of ₹500 per share on April 05, 2021 subsequently. Balance of ₹1,049.42 relates to the proceeds received by the Company on behalf of selling shareholders and has been accounted as payable to selling shareholders under Note 23 - Other financial liabilities.

#### (ii) Reserves and Surplus

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Securities premium account</b>		
Opening balance	1,631.01	1,628.42
Add: Premium on shares issued during the year [Refer Note 16 (a)]	1,469.93	2.59
Less : Share issue expenses	(4.72)	-
<b>Closing balance</b>	<b>3,096.22</b>	<b>1,631.01</b>
<b>Share based payment reserve</b>		
Opening balance	47.31	35.98
Add: Charge for the year	51.18	13.12
Less: Transfer to securities premium on account of exercise	-	(1.61)
Less: Transfer to retained earnings on account of forfeiture / replacement	(56.80)	(0.18)
<b>Closing balance</b>	<b>41.69</b>	<b>47.31</b>
<b>Retained earnings</b>		
Opening balance	(1,060.47)	(94.51)
Add: Transfer on forfeiture/ replacement of options	56.80	0.18
Add: Profit /(loss) for the year	(702.94)	(926.65)
Less: Remeasurement loss recognised in Other comprehensive Income (net of tax)	7.60	(5.76)
Less: Dividend on equity shares (refer note below)	-	(27.98)
Less: Dividend distribution tax (refer note below)	-	(5.75)
<b>Closing balance</b>	<b>(1,699.01)</b>	<b>(1,060.47)</b>

Particulars	As at March 31, 2021	As at March 31, 2020
The amount of dividends proposed before the financial statements were approved for issue but not recognised as a distribution to owners during the year	-	-
Tax on dividend above	-	-

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Nature and purpose of reserves

Securities premium account: Securities premium account is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

Share based payment reserve: The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

Retained earnings: Retained earnings are the profits / loss that the Company has earned / incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

## 18 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured at amortised cost:</b>		
(For details of terms and security, refer notes)		
Term loan from banks	587.43	866.36
Term loans from non-banking financial institutions		382.14
Vehicle loan from banks	4.75	1.05
<b>Total</b>	<b>592.18</b>	<b>1,249.55</b>

Notes: Details of security and terms of repayment for the long-term borrowings:

### Terms of repayment and security

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Term loans from banks</b>		
<b>(i) Term loan 1:</b>		
Non-Current portion	222.80	291.73
Current maturities of long-term debt	76.68	45.77
<b>Repayment terms:</b>		
Repayable in 60 monthly instalments after a moratorium of 6 months and carries an interest rate of 1 Year MCLR + 0.40% p.a.		
<b>Security:</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(ii) Term loan 2:</b>		
Non-Current portion	-	11.77
Current maturities of long-term debt	13.22	13.69
<b>Repayment terms:</b>		
USD loan - Repayable in 60 defined monthly instalments and carries an interest rate of 6 months LIBOR + 450 base points		
<b>Security:</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(iii) Term loan 3:</b>		
<b>Non-Current portion</b>	160.34	207.24
<b>Current maturities of long-term debt</b>	55.56	39.41
<b>Repayment terms:</b>		
Repayable in 54 defined installments and carries an interest rate of 1 year MCLR plus 0.85% p.a.		
<b>Security:</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(iv) Term loan 4:</b>		
<b>Non-Current portion</b>	34.67	52.51
<b>Current maturities of long-term debt</b>	17.35	10.51
<b>Repayment terms:</b>		
Repayable in 60 equal monthly instalments and carries an interest rate of 12 month MCLR plus 1% p.a.		
<b>Security:</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(v) Term loan 5:</b>		
<b>Non-Current portion</b>	-	11.56
<b>Current maturities of long-term debt</b>	12.50	8.26
<b>Repayment terms:</b>		
Repayable in 42 defined monthly instalments and carries an interest rate of 12 month MCLR plus 1% p.a.		
<b>Security:</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(vi) Term loan 6:</b>		
<b>Non-Current portion</b>	-	254.96
<b>Current maturities of long-term debt</b>	-	48.38
(This loan was preclosed during the year)		
<b>Repayment terms:</b>		
Repayable in 60 monthly instalments and carries interest rate at 1 year MCLR plus 0.60% p.a.		
<b>Security:</b>		
1) First pari-passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First pari-passu charge over the Brand of the Company		
<b>(vii) Term loan 7:</b>		
<b>Non-Current portion</b>	9.35	17.92
<b>Current maturities of long-term debt</b>	11.03	4.79
<b>Repayment terms:</b>		
Repayable in 20 equal quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a.		
<b>Security:</b>		
1) First pari-passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First pari-passu charge over the Brand of the Company		
<b>(viii) Term loan 8:</b>		
<b>Non-Current portion</b>	7.10	18.67
<b>Current maturities of long-term debt</b>	10.53	5.08
<b>Repayment terms:</b>		
Repayable in 19 equal quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a.		
<b>Security:</b>		
1) First pari-passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First pari-passu charge over the Brand of the Company		
<b>(ix) Term loan 9:</b>		
<b>Non-Current portion</b>	-	187.00
<b>Current maturities of long-term debt</b>	-	39.20
(This loan was preclosed during the year)		
<b>Repayment terms:</b>		
Repayable in 36 defined monthly installments and carries an interest rate of 14% p.a.		
<b>Security:</b>		
1) Second ranking pari-passu charge over all current and moveable fixed assets and security deposits of the Company, both present and future.		
2) Exclusive pledge over the shares of Red Apple Kitchen Consultancy Private Limited.		
<b>(x) Term loan 10:</b>		
<b>Non-Current portion</b>	-	195.14

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current maturities of long-term debt</b>	-	51.26
(This loan was preclosed during the year)		
<b>Repayment terms:</b>		
Repayable in 33 defined monthly installments and carries an interest rate of 14% p.a.		
<b>Security:</b>		
1) Second paripassu charge over all current assets and security deposits of the Company, both present and future		
2) Exclusive pledge over 35% of the aggregate share capital of Red Apple Kitchen Consultancy Private Limited (on a fully diluted basis) acquired by the Company.		
<b>(xi) Term loan 11:</b>		
<b>Non-Current portion</b>	133.85	-
<b>Current maturities of long-term debt</b>	15.46	-
<b>Repayment terms:</b>		
Repayable in 47 defined monthly installments and carries an interest rate 8.45% 1 year MCLR		
<b>Security:</b>		
1) Second paripassu charge over all current assets and security deposits of the Company, both present and future		
<b>(xii) Term loan 12:</b>		
<b>Non-Current portion</b>	19.32	-
<b>Current maturities of long-term debt</b>	7.92	-
<b>Repayment terms:</b>		
Repayable in in 6 equal monthly instalments		
<b>Security:</b>		
Paripassu first charge by way of hypothecation along with other term lenders on		
1. Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future		
2. Entire current assets and security deposits of the Company, both present and future		
3. Brand of the Company		
<b>(xiii) Vehicle loan:</b>		
<b>Non-Current portion</b>	4.75	1.05
<b>Current maturities of long-term debt</b>	2.79	2.20
<b>Repayment terms:</b>		
Repayable in 36 equated monthly installments and carries an interest rate of 8.5% p.a.		
<b>Security:</b>		
Hypothecation of underlying vehicle in favor of lender		
<b>Total</b>	<b>815.22</b>	<b>1,518.10</b>
<b>Non-Current portion</b>	<b>592.18</b>	<b>1,249.55</b>
<b>Current maturities of long-term debt</b>	<b>223.04</b>	<b>268.55</b>



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 19 Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening balance</b>	<b>4,284.75</b>	<b>3,722.57</b>
Addition	179.63	992.33
Accretion of interest	449.42	433.96
Adjustment due to modification	84.05	-
Payments	(442.13)	(766.65)
Rent concessions (Refer note 28)	(371.33)	-
Deletions	(133.12)	(97.46)
<b>Closing balance</b>	<b>4,051.27</b>	<b>4,284.75</b>
Current	434.35	404.60
Non-Current	3,616.92	3,880.15
<b>Maturity Analysis - contractual undiscounted cash flows</b>		
Less than one year	835.17	838.15
One to five years	2,900.65	3,575.93
More than five years	2,431.58	2,335.57
<b>Total Undiscounted Lease Liability as at</b>	<b>6,167.40</b>	<b>6,749.65</b>

### 20 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Compensated absences	9.73	7.48
Gratuity	27.63	29.04
Provision for asset retirement obligations	40.59	38.72
<b>Total</b>	<b>77.95</b>	<b>75.24</b>

### 21 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured loans repayable on demand from banks:</b>		
<b>(i) Working capital loan</b>	<b>50.00</b>	<b>50.00</b>
The rate of interest is 1 month MCLR plus 65 base points		
Security		
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First paripassu charge over the Brand of the Company		
<b>(ii) Overdraft facility</b>	<b>-</b>	<b>99.42</b>
The rate of interest is 6 month MCLR plus 65 base points		
Security		
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First paripassu charge over the Brand of the Company		

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
(i) <b>Overdraft facility</b>	133.16	150.00
Repayable on demand and carries and interest rate of 1 month MCLR		
(ii) <b>CC - A Treds</b>	-	71.80
Repayable on demand and the rate of financing depends on the bidding by various banks on the platform.		
(iii) <b>Credit card payables</b>	36.77	34.70
Repayable in fifty two days credit period		
<b>Total</b>	<b>219.93</b>	<b>405.92</b>

## 22 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Other than Acceptances		
Total outstanding dues of micro enterprises and small enterprises	38.27	8.67
Total outstanding dues of creditors other than micro enterprises	1,253.71	973.67
<b>Total</b>	<b>1,291.98</b>	<b>982.34</b>

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Further, interest has been accrued in respect of overdues outstanding as of March 31, 2021. The dues to micro and small enterprises as at March 31, 2021 and March 31, 2020 are as follows:

### Disclosure required under section 22 of the micro, small and Medium Enterprises Development Act, 2006:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	34.81	8.67
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	3.46	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 23 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current maturities of long-term borrowings</b>		
Term Loan from Bank	220.25	266.35
Vehicle Loan from Bank	2.79	2.20
Recognition of credit loss in respect of financial guarantee given towards loan taken by subsidiary (Refer note 34)	71.20	71.20
Interest accrued but not due on borrowings	4.74	8.04
<b>Other payables</b>		
Payables on purchase of property, plant and equipment	73.57	80.36
Payable to selling shareholders (Refer note 17)	1,049.42	-
<b>Total</b>	<b>1,421.97</b>	<b>428.15</b>

### 24 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Payable towards statutory remittances	59.13	75.04
Contract liability		
Gift card liability (Refer note below)	23.81	33.95
<b>Total</b>	<b>82.94</b>	<b>108.99</b>

#### Note:

The Company recognised revenue from contractual liability in the statement of profit and loss in the following year.

### 25 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Compensated absences	20.00	16.00
Gratuity	31.11	33.93
Provision for asset retirement obligations	3.30	6.26
<b>Total</b>	<b>54.41</b>	<b>56.19</b>

### 26 Current tax liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision - Others:		
Income Tax (net of advance income tax)	20.37	10.61
<b>Total</b>	<b>20.37</b>	<b>10.61</b>

### 27 Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from operations</b>		
Sale of food & beverages	4,510.74	7,840.17

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Other operating revenues</b>		
Share of profits and income from royalty	7.69	15.25
Revenue from displays and sponsorships	0.59	2.43
Sale of scrap	1.33	2.23
Other receipts from outdoor catering	0.77	1.96
Guarantee commission	3.83	4.04
Others	7.79	4.43
<b>Total</b>	<b>4,532.74</b>	<b>7,870.52</b>

## 28 Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income from other financial assets at amortised cost	17.18	16.08
Interest income on fixed deposits and loan	10.09	7.98
Foreign exchange gain (net)	0.84	-
Rent Concession Due to Covid 19 pandemic (Refer note below)	371.33	-
Provision no longer required	5.98	9.00
<b>Total</b>	<b>405.42</b>	<b>33.06</b>

### Note:

Consequent to COVID 19 pandemic, the Company has negotiated several rent concessions. In view of the amendment by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Company has elected, as a practical expedient, not to assess these rent concessions as lease modifications and has recognized impact of such rent concession in the Statement of Profit and Loss. The election is made for all such rent concessions as these satisfy the conditions mentioned in Para 46A and Para 46B of Ind AS 116 (as amended). Accordingly, rent concessions aggregating to ₹371.33 for the year ended March 31, 2021 have been recognised under Other income.

## 29 Cost of food and beverages consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	117.34	134.14
Add: Purchases	1,683.68	2,736.17
	<b>1,801.02</b>	<b>2,870.31</b>
Less Closing stock	(159.46)	(117.34)
<b>Total</b>	<b>1,641.56</b>	<b>2,752.97</b>

## 30 Employee benefits expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	869.44	1,275.76
Contributions to provident fund	57.45	74.73
Gratuity expenses	12.13	16.19
Expense on employee stock option scheme	25.30	13.12
Staff welfare expenses	216.78	398.83
<b>Total</b>	<b>1,181.10</b>	<b>1,778.63</b>

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 31 Other operating expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores & operating supplies	187.53	172.89
Power and fuel	388.73	617.56
Rent including lease rentals	172.62	152.57
Commission to the delivery agents	102.95	4.37
Repairs and maintenance:		
Buildings	4.20	3.78
Machinery	21.39	31.31
Others	25.71	28.11
House keeping services	44.82	131.68
Water charges	25.29	41.30
Insurance	12.39	11.15
Rates and taxes	69.53	88.48
Communication	31.22	38.89
Travelling and conveyance	16.34	30.96
Printing and stationery	20.07	39.38
Laundry expenses	3.40	16.74
Security service charges	8.22	19.36
Recruitment expenses	0.27	2.35
Business promotion	79.62	160.40
Vehicle hiring charges	7.38	11.31
Legal and professional	37.89	42.24
Payments to auditors	5.81	5.81
Parking Charges	2.82	7.20
Corporate social responsibility	-	0.20
Loss on sale of property, plant and equipment (net)	-	1.85
Provision for doubtful security deposits, receivables and advances	10.70	5.00
Miscellaneous expenses	32.24	111.62
<b>Total</b>	<b>1,311.14</b>	<b>1,776.51</b>

#### Note:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Payment to auditors</b>		
(Excluding ₹5.84 (₹8.85 for the year ended March 31, 2020) which are considered as unamortised share issue expenses under other current assets)		
For statutory audit	4.50	4.50
Other services (including reimbursement of expenses)	0.50	0.50
Taxes thereon	0.81	0.81
<b>Total</b>	<b>5.81</b>	<b>5.81</b>



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 32 Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on:		
Borrowings	188.92	133.27
Provision for asset retirement obligations	4.37	3.56
Lease liabilities	449.42	433.96
Others	3.73	0.33
Interest on delayed payment of statutory dues	16.01	-
Receivable discounting charges	16.80	46.46
Other bank charges	26.68	14.03
<b>Total</b>	<b>705.93</b>	<b>631.61</b>

### 33 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation (Refer note 4(a))	494.43	521.14
Amortisation (Refer note 4(b))	13.67	9.66
Derecognition on right-of-use asset (Refer note 5)	503.51	514.93
<b>Total</b>	<b>1,011.61</b>	<b>1,045.73</b>

### 34 Exceptional items

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision for impairment of investments in (Refer note (i) below)		
Red Apple Kitchen Consultancy Private Limited	-	271.00
Barbeque Nation Mena Holdings Limited	-	313.09
Provision for impairment of loans given to Barbeque-Nation Mena Holding Limited (Refer note (i) below)	-	117.90
Recognition of credit loss in respect of financial guarantee given towards loan taken by subsidiary (Refer note (i) below)	-	71.20
Offer document filing fees written off	5.32	-
Expenses towards accelerated vesting of employee stock options surrendered	25.88	-
Net (gain) / loss relating to restaurant units closed / relocated during the year	(51.87)	(6.33)
<b>Total</b>	<b>(20.67)</b>	<b>766.86</b>

#### Notes:

#### (i) Impairment assessment of investments made and loans and advances given to subsidiaries:

Following is the exposure towards subsidiaries :

Particulars	Red Apple Kitchen Consultancy Private Limited		Barbeque-Nation Mena Holding Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Prior to impairment</b>				
Investments	674.87	674.87	313.09	313.09
Loans given	-	-	452.07	386.81

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Red Apple Kitchen Consultancy Private Limited		Barbeque-Nation Mena Holding Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Interest on loans granted	-	-	8.70	5.95
Bank guarantee given towards loans taken by subsidiary	8.97	-	480.41	513.28
<b>Total</b>	<b>683.84</b>	<b>674.87</b>	<b>1,254.27</b>	<b>1,219.13</b>
Less: Provision for impairment made				
- during the year	-	(271.00)	-	(502.19)
- during the earlier years	(271.00)	-	(777.05)	(274.86)
<b>Exposure post impairment</b>	<b>412.84</b>	<b>403.87</b>	<b>477.22</b>	<b>442.08</b>

The Directors of the Company performed impairment assessment of the above exposure by determining the "value in use" of these subsidiaries as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate. For its impairment assessment, the management has assessed the impact of the COVID-19 on the operations and forecasted cash flows. The following inputs have been used for arriving the said recoverable amount.

### In respect of Red Apple Kitchen Consultancy Private Limited:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Input considered</b>		
Discount rate	12.00%	18.00%
Terminal growth rate	3.00%	3.00%

### In respect of Barbeque-Nation Mena Holding Limited:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Input considered</b>		
Discount rate	12.00%	18.00%
Terminal growth rate	2.00%	3.00%

The table below shows the level upto which key assumptions (individually) can be changed to reach the point at which the value in use approximates the carrying value (post impairment).

Particulars	Red Apple Kitchen Consultancy Private Limited	Barbeque- Nation Mena Holding Limited
Discount rate can be increased upto	18.25%	21.50%
Projected revenues can be decreased by	12%	8%

**35** As explained in Note 2, the impact of the COVID-19 pandemic and the measures put in place to control the spread of virus, have triggered significant disruptions to the Company's operations. The management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the management has used external and internal information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions and based on the current estimates, the Company expects that the carrying value of the assets as at March 31, 2021 is fully recoverable.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements.

### 36 Tax expense / (benefit):

#### Tax expenses recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	-	49.35
Deferred tax	(189.57)	(56.63)
Deferred tax impact due to reduction in tax rate	-	85.20
<b>Total</b>	<b>(189.57)</b>	<b>77.92</b>

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	<b>(892.51)</b>	<b>(848.73)</b>
Enacted income tax rate in India	25.17%	25.17%
<b>Computed expected tax expense</b>	<b>(224.63)</b>	<b>(213.61)</b>
<b>Tax impact on:</b>		
Due to change in effective tax rate	-	85.20
On account of change in WDV	-	6.12
Goodwill pursuant to the amendment to section 32(1)(ii) of Income Tax Act, 1961	10.24	
Deduction u/s 80JJAA of Income tax Act, 1961	-	-12.42
Loss on disposal of investments in subsidiaries	-	0.00
Impairment of investments and loans in subsidiaries	-	194.60
Expenses relating to closed outlets	13.05	8.95
Effect on account of non-deductible expenses under income tax	10.45	4.87
Others	1.32	4.21
<b>Income tax expense recognised in Statement of profit and loss</b>	<b>-189.57</b>	<b>77.92</b>

#### Note:

The Government of India vide ordinance No 15 of 2019 dated September 20, 2019 amended the income tax provision by inserting section 115BAA. As per amended provisions, the Company had opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the condition mentioned under the amendment provisions and recognised the effect of change by revising the annual effective income tax rate. Due to the reduced tax rate, the Company had re-measured its Net Deferred Tax Assets as at April 01, 2019 and the impact of this change had been fully recognized in the Statement of Profit and Loss for the previous year ended March 31, 2020 under "Tax Expense".

#### Movement in deferred tax balances

Particulars	For the year ended March 31, 2021			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Tax effect of items constituting deferred tax assets</b>				
On unused tax losses (Refer note below)	-	161.71	-	161.71
Property, Plant and Equipment and other intangible assets	41.43	33.88	-	75.31

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2021			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Right-of-use and lease liabilities (net)	210.60	19.00	-	229.60
Provision towards asset retirement obligations	11.32	(0.27)	-	11.05
Employee Benefits and other provisions	35.60	(1.61)	(2.55)	31.44
Others	16.44	(12.90)	-	3.54
<b>Tax effect of items constituting deferred tax liabilities</b>				
Goodwill	(37.49)	(10.24)	-	(47.73)
<b>Net deferred tax asset / (liabilities)</b>	<b>277.90</b>	<b>189.57</b>	<b>(2.55)</b>	<b>464.92</b>

### Note:

The Company has recognised deferred tax asset on the unused tax losses, as it is probable that future taxable profit will be available against which such unused tax losses can be utilised in the foreseeable future.

Particulars	For the year ended March 31, 2020				
	Opening balance	Impact due to change in tax rate	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Tax effect of items constituting deferred tax assets</b>					
Property, Plant and Equipment and other intangible assets	14.49	(3.72)	30.66	-	41.43
Right-of-use and lease liabilities (net)	262.96	(73.57)	21.21	-	210.60
Provision towards asset retirement obligations	19.75	(5.53)	(2.90)	-	11.32
Employee Benefits and other provisions	46.13	(12.91)	0.44	1.94	35.60
Others	8.06	(2.25)	10.63	-	16.44
<b>Tax effect of items constituting deferred tax liabilities</b>					
Goodwill	(46.86)	12.78	(3.41)	-	(37.49)
<b>Net deferred tax asset / (liabilities)</b>	<b>304.53</b>	<b>(85.20)</b>	<b>56.63</b>	<b>1.94</b>	<b>277.90</b>

## 37 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Contingent liabilities</b>		
Claims against the Company not acknowledged as debt		
Indirect tax matters #	170.94	493.78
Direct tax matters	420.36	420.36
Other matters	7.36	-
Stand-by Letter of Credit given to bank on borrowings by subsidiary (to the extent of loans outstanding)	489.38	513.28
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	23.18	102.60

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

- # The Company was subject to Anti-profiteering investigation for the period Nov 15, 2017 to Mar 31, 2019 by Director General of Anti-Profiteering (DGAP). During the year ended March 31, 2020, DGAP has conducted the investigation and submitted the report to National Anti-Profiteering Authority (NAA) with a demand amounting ₹325.88 and the company has disclosed such demand as contingent liability as of March 31, 2020. Subsequently, during the year ended March 31, 2021, NAA has examined this report and ruled that methodology adopted by DGAP while arriving at the demand is incorrect and directed to conduct further investigation. Accordingly, the demand of ₹325.88 has been excluded from contingent liability as of March 31, 2021 as the investigation is under process.

### 38 Employee benefit plans

#### Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	As at March 31, 2021	As at March 31, 2020
Contribution to Provident Fund and Employee State Insurance Scheme	72.84	101.25

#### Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. The said plan typically exposes the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

#### Investment risk

The fund has invested 100% of the funds in 'Schemes of insurance - conventional products' which are risk averse as whole of the risk is borne by the Insurance company.

#### Interest risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

#### Longevity risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### Gratuity:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	4.20%	5.00%
Salary escalation	5.00%	5.00%
Attrition rate	53.00%	53.00%
Retirement age	58 years	58 years
Mortality	100% of IALM 2012-14	100% of IALM 2012-14



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Service cost:</b>		
Current service cost	8.87	12.96
Past service cost and (gain)/loss from settlements		
Net interest expense	3.26	3.23
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>12.13</b>	<b>16.19</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	(0.02)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(2.62)
Actuarial (gains) / losses arising from changes in financial assumptions	0.93	(2.45)
Actuarial (gains) / losses arising from experience adjustments	(11.08)	12.79
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(10.15)</b>	<b>7.70</b>
<b>Total</b>	<b>1.98</b>	<b>23.89</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	61.10	65.21
Fair value of plan assets	(2.36)	(2.25)
<b>Funded status</b>	<b>58.74</b>	<b>62.96</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>58.74</b>	<b>62.96</b>
Current	31.11	33.93
Non-current	27.63	29.03

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

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	65.21	48.83
<b>Expenses recognised in the statement of profit and loss</b>		
Current service cost	8.87	12.96
Interest cost	3.26	3.23
<b>Remeasurement (gains)/losses recognised in other comprehensive income:</b>		
Actuarial gains and losses arising from changes in demographic assumptions	-	(2.62)
Actuarial gains and losses arising from changes in financial assumptions	0.93	(2.45)
Actuarial gains and losses arising from experience adjustments	(11.08)	12.79
Benefits paid	(6.09)	(7.53)
<b>Closing defined benefit obligation</b>	<b>61.10</b>	<b>65.21</b>

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening fair value of the Plan asset</b>	<b>2.25</b>	<b>2.09</b>
Interest income on plan assets	0.11	0.14
Return of plan assets greater / (lesser) than discount rate	-	0.02
<b>Closing fair value of assets</b>	<b>2.36</b>	<b>2.25</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Discount Rate	As at March 31, 2021	As at March 31, 2020
1 Effect on defined benefit obligation due to 100 bps increase in Discount Rate	59.94	63.99
2 Effect on defined benefit obligation due to 100 bps decrease in Discount Rate	62.30	66.47

Salary escalation rate	As at March 31, 2021	As at March 31, 2020
1 Effect on defined benefit obligation due to 100 bps increase in salary escalation rate	62.28	66.46
2 Effect on defined benefit obligation due to 100 bps decrease in salary escalation rate	59.94	63.98

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future cash outflows (undiscounted) towards the plan are as follows:

Financial year	As at March 31, 2021	As at March 31, 2020
1 year	31.11	33.93
2 to 5 year	33.02	35.50
6 to 10 year	2.29	2.56

### 39 Employee Stock Option Scheme

In the annual general meeting held on August 26, 2015, the shareholders of the Company had approved the issue of not more than 266,240 options (underlying equity share of face value of ₹10/- each per option) under the Scheme titled "Employee Stock Option Scheme 2015 (ESOP 2015)". The ESOP 2015 allows the issue of options to employees of the Company and its subsidiaries. Pursuant to the sub-division of equity share of ₹10 each into 2 equity shares of ₹5 each during the year ended March 31, 2017, the scheme comprise of 532,480 options (underlying equity share of face value of ₹5 each per option). Further, in the annual general meeting held on July 23, 2019 the shareholders of the Company has approved the increase of options to be offered to the employees upto 932,480.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. Vesting period of the option is from one to three years from the date of grant and all the vested options can be exercised by the option grantee

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

within twenty four months from the vesting date or at the time of liquidity event, as approved by the Board, whichever is later. However, in respect of resigned employees, vested options shall stand forfeited unless such options are exercised by the employees during his/her notice period before the last working day and in respect of terminated employees, vested options shall be exercised within one month from the notice of termination.

On April 1, 2016, July 10, 2017, August 5, 2017, October 1, 2019, January 14, 2020 & October 16, 2020, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

On October 15, 2020, Board of Directors have approved the grant of same number of options to the employees who have surrendered their options.

The detail of fair market value and the exercise price is as given below (considering the effect of sub-division of shares):

Date of grant	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16
Fair market value of option at grant date (Rs.)	232.44	207.98	184.64	162.87	142.94	108.96	94.82
Fair market value of shares per option at grant date (Rs.)	310.00	310.00	310.00	310.00	310.00	310.00	310.00
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Exercise price (Rs.)	93.00	124.00	155.00	186.00	217.00	279.00	310.00

Date of grant	05-Aug-17	10-Jul-17	05-Aug-17	05-Aug-17	05-Aug-17	05-Aug-17	05-Aug-17
Fair market value of option at grant date (Rs.)	375.54	357.15	294.11	253.39	212.67	131.23	90.52
Fair market value of shares per option at grant date (Rs.)	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Vesting period	3 years	1.75 years	3 years	3 years	3 years	3 years	3 years
Exercise price (Rs.)	150.00	155.00	250.00	300.00	350.00	450.00	500.00

Date of grant	05-Aug-17	05-Aug-17	05-Aug-17
Fair market value of option at grant date (Rs.)	21.45	51.40	79.65
Fair market value of shares per option at grant date (Rs.)	500.00	500.00	500.00
Vesting period	1 year	2 years	3 years
Exercise price (Rs.)	500.00	500.00	500.00

Date of grant	01-Oct-19	01-Oct-19	01-Oct-19	01-Oct-19	01-Oct-19	01-Oct-19
Fair market value of option at grant date (Rs.)	350.89	294.40	241.47	201.39	179.26	163.80
Fair market value of shares per option at grant date (Rs.)	635.00	635.00	635.00	635.00	635.00	635.00
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years
Exercise price (Rs.)	350.00	420.00	490.00	560.00	630.00	700.00

Date of grant	14-Jan-20	14-Jan-20	14-Jan-20	14-Jan-20
Fair market value of option at grant date (Rs.)	350.89	241.47	179.26	163.80
Fair market value of shares per option at grant date (Rs.)	635.00	635.00	635.00	635.00
Vesting period	3 years	3 years	3 years	3 years
Exercise price (Rs.)	350.00	490.00	630.00	700.00

Date of grant	16-Oct-20	16-Oct-20	16-Oct-20	08-Dec-20	08-Dec-20	08-Dec-20
Fair market value of option at grant date (Rs.)	116.44	51.13	92.99	116.44	51.13	92.99
Fair market value of shares per option at grant date (Rs.)	252.00	252.00	252.00	252.00	252.00	252.00
Vesting period	3 years	1 years	2 years	3 years	1 years	2 years
Exercise price (Rs.)	252.00	252.00	252.00	252.00	252.00	252.00

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

	25-Jan-21	25-Jan-21	25-Jan-21
Date of grant			
Fair market value of option at grant date (Rs.)	116.44	51.13	92.99
Fair market value of shares per option at grant date (Rs.)	252.00	252.00	252.00
Vesting period	3 years	1 years	2 years
Exercise price (Rs.)	252.00	252.00	252.00

Employee stock options details as on the Balance Sheet date (considering the effect of sub-division of shares) are as follows:

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
<b>Options outstanding at the end of 1 April 2019</b>	<b>3,43,711</b>	<b>361.41</b>
<b>Options available for grant as at 1 April 2019</b>	<b>1,88,769</b>	
Options outstanding at the beginning of 01 April 2019	3,43,711	361.41
Granted during the year	2,32,807	575.00
Exercised during the year	7,774	132.48
Lapsed/forfeited during the year	40,789	472.43
<b>Options outstanding at the end of 31 March 2020</b>	<b>5,27,955</b>	<b>450.34</b>
<b>Options available for grant as at 31 March 2020</b>	<b>3,96,751</b>	
Options outstanding at the beginning of 01 April 2020	5,27,955	450.34
Granted during the year	8,06,410	252.00
Surrendered during the year	3,77,712	525.48
Lapsed/forfeited during the year	71,498	446.60
<b>Options outstanding at the end of 31 March 2021</b>	<b>8,85,155</b>	<b>237.44</b>
<b>Options available for grant as at 31 March 2021</b>	<b>39,551</b>	

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	01-Apr-16	10-Jul-17	05-Aug-17	05-Aug-17	05-Aug-17	01-Oct-19	14-Jan-20	16-Oct-20
Risk Free Interest Rate	6.60%	6.68%	6.68%	6.68%	6.68%	6.76%	6.76%	5.48%
Expected Life	3.5 years	1.75 years	1 year	2 years	3 years	3 years	3 years	1 year
Expected Annual Volatility of Shares	33.33%	3.02%	3.02%	3.02%	3.02%	31.30%	31.30%	44.63%
Expected Dividend Yield	0.24%	0.15%	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Grant date	16-Oct-20	16-Oct-20	08-Dec-20	08-Dec-20	08-Dec-20	25-Jan-21	25-Jan-21	25-Jan-21
Risk Free Interest Rate	5.96%	5.96%	5.48%	5.96%	5.96%	5.48%	5.96%	5.96%
Expected Life	2 year	3 year	1 year	2 year	3 year	1 year	2 year	3 year
Expected Annual Volatility of Shares	59.77%	62.35%	44.63%	59.77%	62.35%	44.63%	59.77%	62.35%
Expected Dividend Yield	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%

## 40 Disclosures in respect of leases

Company as a lessee : The Company has lease contracts for operational stores and corporate office, with lease period varying between 3 to 18 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Amount recognised in Standalone Statement of Profit and Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation: on Right-of-use assets	503.51	514.93
Finance cost: Interest on lease liabilities	449.42	433.96
Short term and variable lease payments (Refer Note below (ii))	172.62	152.57

The Company applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (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) and lease arrangements having variable lease payments based on turnover of respective outlets at premises taken on lease.

### Amount recognised in Standalone Statement of Cash flows

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash outflows for leases	(454.23)	(766.65)
Additional information:		
Non-cash additions to lease liabilities	46.51	894.87

## 41 Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Basic and Diluted Earnings Per Share (Rs.)</b>		
<b>Basic Earnings Per Share (Basic EPS)</b>		
Net profit/(loss) after tax attributable to equity shareholders	(702.94)	(926.65)
Less: Share issue expenses debited to securities premium	(4.72)	-
	(707.66)	(926.65)
Weighted average number of Equity Shares outstanding	2,92,07,015	2,79,86,203
<b>Basic EPS in ₹</b>	<b>(24.23)</b>	<b>(33.11)</b>
Face value in ₹	5.00	5.00
<b>Diluted Earnings Per Share (Diluted EPS)</b>		
Net profit/(loss) after tax attributable to equity shareholders	(702.94)	(926.65)
Less: Share issue expenses debited to securities premium	(4.72)	-
	(707.66)	(926.65)
Weighted average number of Shares used for calculating Basic EPS	2,92,07,015	2,79,86,203
Add: Effect of ESOPs and share warrants which are dilutive	-	-
Weighted average number of shares considered for calculating Diluted EPS	<b>2,92,07,015</b>	<b>2,79,86,203</b>
<b>Diluted EPS in ₹</b>	<b>(24.23)</b>	<b>(33.11)</b>
Face value in ₹	5.00	5.00

\*The effect of ESOPs outstanding is anti-dilutive and hence ignored for the purpose of computing Diluted EPS.

## 42 Segment reporting

The Company operates in only one segment, viz., setting up and managing restaurant business. The Company's operations are in India and therefore there are no secondary geographical segment.



## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 43 Financial instruments

The carrying value and fair value of financial instruments by categories

Particulars	Carrying Value		Fair Value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	305.97	234.99	305.97	234.99
Trade receivables	45.78	25.24	45.78	25.24
Cash and cash equivalents	2,424.46	125.24	2,424.46	125.24
Other financial assets	37.28	78.97	37.28	78.97
<b>Total assets</b>	<b>2,813.49</b>	<b>464.44</b>	<b>2,813.49</b>	<b>464.44</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Loans and borrowings	1,035.15	1,924.02	1,035.15	1,924.02
Lease Liabilities	4,051.27	4,284.75	4,051.27	4,284.75
Trade payables	1,291.98	982.34	1,291.98	982.34
Other financial liabilities	1,198.93	161.80	1,198.93	161.80
<b>Total liabilities</b>	<b>7,577.33</b>	<b>7,352.91</b>	<b>7,577.33</b>	<b>7,352.91</b>

The management assessed that fair value of cash and cash equivalents, trade receivables, loans and trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

#### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### Financial risk management

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments. The company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.

#### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Due to COVID-19 pandemic, the Company's operations have been significantly affected increasing the liquidity risk. The Company also had instances of delays in repayment of loans during the year ended March 31, 2021, the details of which are given below.

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Nature of Borrowings	Name of Lender	Amount not paid on due date	Principal/ Interest/ Penal Interest
Term loan	Axis Bank	43.26	Principal
Term loan	Navi Finserv Private Limited	33.07	Principal
Term loan	Vivriti Capital Private Limited	18.67	Principal
Term loan	ICICI Bank	7.32	Principal
Term loan	YES Bank	5.39	Principal
Term loan	Axis Bank	11.06	Interest
Term loan	Navi Finserv Private Limited	8.85	Interest
Term loan	Vivriti Capital Private Limited	8.46	Interest
Term loan	ICICI Bank	1.87	Interest
Term loan	Axis Bank	0.04	Penal Interest
Term loan	ICICI Bank	0.62	Principal
Term loan	ICICI Bank	0.02	Interest

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	2,424.46	125.24
<b>Total</b>	<b>2,424.46</b>	<b>125.24</b>

The table below provides details regarding the contractual maturities of significant financial liabilities

Particulars	As at March 31, 2021				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	446.65	415.45	173.05	1,035.15	1,035.15
Trade payables	1,291.98	-	-	1,291.98	1,291.98
Other financial liabilities	1,198.93	-	-	1,198.93	1,198.93
<b>Total</b>	<b>2,937.56</b>	<b>415.45</b>	<b>173.05</b>	<b>3,526.06</b>	<b>3,526.06</b>

Particulars	As at March 31, 2020				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	674.47	1,151.69	97.86	1,924.02	1,924.02
Trade payables	982.34	-	-	982.34	982.34
Other financial liabilities	159.60	-	-	159.60	161.80
<b>Total</b>	<b>1,816.41</b>	<b>1,151.69</b>	<b>97.86</b>	<b>3,065.96</b>	<b>3,068.16</b>

The following table presents unhedged foreign currency risk from financial instruments

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings in USD	13.22	25.46

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Foreign currency rate sensitivity analysis

Particulars	After tax impact of profit/loss after tax	
	As at March 31, 2021	As at March 31, 2020
<b>Depreciation of USD by 5%</b>		
Increase in profit / Decrease in loss	0.49	0.95
<b>Appreciation of USD by 5%</b>		
Decrease in profit / Increase in loss	(0.49)	(0.95)

### 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 debt obligations with floating interest rates. Such risks are overseen by the Company's corporate treasury department as well as senior management.

### Interest rate sensitivity analysis

If interest rates had been 1% higher/lower and all other variables were held constant, the company's profit/(loss) for the year ended would have impacted in the following manner:

Particulars	After tax impact of profit/loss after tax	
	As at March 31, 2021	As at March 31, 2020
<b>Decrease in interest rate by 1%</b>		
Increase in profit / Decrease in loss	7.75	14.40
<b>Increase in interest rate by 1%</b>		
Decrease in profit / Decrease in loss	(7.75)	(14.40)

### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

### The capital structure is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity attributable to the equity share holders of the company	2,602.89	757.81
Equity as a percentage of total capital	72%	28%
Current borrowings	442.97	674.47
Non-current borrowings	592.18	1,249.55
<b>Total borrowings</b>	<b>1,035.15</b>	<b>1,924.02</b>
Less: Cash and cash equivalents*	1,375.04	125.24
<b>Net borrowings</b>	<b>(339.89)</b>	<b>1,798.78</b>
Net borrowings as a percentage of total capital	-9%	67%
<b>Total capital (borrowings and equity)</b>	<b>3,638.04</b>	<b>2,681.83</b>

\*

Cash and cash equivalents as per note 13	2,424.46	125.24
Less: Bank balance received on behalf of selling share holders as per note 17	1,049.42	-
<b>Net Cash &amp; cash equivalent</b>	<b>1,375.04</b>	<b>125.24</b>

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 44 Related party transactions

#### A) List of related parties:

Description of relationship	Names of related parties
Subsidiaries	Barbeque Nation MENA Holding Limited (formerly known as Barbeque Nation Holding Limited) Barbeque Nation Restaurant LLC Barbeque Nation Holdings Pvt Ltd Barbeque Holdings Pvt Ltd (upto September 27, 2019) Barbeque Nation (Malaysia) SDN. BHD. Barbeque Nation International LLC Barbeque Nation Kitchen LLC Red Apple Kitchen Consultancy Private Limited
Investing party for which the Company is an Associate	Sayaji Hotels Limited Sayaji Housekeeping Services Limited Tamara Private Limited (upto Jan 24, 2021)
Key Management Personnel (KMP)	Kayum Dhanani (Managing Director) Rahul Agarwal (Whole-time Director - from December 31, 2020) Rahul Agrawal (Chief Executive Officer - from January 14, 2020) Rahul Agrawal (Chief Financial Officer - from May 21, 2018 to January 13, 2020) Amit V Betala (Chief Financial Officer - from January 14, 2020) Nagamani CY (Company Secretary) Non-Executive Directors T Narayanan Unni Raooof Razak Dhanani Suchitra Dhanani Tarun Khanna Abhay Chintaman Chaudhary Natarajan Ranganathan Devinjit Singh
Relatives of KMP	Gulshanbanu Memon Sanya Dhanani
Entities in which KMP exercises control	Sara Soule Private Limited Samar Lifestyle Private Limited Samar Retail Private Limited
Entities in which Relatives of KMP exercises significant influence	Sana Reality Private Limited

#### B) Standalone Statement of Transactions and Balances with Related Parties

##### i) Transactions with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Royalty income</b>		
Subsidiary company:		
Barbeque Nation Restaurant LLC	5.61	7.90
Barbeque Nation (Malaysia) SDN. BHD.	0.57	0.69
Barbeque Nation International LLC	0.53	1.05
<b>Guarentee commission</b>		
Subsidiary company:		
Barbeque Nation MENA Holding Limited	3.83	4.04
<b>Services received</b>		
Investing party for which the Company is an Associate :		
Sayaji Hotels Limited	0.02	0.08

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Entities in which KMP exercises control		
Sara Soule Private Limited	0.71	1.57
Samar Lifestyle Private Limited	-	0.26
<b>Reimbursement of expenses paid</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	1.32	5.26
Barbeque Nation (Malaysia) Sdn. Bhd.	-	0.82
Barbeque Nation International LLC	-	0.30
<b>Purchase of consumables</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	-	0.08
<b>Rent and maintenance charges</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	2.46	0.56
Samar Retail Private Limited	-	5.66
Entities in which Relatives of KMP exercises significant influence		
Sana Reality Private Limited	5.55	14.99
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	4.58	12.51
Relatives of KMP		
Gulshanbanu Memon	4.94	4.56
<b>Remuneration</b>		
Relatives of KMP		
Sanya Dhanani	1.72	0.74
<b>Security deposit paid</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	-	3.13
Samar Retail Private Limited	-	2.50
Relatives of KMP		
Gulshanbanu Memon	-	0.51
<b>Investment made during the year in</b>		
Subsidiaries:		
Red Apple Kitchen Consultancy Private Limited	-	674.87
Barbeque Nation MENA Holding Limited	-	36.82
<b>Loan granted to subsidiaries (Refer note D below)</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	65.26	111.95
<b>Loan received and repaid during the year (Refer note E below)</b>		
Non-Executive Directors		
Raooof Razak Dhanani	20.00	-
<b>Provision for impairment of investment and loan receivable</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	-	502.19
Barbeque Holdings Private Limited	-	1.39
Red Apple Kitchen Consultancy Private Limited	-	271.00
<b>Interest income on loan granted</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	2.75	5.95



See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

ii) Balances outstanding with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Loans receivable</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited (net of provision for impairment of ₹386.81 as of March 31, 2021 and 2020)	65.26	-
<b>Trade receivables</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	7.87	4.04
Barbeque Nation Restaurant LLC	13.51	7.91
Barbeque Nation (Malaysia) SDN. BHD.	1.26	0.69
Barbeque Nation International LLC (Oman)	1.58	1.05
<b>Security deposits (refundable) with</b>		
Subsidiaries:		
Red Apple Kitchen Consultancy Private Limited (liquor licence deposit)	2.50	2.50
Entities in which KMP exercises control		
Sara Soule Private Limited	3.13	3.13
Samar Retail Private Limited	0.60	0.60
Entities in which Relatives of KMP exercises significant influence		
Sana Reality Private Limited	3.00	3.00
Relatives of KMP		
Gulshanbanu Memon	7.46	7.46
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	5.10	5.10
<b>Trade Payables</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	1.26	0.69
Samar Retail Private Limited	-	-
Samar Lifestyle Private Limited	0.04	0.04
Entities in which Relatives of KMP exercises significant influence		
Sana Reality Private Limited	1.95	-
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	2.99	2.61
<b>Other receivables</b>		
Subsidiaries		
Barbeque Nation MENA Holding Limited	9.00	7.68
Barbeque Nation Holdings Private Limited, Mauritius	1.68	1.67
Barbeque Nation (Malaysia) SDN. BHD.	5.76	5.76
Barbeque Nation International LLC (Oman)	0.38	0.38
<b>Interest accrued on loan</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited (net of provision for impairment of ₹5.95 as at March 31, 2021 and 2020)	2.75	-

**Outstanding corporate guarantee**

Particulars	As at March 31, 2021	As at March 31, 2020
Stand-by Letter of Credit (SBLC) and Corporate guarantee given to Banks on borrowings availed by the subsidiaries to the extent outstanding)	489.38	513.28

## See accompanying notes to the Standalone Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term benefits	16.94	17.33
Share-based payments	7.10	4.69
<b>Total</b>	<b>24.04</b>	<b>22.02</b>

The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by actuary.

- C) All the related party transactions entered during the year were in ordinary course of business and are on arm's length price
- D) All loans given to related parties are repayable on demand and carries an interest rate of Company's lending rate plus 0.25%.
- E) Loans taken from Raof Razak Dhanani (Non-Executive Director) are repayable on demand and rate of interest is Nil.

**45** The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 46 Subsequent event:

The Company completed its Initial Public Offering (IPO) of its equity shares which have been listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from April 07, 2021. The net proceeds from the fresh issue of the IPO would be utilised towards the following:

- i) capital expenditure for expansion and opening of new restaurants by the Company;
- ii) prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company on a consolidated basis; and
- iii) general corporate purposes

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
BARBEQUE-NATION HOSPITALITY LIMITED

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of BARBEQUE-NATION HOSPITALITY LIMITED ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and 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 and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
<p><b>Impairment assessment of Goodwill</b> Refer note 6 of the consolidated financial statements.</p> <p>The Group has goodwill of ₹722.97 million as at 31 March 2021 arising out of past business combinations and is subjected to impairment test as part of Cash Generating Units (CGUs) which include goodwill. The goodwill is tested by the Management at least annually, or more frequently if the events or changes in circumstances indicate that the asset might be impaired. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. The annual impairment testing of goodwill within such CGUs was considered</p>	<p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of the Group's controls around the impairment testing of carrying value of goodwill.</li> <li>• Understood the key assumptions considered in the management's estimates of future cash flows related to forecasted revenue and discount rate.</li> <li>• Involved our independent valuation specialist to assist in evaluating the discount rates applied, which included benchmarking the weighted average cost of capital with sector averages for the relevant markets in which the CGUs operate and considering Company specific factors.</li> </ul>

Key Audit Matter	Response to Key Audit Matter
<p>to be a key audit matter due to the significant judgement involved to estimate the recoverable amount. The recoverable amount of the CGUs (including goodwill) which is the value in use has been derived from discounted forecast cash flow models. These models use several assumptions, of which the assumptions with highest degree of estimation, subjectivity and impact on value in use, are forecasted sales volumes and revenues, and the weighted average cost of capital (discount rate) and potential impact of COVID-19 on these assumptions, if any.</p> <p>The annual impairment testing was significant to our audit, because of the significance of the goodwill and related assets and involvement of significant judgement, estimates and assumptions as aforesaid.</p>	<ul style="list-style-type: none"> <li>Evaluated the reasonableness of Management projections for forecasted revenue by comparing the historical cash flows including cashflows subsequent to reporting date with the past projections of the management for the same periods.</li> <li>Performed sensitivity analysis on the key assumptions of revenue growth during the forecast period and the discount rate applied to the future cash flows. We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring.</li> </ul>

### Emphasis of Matter

We draw attention to Note 36 to the standalone Ind AS financial Statements for the year ended March 31, 2021, which describes the management's evaluation of COVID-19 impact on the carrying value of the Group's assets as at March 31, 2021. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditors.

- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors

either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group 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 consolidated

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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entity or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current



period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹403.22 million as at 31st March, 2021, total revenues of ₹259.61 million and net cash inflows amounting to ₹36.77 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements of the subsidiary referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of 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 Group has disclosed the impact of pending litigations on its financial position in note 39 of its consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 008072S

**Sathya P Koushik**  
Partner

Bengaluru  
May 24, 2021

(Membership No. 206920)  
UDIN: 21206920AAAAFG6418

# ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of BARBEQUE-NATION HOSPITALITY LIMITED (hereinafter referred to as "Parent") and its subsidiary company, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditors of the subsidiary company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, and its subsidiary company, which are companies incorporated in India.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial

controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditors of the subsidiary incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**

*Chartered Accountants*

Firm's Registration No. 008072S

**Sathya P Koushik**

*Partner*

(Membership No. 206920)

UDIN: 21206920AAAAFG6418

Bengaluru

May 24, 2021

**Consolidated Balance Sheet** as at 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(a)	2,924.27	3,321.93
Right-of-use asset	5	3,616.95	4,014.71
Capital work-in-progress		60.19	108.92
Goodwill	6	722.97	722.97
Other Intangible assets	4(b)	52.14	67.25
<b>Financial Assets</b>			
Loans	7	300.15	289.15
Other financial assets	8	17.71	21.59
Deferred tax assets (net)	37	471.90	277.90
Other non-current assets	9	46.58	57.24
<b>Total Non-current assets [A]</b>		<b>8,212.86</b>	<b>8,881.66</b>
<b>Current assets</b>			
Inventories	10	201.52	149.25
<b>Financial assets</b>			
Trade receivables	11	26.44	21.51
Cash and cash equivalents	12	2,454.94	146.96
Other financial assets	13	-	41.89
Other current assets	14	482.35	313.31
<b>Total current assets [B]</b>		<b>3,165.25</b>	<b>672.92</b>
<b>Total assets [A+B]</b>		<b>11,378.11</b>	<b>9,554.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	15	169.72	139.96
Other equity	16	2,269.28	(80.80)
<b>Equity attributable to owners of the Company [C]</b>		<b>2,439.00</b>	<b>59.16</b>
Non-controlling interest	17	38.10	52.31
<b>Total equity [D]</b>		<b>2,477.10</b>	<b>111.47</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18	989.55	1,650.64
Lease Liability	19	3,972.86	4,327.99
Other financial liabilities	20	-	674.25
Provisions	21	88.40	85.32
<b>Total Non-current liabilities [E]</b>		<b>5,050.81</b>	<b>6,738.20</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	22	220.31	414.66
Lease Liability	19	524.94	487.74
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		38.27	8.67
- total outstanding dues of creditors other than micro enterprises		1,429.50	1,116.46
Other financial liabilities	24	1,460.90	488.47
Other current liabilities	25	93.85	115.59
Provisions	26	62.06	62.71
Current tax liabilities (Net)	27	20.37	10.61
<b>Total current liabilities [F]</b>		<b>3,850.20</b>	<b>2,704.91</b>
<b>Total liabilities [G= [E+F]]</b>		<b>8,901.01</b>	<b>9,443.11</b>
<b>Total equity and liabilities [G+D]</b>		<b>11,378.11</b>	<b>9,554.58</b>

See accompanying notes to consolidated financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sathya P Koushik**  
Partner  
(Membership No. 206920)

**For and on behalf of the Board of Directors**

**Kayum Dhanani**  
Managing Director  
DIN No: 00987597

**T.N Unni**  
Director  
DIN No: 00079237

**Rahul Agrawal**  
Chief Executive Officer & Whole Time Director  
DIN No: 07194134

**Amit V Betala**  
Chief Financial Officer

**Nagamani C Y**  
Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021

**Consolidated Statement of Profit & Loss** for the year ended 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>REVENUE</b>			
Revenue from operations	28	5,070.82	8,469.70
Other income	29	460.48	38.24
<b>Total Revenue (A)</b>		<b>5,531.30</b>	<b>8,507.94</b>
<b>Expenses</b>			
Cost of food and beverages consumed	30	1,782.48	2,921.99
Employee benefits expenses	31	1,351.90	1,975.08
Other operating expenses	32	1,472.61	1,930.48
<b>Total Expenses (B)</b>		<b>4,606.99</b>	<b>6,827.55</b>
<b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C = (A-B))</b>		<b>924.31</b>	<b>1,680.39</b>
Finance costs (D)	33	848.68	755.92
Depreciation and amortisation expense (E)	34	1,211.70	1,339.63
<b>Profit/(loss) before exceptional items and tax (F=(D-E))</b>		<b>(1,136.07)</b>	<b>(415.16)</b>
Exceptional items - loss / (gain) (G)	35	(20.67)	(163.80)
<b>Profit/(loss) before tax (H = (F-G))</b>		<b>(1,115.40)</b>	<b>(251.36)</b>
<b>Tax expense / (benefit)</b>	37		
1. Current tax		-	49.35
2. Deferred tax		(196.55)	(56.63)
3. Deferred tax impact on account of change in effective tax rate		-	85.20
<b>Total tax expense (I)</b>		<b>(196.55)</b>	<b>77.92</b>
<b>Profit/(loss) after tax (J=(H-I))</b>		<b>(918.85)</b>	<b>(329.28)</b>
<b>Profit/(Loss) for the year attributable to:</b>			
Owners of the Company		(904.64)	(323.91)
Non controlling interests		(14.21)	(5.37)
<b>Other comprehensive income (K)</b>			
A (i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit plans		10.15	(7.70)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.55)	1.94
B (i) Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		17.96	(20.73)
<b>Total comprehensive income for the year (J+K)</b>		<b>(893.29)</b>	<b>(355.77)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		(879.08)	(350.40)
Non controlling interests		(14.21)	(5.37)
<b>Earnings per equity share</b>			
1. Basic	44	(31.14)	(11.77)
2. Diluted	44	(31.14)	(11.77)

See accompanying notes to consolidated financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sathya P Koushik**  
Partner  
(Membership No. 206920)

For and on behalf of the Board of Directors

**Kayum Dhanani**  
Managing Director  
DIN No: 00987597

**T.N Unni**  
Director  
DIN No: 00079237

**Rahul Agrawal**  
Chief Executive Officer & Whole Time Director  
DIN No: 07194134

**Amit V Betala**  
Chief Financial Officer

**Nagamani C Y**  
Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021



**Consolidated Cash Flow Statement** for the year ended 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax	(1,115.40)	(251.36)
<b>Adjustments for:</b>		
Depreciation and amortisation	1,211.70	1,339.63
Net (gain)/loss relating to restaurant units closed/relocated	(51.87)	22.37
Write back of gross obligation to acquire non-controlling interests in Red Apple (Refer note 20)	-	(236.17)
Impairment of goodwill (Refer note 6)	-	50.00
Interest expense on borrowings	222.51	172.77
Interest expense on gross obligation	44.25	23.29
Interest expenses on provision for asset retirement obligations	4.37	3.56
Interest on lease liabilities	499.23	481.33
Interest income	(31.44)	(22.21)
Rent Concession due to COVID 19 (Refer note 29)	(422.10)	-
Expense on employee stock option scheme	51.18	13.12
Offer document filing fees written off	5.32	-
Provision no longer required	(5.98)	(9.00)
Provision for doubtful receivables and advances	11.59	10.86
Operating profit before working capital changes	423.36	1,598.19
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(52.27)	43.48
Trade receivables	(4.93)	16.62
Other assets (financial & non financial)	(31.75)	(74.13)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	342.64	343.27
Non-current provisions	12.29	(28.75)
Current provisions	(0.65)	34.61
Other liabilities	(21.74)	(44.32)
Cash generated from operations	666.95	1,888.97
Net income tax (paid)/refunds	12.31	(78.44)
Net cash flow from/(used in) operating activities (A)	679.26	1,810.53
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment, including Right-of-use assets, CWIP and capital advances	(143.26)	(840.59)
Proceeds from sale of property, plant and equipment	0.08	0.68
Aquisition of Subsidiary	-	(674.87)
Deposits placed for margin money	-	(36.44)
Deposits held as margin money released	39.98	-
Interest received	31.44	22.21
Net cash flow from/(used in) investing activities (B)	(71.76)	(1,529.01)

**Consolidated Cash Flow Statement** for the year ended 31st March, 2021

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares (net of share issue expenses)	1,494.97	1.02
Proceeds from Share Application money pending allotment	994.27	-
Share issue expenses/Expenses towards offer for sale of shares	(148.75)	(61.10)
Proceeds from long-term borrowings	186.55	943.88
Proceeds from loans given by director (Net)	3.00	-
Repayment of long-term borrowings	(916.92)	(325.50)
Net increase/(decrease) in working capital borrowings	(194.35)	257.56
Dividend paid (including dividend tax)	-	(33.73)
Payment of lease liabilities	(541.68)	(874.72)
Receipt of Share application money on behalf of selling shareholders (Refer note 16)	1,049.42	-
Interest paid	(226.03)	(172.77)
<b>Net cash flow from financing activities (C)</b>	<b>1,700.48</b>	<b>(265.36)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2,307.98</b>	<b>16.16</b>
Cash and cash equivalents at the beginning of the year	146.96	119.81
Add: Cash and bank balances pursuant to acquisition of subsidiary during the year	-	10.99
<b>Cash and cash equivalents at the end of the year</b>	<b>2,454.94</b>	<b>146.96</b>
<b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet		
Cash on hand	6.62	2.50
Balances with bank	63.00	144.46
Earmarked balances with bank	2,385.32	-
<b>Cash and cash equivalents at the end of the year</b>	<b>2,454.94</b>	<b>146.96</b>

See accompanying notes to consolidated financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 008072S)

**Sathya P Koushik**

Partner

(Membership No. 206920)

**For and on behalf of the Board of Directors****Kayum Dhanani**

Managing Director

DIN No: 00987597

**Rahul Agrawal**

Chief Executive Officer &amp; Whole Time Director

DIN No: 07194134

**T.N Unni**

Director

DIN No: 00079237

**Amit V Betala**

Chief Financial Officer

**Nagamani C Y**

Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021

## Consolidated Statement of Changes in Equity

(Amount in Rupees Millions except for share data or as otherwise stated)

### (a) Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	139.96	139.92
Changes in equity share capital during the year		
Issue of the equity shares during the year	29.76	0.04
<b>Closing balance</b>	<b>169.72</b>	<b>139.96</b>

### (b) Other Equity

Particulars	Reserves and Surplus				Equity attributable to equity holders of the Company (E=A+B+C+D)	Share application money pending allotment (F)	Non-controlling interests (G)	Total Other Equity (H=E+F+G)
	Securities premium (A)	Share options outstanding account (B)	Retained earnings (C)	Other comprehensive income - Foreign currency translation (D)				
Balance as at April 1, 2019	1,628.42	35.98	(464.72)	(23.32)	1,176.36	-	-	1,176.36
Profit/(loss) for the year	-	-	(323.91)	-	(323.91)	-	(5.37)	(329.28)
Remeasurements of the defined benefit plans (net of tax)	-	-	(5.76)	-	(5.76)	-	-	(5.76)
Foreign currency translation	-	-	-	(20.73)	(20.73)	-	-	(20.73)
Total comprehensive income/(loss)	-	-	(329.67)	(20.73)	(350.40)	-	(5.37)	(355.77)
Pursuant to business combination (Refer note 17)	-	-	-	-	-	-	57.68	57.68
Premium received on shares issued during the year	2.59	-	-	-	2.59	-	-	2.59
<b>Transfer on exercise of options</b>	-	<b>(1.61)</b>	-	-	<b>(1.61)</b>	-	-	<b>(1.61)</b>
<b>Transfer on forfeiture of options</b>	-	<b>(0.18)</b>	<b>0.18</b>	-	-	-	-	-
Share based compensation to employees	-	13.12	-	-	13.12	-	-	13.12
Dividend and tax thereon	-	-	(33.73)	-	(33.73)	-	-	(33.73)
Gross obligation towards put option given to non-controlling interests (Refer note 20)	-	-	(887.13)	-	(887.13)	-	-	(887.13)
Balance as at March 31, 2020	1,631.01	47.31	(1,715.07)	(44.05)	(80.80)	-	52.31	(28.49)
Profit/(loss) for the year	-	-	(904.64)	-	(904.64)	-	(14.21)	(918.85)
Remeasurements of the defined benefit plans (net of tax)	-	-	7.60	-	7.60	-	-	7.60
Foreign currency translation	-	-	-	17.96	17.96	-	-	17.96
Total comprehensive income/(loss)	-	-	(897.04)	17.96	(879.08)	-	(14.21)	(893.29)
Premium received on shares issued during the year	<b>1,469.93</b>	-	-	-	<b>1,469.93</b>	-	-	<b>1,469.93</b>
Share issue expenses	<b>(4.72)</b>	-	-	-	<b>(4.72)</b>	-	-	<b>(4.72)</b>
Transfer to retained earnings on account of forfeiture / replacement	-	<b>(56.80)</b>	<b>56.80</b>	-	-	-	-	-
Share based compensation to employees	-	<b>51.18</b>	-	-	<b>51.18</b>	-	-	<b>51.18</b>
De-recognition of gross obligation towards put option given to non-controlling interests (Refer note 20)	-	-	-	-	-	-	<b>718.50</b>	<b>718.50</b>
Share application money received pending allotment (Refer note 16)	-	-	-	-	-	<b>994.27</b>	-	<b>994.27</b>
Balance as at March 31, 2021	<b>3,096.22</b>	<b>41.69</b>	<b>(2,555.31)</b>	<b>(26.09)</b>	<b>556.51</b>	<b>994.27</b>	<b>756.60</b>	<b>2,307.38</b>

See accompanying notes to consolidated financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

For and on behalf of the Board of Directors

**Sathya P Koushik**  
Partner  
(Membership No. 206920)

**Kayum Dhanani**  
Managing Director  
DIN No: 00987597

**Rahul Agrawal**  
Chief Executive Officer & Whole Time Director  
DIN No: 07194134

**T.N Unni**  
Director  
DIN No: 00079237

**Amit V Betala**  
Chief Financial Officer

**Nagamani C Y**  
Company Secretary

Bengaluru, May 24th, 2021

Bengaluru, May 24th, 2021

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 1. Corporate information

Barbeque-Nation Hospitality Limited (the 'Company') and its subsidiaries (collectively referred to as the 'Group'), are primarily engaged in the business of operating casual dining restaurant chain. The registered office of the Company is situated at Survey No. 62, Site No. 13, 6th cross, NS Palya, Stage 2, BTM Layout, Bengaluru - 560 076, Karnataka, India.

### 2. Basis of preparation and presentation:

#### 2.1 Statement of compliance:

These consolidated financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Group, and other relevant provisions of the Act. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Refer note 46 in respect of change in accounting policy due to adoption of Ind AS 116.

#### 2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

COVID-19 pandemic impacted the Group's operations during the initial few months of the year ended March 31, 2021. Further, pursuant to the second wave of the COVID-19 pandemic, the jurisdictional regulatory authorities have announced amongst other measures, social distancing measures and lockdowns (in some parts of country) during the months of April and May 2021.

Due to the aforesaid restrictions placed by the jurisdictional regulatory authorities, the Group's restaurant outlets were not permitted to be open for dine-in operations in more than one state. The restriction placed continue to remain in force as at the date of approval of these financial statements.

The management of the Group has taken various measures to optimise the business operations which inter alia, include:

- (i) The Group has already initiated effective steps to reduce its operational fixed costs which include re-negotiation of Rent and CAM charges for the rented properties.
- (ii) The Group continued focus on Takeaway and Delivery Sales during the lockdown period as permitted by respective jurisdictional authorities.

#### 2.3 Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

- (a) has power over the investee;
- (b) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (c) has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Restated Consolidated Financial Information of the Group include subsidiaries in the table below:

Name of the entity	Country of incorporation	As at March 31, 2021	As at March 31, 2020
Barbeque Nation Mena Holding Limited	Dubai	100%	100%
Barbeque-Nation Restaurant LLC	Dubai	49%	49%
Barbeque Nation (Malaysia) SDN. BHD.	Malaysia	100%	100%
Barbeque Nation International LLC	Oman	49%	49%
Barbeque Nation Holdings Private Limited	Mauritius	100%	100%
Barbeque Holdings Private Limited	Mauritius	-	100%
Barbeque Nation Kitchen LLC	Dubai	49%	49%
Red Apple Kitchen Consultancy Private Limited (Refer note 38)	India	61.35%	61.35%

### 2.4 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer.

Revenue from sale of food and beverages is recognized at the time of underlying sale to the customer. Revenue is presented net of discounts given to the customers and any taxes collected from customers for remittance to the government. In case of discount to customers in the form of gift voucher, the value of such discount is determined based on the percentage of redemption in the past. Customer purchases of gift cards are recognized as sales upon redemption of gift card or upon expiry.

Revenue from displays and sponsorships are recognized in the period in which the products or the sponsor's advertisements are promoted/displayed.

Royalty arrangements based on sales are recognised at the time the underlying sales occur.

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under Serve From India Scheme.

### 2.5 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

### 2.7 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations, (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

### 2.8 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss.

### 2.9 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on tangible assets have been provided on the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

for on a prospective basis. The useful life of assets is given below:

Leasehold improvements	Amortised over the period of the lease
Furniture and fittings	10 Years
Plant & machinery	15 Years
Service equipments	10 Years
Computer equipments	3-6 Years
Vehicles	8 Years

### 2.10 Intangible assets

Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Liquor licenses with perpetual term purchased for restaurant chain business: Amortised over the lease term of the respective restaurants

Software and other licenses	3 Years
Brand name	Indefinite useful life

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

### 2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Cost of inventories include all costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.12 Financial Instruments

#### Financial assets and financial liabilities:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

#### Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

#### Subsequent measurement:

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income: Financial assets are measured at fair value

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

### Financial liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

### Impairment of financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

### Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of profit and loss.

### 2.13 Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

### 2.14 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.15 Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

### 2.16 Employee Benefits

#### Defined Contribution Plan

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

### 2.17 Share based payment transaction

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company had formulated Phantom Option Scheme (POS) under which eligible members are granted phantom shares entitling them to receive cash payments for the amounts measured as a difference between market value of share and the exercise price after the completion of specified period from the date of grant. Fair value of such cash-settled options is measured at every reporting date and is recognised as expense to the Statement of Profit and loss over the remaining vesting period on a straight-line basis with a corresponding adjustment recognised as liability.

### 2.18 Borrowing Costs

Borrowing costs include:

- (a) interest expense calculated using the effective interest rate method,
- (b) finance charges in respect of finance leases, and

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

### 2.19 Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Further, in respect of lease contracts of its outlet premises, the Group has elected not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

#### Measurement of the right-of use asset:

At the commencement date, the right-of-use asset is measured at cost and comprises:

- the amount of the initial measurement of the lease liability, to which is added, if applicable, any lease payments made at or before the commencement date, less any lease incentives received;
- where relevant, any initial direct costs incurred by the lessee for the conclusion of the contract. These are incremental costs which would not have been incurred if the contract had not been concluded;
- estimated costs for restoration and dismantling of the leased asset according to the terms of the contract, through a return obligation liability or provision determined as a discounted amount of the restoration and dismantling costs.

Following the initial recognition, the right-of-use asset is depreciated from the commencement date on a straight-line basis over the lease term. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

#### Measurement of the lease liability

At the commencement date, the lease liability is recognized for an amount equal to the present value of the lease payments over the lease term.

Amounts involved in the measurement of the lease liability are:

- fixed payments (including in-substance fixed payments; meaning that even if they are variable in form, they are in-substance unavoidable);
- variable lease payments that depend on an index or a rate, initially measured using the index or the rate in force at the lease commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

The lease liability is subsequently measured based on a process similar to the amortized cost method using the discount rate:

- the liability is increased by the accrued interests resulting from the discounting of the lease liability, at the beginning of the lease period;
- less payments made. The interest cost for the period as well as variable payments, not taken into account in the initial measurement of the lease liability and incurred over the relevant period are recognized as costs.

In addition, the lease liability may be remeasured in the following situations:

- change in the lease term,
- modification related to the assessment of the reasonably certain nature (or not) of the exercise of an option,
- remeasurement linked to the residual value guarantees,
- adjustment to the rates and indices according to which the rents are calculated when rent adjustments occur.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.20 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax:** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax

Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.21 Provisions and Contingent Liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.22 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

### 2.23 Earnings per share (EPS)

Basic earnings per share are computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 2.24 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 3. Use of estimates and judgements

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

#### Determining control over certain subsidiaries:

The Company's wholly-owned subsidiary, Barbeque Nation Mena Holding Limited, Dubai ('BNHL, Dubai') has 49% stake in following entities:

Name of the entity	Country of incorporation	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Barbeque-Nation Restaurant LLC	Dubai	49%	49%	49%
Barbeque Nation International LLC	Oman	49%	49%	NA
Barbeque Nation Kitchen LLC	Dubai	49%	49%	N/A

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Although BNHL, Dubai holds less than half of the voting power in these entities, pursuant to its unilateral control over the relevant activities of these entities, these are considered subsidiaries of BNHL, Dubai.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

### Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

### Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### Provision for site restoration obligations

The Group has recognised provision for site restoration obligation associated with the stores opened. In determining the value of the provision, assumptions and estimates are made in respect of the expected cost to dismantle and remove the furniture/fixtures from the stores and the expected timing of those costs.

### Uncertain tax positions

The Company's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with relevant tax authorities. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Cost			Accumulated depreciation/amortisation				Net Block		
	Balance as at Apr 01, 2020	Additions	Deletions	Effect of foreign currency exchange differences	Balance as at Mar 31, 2021	Balance as at Apr 01, 2020	Eliminated on disposal of assets	Effect of foreign currency exchange differences	Balance as at Mar 31, 2021	Balance as at Mar 31, 2020
<b>4(a) Property, plant and equipment (owned)</b>										
Lease hold improvements	1,820.27	74.43	(2.63)	(10.19)	1,881.88	684.15	(0.85)	(8.18)	878.92	1,136.12
Furniture and fixtures	1,229.07	37.48	(0.02)	(1.82)	1,264.71	407.88	(0.01)	(0.91)	554.55	821.19
Plant & machinery	901.99	42.63	(0.06)	(1.67)	942.88	174.98	(0.02)	(0.55)	253.57	727.01
Service equipments	967.93	39.10	(0.01)	(2.41)	1,004.62	423.76	(0.00)	(0.85)	540.79	544.17
Computer equipments	188.73	10.16	(0.05)	(0.32)	198.52	103.57	(0.05)	(0.26)	151.70	85.16
Vehicles	15.16	6.79	(2.60)	(0.11)	19.24	6.88	(1.42)	(0.07)	8.05	8.28
<b>Total</b>	<b>5,123.15</b>	<b>210.59</b>	<b>(5.37)</b>	<b>(16.52)</b>	<b>5,311.85</b>	<b>1,801.22</b>	<b>(2.35)</b>	<b>(10.82)</b>	<b>2,387.58</b>	<b>2,924.27</b>
<b>4(b) Intangible assets (others)</b>										
Liquor licenses	11.67	-	-	-	11.67	6.83	-	-	9.28	2.39
Software and licenses	57.62	0.36	-	(0.05)	57.93	24.69	-	(0.05)	36.52	21.41
Brand name	29.48	0.45	-	-	29.93	-	-	-	1.59	29.48
<b>Total</b>	<b>98.77</b>	<b>0.82</b>	<b>-</b>	<b>(0.05)</b>	<b>99.54</b>	<b>31.52</b>	<b>-</b>	<b>(0.05)</b>	<b>47.39</b>	<b>67.25</b>
<b>Grand Total</b>	<b>5,221.92</b>	<b>211.41</b>	<b>(5.37)</b>	<b>(16.57)</b>	<b>5,411.39</b>	<b>1,832.74</b>	<b>(2.35)</b>	<b>(10.87)</b>	<b>2,434.97</b>	<b>2,976.41</b>

Particulars	Cost				Accumulated depreciation/amortisation				Net Block				
	Balance as at Apr 01, 2019	Additions	Acquisition through Business combination (Refer note 38)	Deletions	Effect of foreign currency exchange differences	Balance as at Mar 31, 2020	Balance as at Apr 01, 2019	Depreciation / amortisation expense for the period	Acquisition through Business combination (Refer note 38)	Eliminated on disposal of assets	Effect of foreign currency exchange differences	Balance as at Mar 31, 2020	Balance as at Mar 31, 2019
<b>4(a) Property, plant and equipment (owned)</b>													
Lease hold improvements	1,379.08	279.48	132.71	(0.51)	29.51	1,820.27	281.47	343.85	49.34	(0.49)	9.98	684.15	1,097.61
Furniture and fixtures	1,003.24	192.73	28.82	(0.51)	4.79	1,229.07	245.84	145.19	15.45	(0.29)	1.69	407.88	757.40
Plant & machinery	703.39	179.01	19.60	(4.44)	4.43	901.99	100.92	69.97	5.67	(2.59)	1.01	174.98	602.47
Service equipments	752.52	148.08	61.59	(0.79)	6.53	967.93	262.39	136.37	24.12	(0.48)	1.36	423.76	490.13
Computer equipments	137.88	47.77	3.49	(1.40)	0.99	188.73	57.48	44.97	2.00	(1.38)	0.50	103.57	80.40
Vehicles	7.00	4.60	3.58	(0.32)	0.30	15.16	2.65	2.06	2.24	(0.21)	0.14	6.88	4.35
<b>Total</b>	<b>3,983.11</b>	<b>851.67</b>	<b>249.79</b>	<b>(7.97)</b>	<b>46.55</b>	<b>5,123.15</b>	<b>950.75</b>	<b>742.41</b>	<b>98.82</b>	<b>(5.44)</b>	<b>14.68</b>	<b>1,801.22</b>	<b>3,032.36</b>
<b>4(b) Intangible assets (others)</b>													
Liquor licenses	8.82	0.60	2.25	-	-	11.67	6.67	0.16	-	-	-	6.83	2.15
Software and licenses	37.87	19.62	-	-	0.13	57.62	14.63	9.94	-	-	0.12	24.69	23.24
Brand name	29.48	-	-	-	-	29.48	-	-	-	-	-	-	29.48
<b>Total</b>	<b>76.17</b>	<b>20.22</b>	<b>2.25</b>	<b>-</b>	<b>0.13</b>	<b>98.77</b>	<b>21.30</b>	<b>10.10</b>	<b>-</b>	<b>-</b>	<b>0.12</b>	<b>31.52</b>	<b>54.87</b>
<b>Grand Total</b>	<b>4,059.28</b>	<b>871.89</b>	<b>252.04</b>	<b>(7.97)</b>	<b>46.68</b>	<b>5,221.92</b>	<b>972.05</b>	<b>752.51</b>	<b>98.82</b>	<b>(5.44)</b>	<b>14.80</b>	<b>1,832.74</b>	<b>3,389.18</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 5 Right-of-use asset

Particulars	Amount (Rs.)
<b>As at April 1, 2019</b>	<b>5,556.84</b>
Additions	1,037.68
Adjustment due to modification	(45.04)
Acquired on business combination	364.02
Deletions	(261.30)
Effect of foreign currency exchange differences	33.29
<b>As at March 31, 2020</b>	<b>6,685.49</b>
Additions	198.82
Adjustment due to modification	88.52
Deletions	(325.44)
Effect of foreign currency exchange differences	(9.74)
<b>As at March 31, 2021</b>	<b>6,637.65</b>
<b>Accumulated depreciation</b>	
<b>As at April 1, 2019</b>	<b>2,010.50</b>
Additions	587.12
Acquired on business combination	144.56
Deletions	(83.07)
Effect of foreign currency exchange differences	11.67
<b>As at March 31, 2020</b>	<b>2,670.78</b>
Depreciation charge	596.25
Deletions	(244.19)
Effect of foreign currency exchange differences	(2.14)
<b>As at March 31, 2021</b>	<b>3,020.70</b>
<b>Net Book Value</b>	
As at March 31, 2021	3,616.95
As at March 31, 2020	4,014.71

### 6 Goodwill

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Particulars	As at March 31, 2021	As at March 31, 2020
Cost or deemed cost	722.97	722.97
<b>Total</b>	<b>722.97</b>	<b>722.97</b>

#### Movement of Goodwill

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	722.97	189.66
Additional amounts recognised from business combinations (Refer note 38(I))	-	583.31
Impairment of goodwill relating to business combination of Red Apple Kitchen Consultancy Private Limited	-	(50.00)
<b>Closing balance</b>	<b>722.97</b>	<b>722.97</b>



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Allocation of goodwill to cash generating units:

For the purpose of impairment testing, goodwill has been allocated to group of cash-generating units in the following manner.

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Group of Cash generating units</b>		
Barbeque-Nation	189.66	189.66
Toscano / Café Toscano	583.31	583.31
<b>Total</b>	<b>772.97</b>	<b>772.97</b>

The recoverable amount of the above cash generating units have been determined based on a value in use approach by considering cash flow projections approved by the management covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate.

For its impairment assessment as at March 31, 2021 and as at March 31, 2020, the management has assessed the impact of the COVID-19 pandemic on the operations and forecasted cash flows. The following inputs have been used for arriving the said recoverable amount.

### Outlets operating with the brand name “Barbeque-Nation”

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Input considered</b>		
Discount rate	12.00%	18.00%
Terminal growth rate	2.00%	3.00%

The Directors and the Management have assessed and concluded that the reasonably possible change in the key assumptions would not result in carrying amount of brand and goodwill to exceed the aggregate of their recoverable amounts.

### Outlets operating with the brand name “Toscano” / “Café Toscano”

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Input considered</b>		
Discount rate	12.00%	18.00%
Terminal growth rate	2.00%	2.00%

The table below shows the level upto which key assumptions (individually) can be changed to reach the point at which the value in use approximates the carrying value (post impairment).

Particulars	As at March 31, 2020
Discount rate can be increased upto	17.85%
Projected revenues can be derecased by	12%

As explained in note no 36, given the uncertainty regarding the duration, extent and ultimate impact of the COVID-19 pandemic, the Group cannot estimate with any precision the impact on its prospective financial performance and accordingly, the impact may be different from that estimated as at the date of approval of these consolidated financial statements.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 7 Loans

(Classified under non-current assets)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carried at amortised cost</b>		
Security deposits		
Considered good	300.15	289.15
Credit impaired	30.38	30.94
Less: Allowance for doubtful deposits- credit impaired	(30.38)	(30.94)
<b>Total</b>	<b>300.15</b>	<b>289.15</b>

Allowance for bad and doubtful deposits pursuant to closure of outlets is included in the Net loss relating to restaurant units closed / relocated disclosed under Note 33.

#### Movement in allowance for security deposits

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	30.94	-
Additional provision during the year	-	30.94
Forex difference during the year	(0.56)	-
<b>Closing balance</b>	<b>30.38</b>	<b>30.94</b>

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Security deposits</b>		
Red Apple Kitchen Consultancy Private Limited		
- at amortised cost	2.50	2.50
- at refundable value	2.50	2.50
Sara Soule Private Limited		
- at amortised cost	3.13	3.13
- at refundable value	3.13	3.13
Sana Reality Private Limited		
- at amortised cost	2.45	2.22
- at refundable value	3.00	3.00

### 8 Other financial assets

(Classified under non-current assets)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortised cost		
Balances held as margin money or security	17.71	21.59
<b>Total</b>	<b>17.71</b>	<b>21.59</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 9 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Amounts paid to statutory authorities under protest	30.16	29.77
Other security deposits	16.42	27.47
<b>Total</b>	<b>46.58</b>	<b>57.24</b>

### 10 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(At lower of cost and net realisable value)</b>		
Food and beverages	175.18	133.79
Stores and consumables	26.34	15.46
<b>Total</b>	<b>201.52</b>	<b>149.25</b>

The cost of inventories recognised as an expense includes ₹Nil (₹36.67 for the year ended March 31, 2020) in respect of write-downs of inventory to net realisable value pursuant to temporary lockdown of restaurant outlets on account of COVID-19 pandemic.

### 11 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (unsecured) consist of following		
considered good	26.44	21.51
credit impaired	1.69	1.65
	<b>28.13</b>	<b>23.16</b>
Less: Allowance for credit loss	(1.69)	(1.65)
<b>Total</b>	<b>26.44</b>	<b>21.51</b>

The Group'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 card issuing banks. The Group also has certain receivables from corporates on credit terms ranging upto 60 days.

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

**Movement in allowance for credit loss is as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1.65	14.68
Movement in expected credit loss (ECL) allowance on trade receivables at lifetime ECL	0.04	-
Written-off during the year	-	(13.03)
<b>Closing balance</b>	<b>1.69</b>	<b>1.65</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 12 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	6.62	2.50
Balances with banks :		
In current accounts	63.00	144.46
Earmarked balances with banks		
In current accounts (Refer note 47)	2,043.69	-
In deposit accounts (having maturity less than 3 months)	341.63	-
<b>Cash and cash equivalents as per balance sheet</b>	<b>2,454.94</b>	<b>146.96</b>

### 13 Other financial assets

(Classified under non-current assets)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances held as margin money or security	-	36.10
Interest accrued on fixed deposits	-	5.79
<b>Total</b>	<b>-</b>	<b>41.89</b>

### 14 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to employees	26.19	27.69
Prepaid expenses	106.80	72.54
Advances paid for supply of materials / rendering of services		
Unsecured, considered good	56.10	65.95
Doubtful	10.90	9.93
	<b>67.00</b>	<b>75.88</b>
Less: Allowance for bad and doubtful advances	(10.90)	(9.93)
	<b>56.10</b>	<b>65.95</b>
Balance with Government authorities	13.65	10.95
Unamortised share issue expenses (Refer note below)	279.61	136.18
<b>Total</b>	<b>482.35</b>	<b>313.31</b>

The Company has incurred expenses towards proposed Initial Public Offering of its equity shares. The Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.

#### Movement in allowance for bad and doubtful advances

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	9.93	9.96
Additional provision during the year	11.27	5.95
Written-off during the year	(10.30)	(5.98)
<b>Closing balance</b>	<b>10.90</b>	<b>9.93</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 15 Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
60,000,000 equity shares of ₹5/- each (as at 31-March-20 60,000,000 equity shares of ₹5/- each)	300.00	300.00
<b>Issued, subscribed and fully paid up capital</b>		
33,942,920 equity shares of ₹5/- each (as at 31-March-20 2,79,91,788 equity shares of ₹5/- each)	169.72	139.96
<b>Total</b>	<b>169.72</b>	<b>139.96</b>

#### (a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of ₹5/ each:</b>				
Opening balance	2,79,91,788	139.96	2,79,84,014	139.92
Add: Issued during the year #	59,51,132	29.76	7,774	0.04
<b>Closing balance</b>	<b>3,39,42,920</b>	<b>169.72</b>	<b>2,79,91,788</b>	<b>139.96</b>

#

- (i) 7,774 equity shares of ₹5 each were issued to employees pursuant to Employee stock options scheme in FY 2019-20.
- (ii) 5,951,132 equity shares of ₹5 each were issued under Pre IPO Placement at a premium of ₹247 per share in FY 2020-21.

#### (b) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Sayaji Housekeeping Services Limited	1,26,21,116	37.18%	1,26,21,116	45.09%
Tamara Private Limited	60,78,402	17.91%	60,78,402	21.71%
Jubilant FoodWorks Limited	36,50,794	10.76%	-	0.00%
Pace Private Limited	31,82,964	9.38%	31,82,964	11.37%

#### (c) Number of equity shares reserved for issuance

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹5/- each		
to eligible employees under Employee Stock Option Scheme	9,24,706	9,24,706

- (d) The Company has only one class of equity share having a par value of ₹5/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 16 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Share application money pending allotment (Refer note (i) below)	994.27	-
Reserves and surplus (Refer Note (ii) below)		
Securities premium	3,096.22	1,631.01
Share based payment reserve	41.69	47.31
Foreign currency translation reserve	(26.09)	(44.05)
Retained earnings	(1,836.81)	(1,715.07)
<b>Total</b>	<b>2,269.28</b>	<b>(80.80)</b>

#### (i) Share application money pending allotment

Pursuant to the Initial Public Offering, the Company has opened the bid/offer on March 23, 2021 to the Anchor investors and have received ₹2,043.69 on March 23, 2021. Out of this, the Company has allocated ₹994.27 towards fresh issue of equity shares and such shares have been issued at a price of ₹500 per share on April 05, 2021 subsequently. Balance of ₹1,049.42 relates to the proceeds received by the Company on behalf of selling shareholders and has been accounted as payable to selling shareholders under Note 24 - Other financial liabilities.

#### (ii) Reserves & Surplus

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Securities premium</b>		
Opening balance	1,631.01	1,628.42
Add: Premium on shares issued during the year	1,469.93	2.59
Less : Share issue expenses	(4.72)	-
<b>Closing balance</b>	<b>3,096.22</b>	<b>1,631.01</b>
<b>Share based payment reserve</b>		
Opening balance	47.31	35.98
Add: Charge for the year	51.18	13.12
Less: Transfer to securities premium on account of exercise	-	(1.61)
Less: Transfer to retained earnings on account of forfeiture / replacement	(56.80)	(0.18)
<b>Closing balance</b>	<b>41.69</b>	<b>47.31</b>
<b>Retained earnings</b>		
Opening balance	(1,715.07)	(464.72)
Add: Transfer on forfeiture/ replacement of options	56.80	0.18
Less: Gross obligation towards put option given to non-controlling interests	-	(887.13)
Add: Profit/(loss) for the year	(904.64)	(323.91)
Less: De-recognition of gross obligation towards put option given to non-controlling interests (Refer note 20)	718.50	-
Add/(Less) : Remeasurement gain/(loss) recognised in Other comprehensive Income (net of tax)	7.60	(5.76)
Less: Dividend on equity shares	-	(27.98)
Less: Dividend distribution tax	-	(5.75)
<b>Closing balance</b>	<b>(1,836.81)</b>	<b>(1,715.07)</b>
<b>Items of other comprehensive income</b>		
<b>Foreign currency translation reserve</b>		
Opening balance	(44.05)	(23.32)
Add: Additions during the year	17.96	(20.73)
<b>Closing balance</b>	<b>(26.09)</b>	<b>(44.05)</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
The amount of dividends proposed before the financial statements were approved for issue but not recognised as a distribution to owners during the year	-	-
Tax on dividend above	-	-

### Nature and purpose of other reserves

Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Share based payment reserve: The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

Foreign currency translation reserve: Foreign currency translation reserve comprises of exchange (gain)/loss arising on translation of foreign subsidiary.

Retained earnings : Retained earnings are the profit / loss that the Group has earned / incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

## 17 Non-controlling interests

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	52.31	-
Non-controlling interests arising on the acquisition of Red Apple Kitchen Consultancy Private Limited (Refer note 38)	-	57.68
Share of profit / (loss)	(14.21)	(5.37)
Balance at end of year	38.10	52.31

## 18 Borrowings

(Classified under non-current liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured at amortised cost:</b>		
(For details of terms and security, refer notes)		
Term loans		
(i) from banks	984.80	1,267.18
(ii) from non-banking financial institutions	-	382.14
Vehicle loans	4.75	1.32
<b>Total</b>	<b>989.55</b>	<b>1,650.64</b>

Notes: Details of security and terms of repayment for the long-term borrowings:

### Terms of repayment and security

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans from banks		
(i) Term loan 1:		
Non-Current portion	222.80	291.73
Current maturities of long-term debt	76.68	45.77

See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Repayment terms:</b>		
Repayable in 60 monthly instalments after a moratorium of 6 months and carries an interest rate of 1 Year MCLR + 0.40% p.a		
<b>Security :</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(ii) Term loan 2:</b>		
<b>Non-current portion</b>	-	11.77
<b>Current maturities of long-term debt</b>	13.22	13.69
<b>Repayment terms:</b>		
USD loan - Repayable in 60 defined monthly instalments and carries an interest rate of 6 months LIBOR + 450 base points		
<b>Security :</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company.		
<b>(iii) Term loan 3:</b>		
<b>Non-current portion</b>	34.67	52.51
<b>Current maturities of long-term debt</b>	17.35	10.51
<b>Repayment terms:</b>		
Repayable in 60 equal monthly instalments and carries an interest rate of 12 month MCLR plus 1% p.a		
<b>Security :</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(iv) Term loan 4:</b>		
<b>Non-current portion</b>	-	11.56
<b>Current maturities of long-term debt</b>	12.50	8.26
<b>Repayment terms:</b>		
Repayable in 42 defined monthly instalments and carries an interest rate of 12 month MCLR plus 1% p.a		

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Security :</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(v) Term loan 5:</b>		
<b>Non-current portion</b>	160.34	207.24
<b>Current maturities of long-term debt</b>	55.56	39.41
<b>Repayment terms:</b>		
Repayable in 54 defined installments and carries an interest rate of 1 year MCLR plus 0.85% p.a.		
<b>Security :</b>		
1) First paripassu charge by way of hypothecation on entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future.		
2) First paripassu charge on entire current assets and security deposits of the Company, both present and future.		
3) First paripassu charge by way of hypothecation over the Brand of the Company		
<b>(vi) Term loan 6:</b>		
<b>Non-current portion</b>	-	254.96
<b>Current maturities of long-term debt</b>	-	48.38
<b>Repayment terms:</b>		
Repayable in 60 monthly instalments and carries interest rate at 1 year MCLR plus 0.60% p.a.		
<b>Security :</b>		
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First paripassu charge over the Brand of the Company		
<b>(vii) Term loan 7:</b>		
<b>Non-current portion</b>	9.35	17.92
<b>Current maturities of long-term debt</b>	11.03	4.79
<b>Repayment terms:</b>		
Repayable in 20 equal quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a.		
<b>Security :</b>		
1) First paripassu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First paripassu charge over the Brand of the Company		
<b>(viii) Term loan 8:</b>		
<b>Non-current portion</b>	7.10	18.67
<b>Current maturities of long-term debt</b>	10.53	5.08
<b>Repayment terms:</b>		

See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Repayable in 19 equal quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a.		
<b>Security :</b>		
1) First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First pari passu charge over the Brand of the Company		
<b>(ix) Term loan 9:</b>		
<b>Non-current portion</b>	-	-
<b>Current maturities of long-term debt</b>	-	-
<b>Repayment terms:</b>		
Repayable in 9 quarterly instalments and carries an interest at 1 year MCLR + 155 base points p.a.		
<b>Security :</b>		
1) First pari passu charge on the entire fixed assets, current assets and security deposits of the Company, both present and future		
2) First pari passu charge over the Brand of the Company		
<b>(x) Term loan 10:</b>		
<b>Non-current portion</b>	-	187.00
<b>Current maturities of long-term debt</b>	-	39.20
<b>Repayment terms:</b>		
Repayable in 36 defined monthly installments and carries an interest rate of 14% p.a.		
<b>Security :</b>		
1) Second ranking pari-passu charge over all current and moveable fixed assets and security deposits of the Company, both present and future.		
2) Exclusive pledge over the shares of Red Apple Kitchen Consultancy Private Limited.		
<b>(xi) Term loan 11:</b>		
<b>Non-current portion</b>	-	195.14
<b>Current maturities of long-term debt</b>	-	51.26
<b>Repayment terms:</b>		
Repayable in 33 defined monthly installments and carries an interest rate of 14% p.a.		
<b>Security :</b>		
1) Second pari passu charge over all current assets and security deposits of the Company, both present and future		
2) Exclusive pledge over 35% of the aggregate share capital of Red Apple Kitchen Consultancy Private Limited (on a fully diluted basis) acquired by the Company		
<b>(xii) Term loan 12:</b>		
<b>Non-current portion</b>	5.75	0.89
<b>Current maturities of long-term debt</b>	3.22	2.92
<b>Repayment terms:</b>		
Repayable in 18 equated monthly instalments and carries an interest of 12% p.a.		



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Security :</b>		
First paripassu charge on all current assets of Red Apple Kitchen Consultancy Private Limited		
<b>(xiii) Term loan 13:</b>		
<b>Non-current portion</b>	27.26	32.19
<b>Current maturities of long-term debt</b>	12.00	14.31
<b>Repayment terms:</b>		
USD loan - Repayable in 11 unequal half yearly installments after a moratorium of 12 months and carries an interest rate of 6-month LIBOR plus 450 bps		
<b>Security :</b>		
1) First paripassu charge on all current assets, movable fixed assets (present & future ) including security deposits of the Company		
2) First paripassu charge on brand and other intangible assets of Company		
3) Corporate guarentee by Barbeque Nation Hospitality Limited, Parent Company		
<b>(xiv) Term loan 14:</b>		
<b>Non-current portion</b>	364.30	367.74
<b>Current maturities of long-term debt</b>	76.37	97.75
<b>Repayment terms:</b>		
USD loan - Repayable in 24 equal quarterly installments after a moratorium of 12 months and carries an interest rate of 6 months LIBOR plus 300 bps p.a.p.m.		
<b>Security :</b>		
1) First paripassu charge on all the current assets, movable fixed assets (present and future) including security deposits of the Company		
2) First paripassu charge over the Brand and other intangible assets of the Company		
3) Corporate guarentee by Barbeque Nation Hospitality Limited, Parent Company		
<b>(xv) Term loan 15:</b>		
<b>Non-current portion</b>	133.85	-
<b>Current maturities of long-term debt</b>	15.46	-
<b>Repayment terms:</b>		
Repayable in 47 defined monthly installments and carries an interest rate 8.45% 1 year MCLR		
<b>Security :</b>		
1) Second paripassu charge over all current assets and security deposits of the Company, both present and future		
<b>(xvi) Term loan 16:</b>		
<b>Non-current portion</b>	19.32	-
<b>Current maturities of long-term debt</b>	7.92	-
<b>Repayment terms:</b>		
Repayable in in 6 equal monthly instalments		
<b>Security :</b>		

**See accompanying notes to the Consolidated Financial Statements**

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Paripassu first charge by way of hypothecation along with other term lenders on		
1. Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future		
2. Entire current assets and security deposits of the Company, both present and future		
3. Brand of the Company		
<b>(xvii) Vehicle loan 1:</b>		
<b>Non-current portion</b>	0.06	0.27
<b>Current maturities of long-term debt</b>	0.32	0.33
<b>Repayment terms:</b>		
AED loan - Repayable in 48 equated monthly installments and carries an interest rate of 3.25% p.a.		
<b>Security :</b>		
1) Undated security cheques for the entire loan amount		
2) Personal guarantee of Mr. Mansoor Mohmed Ismail Memon, Director		
<b>(xviii) Vehicle loan 2:</b>		
<b>Non-current portion</b>	-	-
<b>Current maturities of long-term debt</b>	0.10	0.47
<b>Repayment terms:</b>		
AED loan - Repayable in 36 equated monthly installments and carries an interest rate of 3.25% p.a.		
<b>Security :</b>		
1) Undated security cheques for the entire loan amount		
2) Personal guarantee of Mr. Mansoor Mohmed Ismail Memon, Director		
<b>(xix) Vehicle loan 3:</b>		
<b>Non-current portion</b>	4.75	1.05
<b>Current maturities of long-term debt</b>	2.79	2.20
<b>Repayment terms:</b>		
Repayable in 36 equated monthly installments and carries an interest rate of 8.5% p.a.		
<b>Security :</b>		
Hypothecation of underlying vehicle in favor of lender		
<b>(xx) Director loan:</b>		
<b>Non-current portion</b>	-	-
<b>Current maturities of long-term debt</b>	3.00	-
<b>Repayment terms:</b>		
Repayable in 6 equated monthly installments and carries nil interest rate		
<b>Security :</b>		
Nil		
<b>Total</b>	<b>1,307.60</b>	<b>2,034.97</b>
<b>Non-current portion</b>	<b>989.55</b>	<b>1,650.64</b>
<b>Current maturities of long-term debt</b>	<b>318.05</b>	<b>384.33</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 19 Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening balance</b>	<b>4,815.73</b>	<b>4,199.67</b>
Additions	190.39	1,016.77
Acquired on business combination	-	216.67
Adjustment due to modification	84.35	(45.04)
Accretion of interest	499.23	481.29
Payments	(527.35)	(874.72)
Rent concession due to COVID 19	(422.10)	-
Deletions	(133.12)	(211.39)
Effect of foreign currency exchange differences	(9.33)	32.48
<b>Closing balance</b>	<b>4,497.80</b>	<b>4,815.73</b>
Current	524.94	487.74
Non-Current	3,972.86	4,327.99
<b>Maturity Analysis - contractual undiscounted cash flows</b>		
Less than one year	964.81	969.09
One to five years	3,262.97	4,063.70
More than five years	2,510.13	2,417.59
<b>Total Undiscounted Lease Liability as at</b>	<b>6,737.91</b>	<b>7,450.38</b>

### 20 Other financial liabilities

(Classified under non-current liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross obligation towards put option given to non-controlling interests	674.25	887.13
Add: Accretion of interest	44.25	23.29
Less: Write back of gross obligation (Refer note below)	-	(236.17)
Less: De-recognition of gross obligation (Refer note below)	(718.50)	
<b>Total</b>	<b>-</b>	<b>674.25</b>

Refer note 38 for details of acquisition of Red Apple Kitchen Consultancy Private Limited ("Red Apple")

#### Note:

The non-controlling interests in Red Apple are entitled for put options to sell their equity shares in accordance with the terms of underlying agreement with shareholders. Should the option be exercised, the Company has to settle such liability by payment of cash. As at the acquisition date, the amount that may become payable on the exercise of option is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. The amount so recognised on acquisition date was determined by the management based on information available as at such date. The finance cost on such gross obligation recognised as financial liability is computed at 10.5% per annum from the date of acquisition.

As at March 31, 2020, the management has re-estimated the gross obligation that may become payable due to significant changes in the business and economic conditions pursuant to COVID-19 pandemic. Based on such revised estimate, the carrying value of gross obligations required reduction by ₹236.17 which was recognised under exceptional items.

Pursuant to the terms of understanding entered into between the Group and put option holders on November 16, 2020, put option stands cancelled and accordingly, the carrying value of the gross obligation amounting ₹718.50 as on this date has been derecognised and the corresponding credit has been adjusted in retained earnings.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 21 Provisions

(Classified under non-current liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Compensated absences	10.49	7.95
Gratuity	37.32	38.65
Provision for asset retirement obligations	40.59	38.72
<b>Total</b>	<b>88.40</b>	<b>85.32</b>

### 22 Borrowings

(Classified under current liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured loans repayable on demand from banks:</b>		
(i) Working capital loan	50.00	50.00
The rate of interest is 1 month MCLR plus 65 bps		
Security		
Paripassu first charge by way of hypothecation along with other term lenders on		
1) Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future		
2) Entire current assets and security deposits of the Company, both present and future		
3) Brand of the Company		
(ii) Overdraft facility	-	99.42
The rate of interest is 6 month MCLR plus 25 bps		
Security		
Paripassu first charge by way of hypothecation along with other term lenders on		
1) Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future		
2) Entire current assets and security deposits of the Company, both present and future		
3) Brand of the Company		
<b>Unsecured</b>		
(i) Overdraft facility	133.54	158.74
Repayable on demand and carries and interest rate of 1 year MCLR plus 15 bps		
(ii) CC - A Treds	-	71.80
Repayable on demand and the rate of financing depends on the bidding by various banks on the platform.		
(iii) Credit card payables	36.77	34.70
Repayable in fifty two days credit period		
<b>Total</b>	<b>220.31</b>	<b>414.66</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 23 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Other than Acceptances		
Total outstanding dues of micro enterprises and small enterprises	38.27	8.67
Total outstanding dues of creditors other than micro enterprises	1,429.50	1,116.46
<b>Total</b>	<b>1,467.77</b>	<b>1,125.13</b>

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Further, interest has been accrued in respect of overdues outstanding as of March 31, 2021. The dues to micro and small enterprises as at March 31, 2021 and March 31, 2020 are as follows:

#### Disclosure required under section 22 of the micro, small and Medium Enterprises Development Act, 2006:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	34.81	8.67
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	3.46	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

### 24 Other financial liabilities

(classified under current)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current maturities of long-term borrowings</b>		
From banks	315.05	293.87
From non banking financial institutions	-	90.46
From director	3.00	-
Interest accrued but not due on borrowings	4.74	8.26
<b>Other payables</b>		
Payables on purchase of property, plant and equipment	88.69	95.88
Payable to selling shareholders (Refer note 16)	1,049.42	-
<b>Total</b>	<b>1,460.90</b>	<b>488.47</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 25 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Payable towards statutory remittances	69.85	81.53
Contract Liability		
Gift card liability (Refer note below)	24.00	34.06
<b>Total</b>	<b>93.85</b>	<b>115.59</b>

#### Note:

The Group recognised revenue from contractual liability in the statement of profit and loss in the following year.

### 26 Provisions

(classified under current liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Compensated absences	27.49	22.44
Gratuity	31.27	34.01
Provision for asset retirement obligations	3.30	6.26
<b>Total</b>	<b>62.06</b>	<b>62.71</b>

### 27 Current tax liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision - Others:		
Income Tax (net of advance income tax)	20.37	10.61
<b>Total</b>	<b>20.37</b>	<b>10.61</b>

### 28 Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of food & beverages	5,056.90	8,453.34
Other operating revenues (net of expenses directly attributable to such income) (Refer note (i) below)	13.92	16.36
<b>Total</b>	<b>5,070.82</b>	<b>8,469.70</b>

Refer Note 43 for disaggregated revenues by geography.

#### (i) Other operating revenue

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from displays and sponsorships	0.59	2.43
Share of profits and income from royalty	3.09	5.31
Sale of scrap	1.68	2.23
Other receipts from outdoor catering	0.77	1.96
Others	7.79	4.43
<b>Total</b>	<b>13.92</b>	<b>16.36</b>



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 29 Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on		
Interest income on fixed deposits with banks	10.32	5.14
Interest income from other financial assets at amortised cost	21.12	17.07
Others	-	0.70
Provision no longer required	5.98	9.00
Foreign exchange gain (net)	0.96	6.33
Rent Concession due to COVID 19 (Refer note below)	422.10	-
<b>Total</b>	<b>460.48</b>	<b>38.24</b>

#### Note:

Consequent to COVID 19 pandemic, the Group has negotiated several rent concessions. In view of the amendment by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Group has elected, as a practical expedient, not to assess these rent concessions as lease modifications and has recognized impact of such rent concession in the Statement of Profit and Loss. The election is made for all such rent concessions as these satisfy the conditions mentioned in Para 46A and Para 46B of Ind AS 116 (as amended). Accordingly, rent concessions aggregating to ₹422.10 for the year ended March 31, 2021 have been recognised under Other income.

### 30 Cost of food and beverages consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening Stock</b>	<b>133.79</b>	<b>139.82</b>
Opening stock of acquisition during the year	-	11.09
Add: Purchases	1,823.87	2,904.87
	<b>1,957.66</b>	<b>3,055.78</b>
Less Closing stock	(175.18)	(133.79)
<b>Total</b>	<b>1,782.48</b>	<b>2,921.99</b>

### 31 Employee benefits expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	992.48	1,415.11
Contributions to provident fund	61.66	77.13
Gratuity expenses	13.71	18.11
Expense on employee stock option scheme	25.30	13.12
Staff welfare expenses	258.75	451.61
<b>Total</b>	<b>1,351.90</b>	<b>1,975.08</b>

### 32 Other operating expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores & operating supplies	199.27	181.49
Power and fuel	426.42	659.38
Rent including lease rentals	196.03	162.03
Repairs and maintenance:		

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Buildings	4.82	4.74
Machinery	24.62	33.51
Others	28.62	31.16
House keeping services	46.84	140.72
Water charges	27.97	45.33
Insurance	17.82	15.19
Rates and taxes	76.17	90.02
Communication	34.73	42.99
Travelling and conveyance	34.15	53.79
Printing and stationery	21.77	41.65
Laundry expenses	4.41	18.45
Security service charges	9.15	19.86
Recruitment expenses	0.27	2.35
Business promotion	84.63	174.28
Vehicle hiring charges	7.39	11.31
Legal and professional	50.92	50.98
Payments to auditors (Refer note below)	8.19	7.67
Parking Charges	3.04	7.31
Corporate social responsibility	-	0.20
Loss on sale of property, plant and equipment (net)	1.08	1.85
Provision for doubtful receivables and advances	11.59	10.86
Commission to the delivery agents	102.95	4.37
Miscellaneous expenses	49.76	118.99
<b>Total</b>	<b>1,472.61</b>	<b>1,930.48</b>
<b>Payment to auditors</b>		
(Excluding ₹5.84 (₹8.85 for the year ended March 31, 2020) which are considered as unamortised share issue expenses under other current assets)		
For statutory audit	4.50	4.50
For statutory audit of subsidiaries (paid to other auditor)	2.38	1.86
Reimbursement of expenses	0.50	0.50
Taxes thereon	0.81	0.81
<b>Total</b>	<b>8.19</b>	<b>7.67</b>

### 33 Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on:		
Borrowings	222.51	172.77
Provision for asset retirement obligations	4.37	3.56
Interest on lease liabilities	499.23	481.33
Gross obligation	44.25	23.29
Others	20.00	0.33
Receivable discounting charges	25.55	57.35
Other bank charges	32.77	17.29
<b>Total</b>	<b>848.68</b>	<b>755.92</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 34 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	599.53	742.41
Depreciation on Right-of-use assets	596.25	587.12
Amortisation of intangible assets	15.92	10.10
<b>Total</b>	<b>1,211.70</b>	<b>1,339.63</b>

### 35 Exceptional items

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net (gain) / loss relating to restaurant units closed / relocated during the year	(51.87)	22.37
Expenses towards accelerated vesting of employee stock options surrendered	25.88	-
Offer document filing fees written off	5.32	-
Write back of gross obligation to acquire non-controlling interests in Red Apple (Refer note 20)	-	(236.17)
Impairment of goodwill (Refer note 6)	-	50.00
<b>Total</b>	<b>(20.67)</b>	<b>(163.80)</b>

**36** As explained in Note 2, the impact of the COVID-19 pandemic and the measures put in place to control the spread of virus, have triggered significant disruptions to the Group's operations. The management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the management has used external and internal information to assess the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions and based on the current estimates, the Group expects that the carrying value of the assets as at March 31, 2021 is fully recoverable.

The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements.

### 37 Tax expense / (benefit):

#### Tax expenses recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Continuing operations</b>		
Current tax	-	49.35
Deferred tax	(196.55)	(56.63)
Deferred tax impact due to change in tax rate	-	85.20
<b>Tax expenses for continuing operations</b>	<b>(196.55)</b>	<b>77.92</b>
<b>Discontinued operations:</b>		
Current tax expense	-	-
<b>Tax expenses for continuing operations</b>	<b>-</b>	<b>-</b>
<b>Total tax expense</b>	<b>(196.55)</b>	<b>77.92</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	(1,115.40)	(251.36)
Add: Losses of foreign subsidiaries in non-taxable jurisdictions	133.87	323.46
<b>Profit before tax of Indian Group Companies subject to Income Tax</b>	<b>(981.53)</b>	<b>72.10</b>
Enacted income tax rate in India	25.17%	25.17%
<b>Computed expected tax expense</b>	<b>(247.03)</b>	<b>18.15</b>
<b>Income tax effect on:</b>		
Change in tax rate (Refer note below)	-	85.20
Adjustments recognised in respect of changes in tax WDV	-	6.12
Goodwill pursuant to the amendment to section 32(1)(ii) of Income Tax Act, 1961	10.24	-
Deduction u/s 80JJAA of Income tax Act, 1961	-	(12.42)
Write back of gross obligation to acquire non-controlling interests in Red Apple	-	(59.44)
Finance cost relating to gross obligation to acquire non-controlling interests in Red Apple	15.63	5.86
Impairment of goodwill	-	12.58
Expenses relating to closed outlets	13.05	8.95
Other non-deductible expenses under income tax	10.45	4.87
Others	1.11	8.05
<b>Income tax expense recognised in Statement of profit and loss</b>	<b>(196.55)</b>	<b>77.92</b>

### Note:

The Government of India vide ordinance No 15 of 2019 dated September 20, 2019 amended the income tax provision by inserting section 115BAA. As per amended provisions, the Company had opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the condition mentioned under the amendment provisions and recognised the effect of change by revising the annual effective income tax rate. Due to the reduced tax rate, the Company had re-measured its Net Deferred Tax Assets as at April 01, 2019 and the impact of this change had been fully recognized in the Statement of Profit and Loss for the previous year ended March 31, 2020 under "Tax Expense".

### Movement in deferred tax balances

Particulars	For the year ended March 31, 2021			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Tax effect of items constituting deferred tax assets</b>				
On unused tax losses (Refer note below)	-	161.71	-	161.71
Property, Plant and Equipment	41.43	40.86	-	82.29
Lease liability (net of right-of-use asset)	210.60	19.00	-	229.60
Provision towards asset retirement obligations	11.33	(0.27)	-	11.06
Employee Benefits and other provisions	35.60	(1.61)	(2.55)	31.44
Others	16.43	(12.90)	-	3.53
<b>Tax effect of items constituting deferred tax liabilities</b>				
Goodwill	(37.49)	(10.24)		(47.73)
<b>Net deferred tax asset / (liabilities)</b>	<b>277.90</b>	<b>196.55</b>	<b>(2.55)</b>	<b>471.90</b>

### Note:

The Company has recognised deferred tax asset on the unused tax losses, as it is probable that future taxable profit will be available against which such unused tax losses can be utilised in the foreseeable future.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2020				
	Opening balance	Impact due to reduction in tax rate	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Tax effect of items constituting deferred tax assets</b>					
Property, Plant and Equipment	14.49	(3.72)	30.66	-	41.43
Lease liability (net of right-of-use asset)	262.96	(73.57)	21.21	-	210.60
Provision towards asset retirement obligations	19.76	(5.53)	(2.90)	-	11.33
Employee Benefits and other provisions	46.13	(12.91)	0.44	1.94	35.60
Others	8.05	(2.25)	10.63	-	16.43
<b>Tax effect of items constituting deferred tax liabilities</b>					
Goodwill	(46.86)	12.78	(3.41)	-	(37.49)
<b>Net deferred tax asset / (liabilities)</b>	<b>304.53</b>	<b>(85.20)</b>	<b>56.63</b>	<b>1.94</b>	<b>277.90</b>

### 38 Business combination

#### I Subsidiary acquired during the financial year 2019-20

On October 31, 2019, the Company entered into a Securities Purchase Agreement ("SPA") with Samar Retail Private Limited, a related party which is controlled by the Managing Director of the Company, to purchase securities of Red Apple Kitchen Consultancy Private Limited ("Red Apple") representing 61.35% stake on a fully diluted basis and additional acquisition rights in Red Apple, for a total consideration of ₹674.87. Red Apple is engaged in the business of operating restaurants in India under the brand names "Toscano" and "Café Toscano". Pursuant to the approval of the Company's board of directors, shareholders and audit committee, this acquisition was completed on December 31, 2019. The Group has consolidated this subsidiary in these consolidated financial statements with effect from January 1, 2020.

#### (a) The fair value of assets acquired and the liabilities assumed are given below:

Particulars	Amount (Rs.)
Non-current assets	390.97
Current assets	58.46
<b>Total assets</b>	<b>449.43</b>
Non-current liabilities	187.43
Current liabilities	112.76
<b>Total liabilities</b>	<b>300.19</b>

The Group also had an obligation for further payment of consideration in respect of the above acquisition if the EBITDA (EBITDA = Profit after tax + interest expense and finance charges for any bank loans + Tax on the income of the Company + all amounts provided for depreciation and amortisation) of Red Apple for financial year ended March 31, 2020 exceeds ₹110. As at the acquisition date, the EBITDA of Red Apple for the said period was not expected to exceed the specified threshold and accordingly, no contingent consideration was recorded.

#### (b) Goodwill arising on acquisition

Particulars	Amount (Rs.)
Consideration transferred (In cash)	674.87
Add: Non-controlling interests (Refer note (c) below)	57.68
Less: Fair value of identifiable net assets acquired	(149.24)
<b>Goodwill arising on acquisition</b>	<b>583.31</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### (c) Non-controlling interests

On the date of acquisition, non-controlling interest held stake of 38.65% in Red Apple. The group has recognised non-controlling interests in Red Apple at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. The non-controlling interests in Red Apple are entitled for put options to sell their equity shares in accordance with the terms of underlying agreement with shareholders. Should the option be exercised, the Company has to settle such liability by payment of cash. As at the acquisition date, the amount that may become payable on the exercise of option is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. The amount so recognised on acquisition date was determined by the management based on information available as at such date. Details of initial recognition of such gross obligation has been given in the below table:

Particulars	Amount (Rs.)
Consolidated Balance sheet	
Initial recognition of gross obligation under Other financial liabilities (non-current) with a corresponding debit to shareholders' equity	887.13

### (d) Net cash outflow on acquisition

Particulars	Amount (Rs.)
Consideration paid in cash	674.87
Less: Cash and cash equivalents acquired	(10.99)
<b>Net cash outflow on acquisition</b>	<b>663.88</b>

### (e) Impact of acquisitions on the results of the Group

Results from continuing operations for the year ended March 31, 2020 includes the following revenue and loss from the acquisition of Red Apple:

Particulars	Amount (Rs.)
Revenue	112.34
Loss for the period	(15.50)

The above excludes impact of unwinding of discount on gross obligation towards written put options given to non controlling interests.

Had these business combinations been effected at April 1, 2019, the proforma revenue and the profit for the year from the respective businesses acquired would have been as below:

Particulars	Amount (Rs.)
Revenue	460.68
Profit for the year	8.17

## 39 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debt on account of:		
Indirect tax matters #	170.94	493.78
Direct tax matters	420.36	420.36
Other matters	16.07	-
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	23.18	102.60

# The Company was subject to Anti-profiteering investigation for the period Nov 15, 2017 to Mar 31, 2019 by Director General of Anti-Profiteering (DGAP). During the year ended March 31, 2020, DGAP has conducted



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

the investigation and submitted the report to National Anti-Profiteering Authority (NAA) with a demand amounting ₹325.88 and the Group has disclosed such demand as contingent liability as of March 31, 2020. Subsequently, during the year ended March 31, 2021, NAA has examined this report and ruled that methodology adopted by DGAP while arriving at the demand is incorrect and directed to conduct further investigation. Accordingly, the demand of ₹325.88 has been excluded from contingent liability as of March 31, 2021 as the investigation is under process.

### 40 Employee benefit plans

#### Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Particulars	As at March 31, 2021	As at March 31, 2020
Contribution to Provident Fund and Employee State Insurance Scheme	77.73	103.65

#### Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. The said plan typically exposes the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

#### Investment risk

The fund has invested 100% of the funds in 'Schemes of insurance - conventional products' which are risk averse as whole of the risk is borne by the Insurance company.

#### Interest risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

#### Longevity risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity: The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	4.20%	5.00%
Salary escalation	5.00%	5.00%
Attrition rate	53.00%	53.00%
Retirement age	58 years	58 years
Mortality	100% of IALM 2012-14	

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Service cost		
Current service cost	10.08	14.66
Net interest on net defined benefit liability / (asset)	3.63	3.45
Components of defined benefit costs recognised in profit or loss	13.71	18.11
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short return	-	(0.02)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(2.62)
Actuarial (gains)/losses arising from changes in financial assumptions	0.93	(2.45)
Actuarial (gains) / losses arising from experience adjustments	(11.08)	12.79
Components of defined benefit costs recognised in other comprehensive income	(10.15)	7.70
<b>Total</b>	<b>3.56</b>	<b>25.81</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	66.24	70.43
Fair value of plan assets	(2.36)	(2.25)
<b>Funded status</b>	<b>63.88</b>	<b>68.18</b>
<b>Net liability arising from defined benefit obligation</b>	<b>63.88</b>	<b>68.18</b>
Current	31.27	34.01
Non-current	32.61	34.17

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

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening defined benefit obligation</b>	<b>70.43</b>	<b>48.83</b>
Add/(Less) on account of acquisitions /business transfers	-	3.49
<b>Expenses recognised in the statement of profit and loss</b>		
Current service cost	10.08	14.66
Interest cost	3.63	3.45
<b>Remeasurement (gains)/losses recognised in other comprehensive income:</b>		
Actuarial gains and losses arising from changes in demographic assumptions	-	(2.62)
Actuarial gains and losses arising from changes in financial assumptions	0.93	(2.45)
Actuarial gains and losses arising from experience adjustments	(11.08)	12.79
Benefits paid	(7.75)	(7.72)
<b>Closing defined benefit obligation</b>	<b>66.24</b>	<b>70.43</b>

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening fair value of the assets</b>	2.25	2.09
Interest income on plan assets	0.11	0.14
Return of plan assets greater / (lesser) than discount rate	-	0.02
<b>Closing fair value of assets</b>	<b>2.36</b>	<b>2.25</b>

Significant actuarial assumptions for the determination of the defined benefit obligation (DBO) are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2021	As at March 31, 2020
1 Effect on DBO due to 100 bps increase in Discount Rate	60.59	68.33
2 Effect on DBO due to 100 bps decrease in Discount Rate	63.10	72.82
1 Effect on DBO due to 100 bps increase in salary escalation rate	63.04	72.78
2 Effect on DBO due to 100 bps decrease in salary escalation rate	60.57	68.32

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future cash outflows (undiscounted) towards the plan are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Expected benefit payments for the year ending</b>		
1 year	31.28	34.02
2 to 5 year	33.73	35.81
> 5 years	19.61	3.03

### 41 Employee Stock Option Scheme

In the annual general meeting held on August 26, 2015, the shareholders of the Company had approved the issue of not more than 266,240 options (underlying equity share of face value of ₹10/- each per option) under the Scheme titled "Employee Stock Option Scheme 2015 (ESOP 2015)". The ESOP 2015 allows the issue of options to employees of the Company and its subsidiaries. Pursuant to the sub-division of equity share of ₹10 each into 2 equity shares of ₹5 each during the year ended March 31, 2017, the scheme comprise of 532,480 options (underlying equity share of face value of ₹5 each per option). Further, in the annual general meeting held on July 23, 2019 the shareholders of the Company has approved the increase of options to be offered to the employees upto 932,480.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. Vesting period of the option is from one to three years from the date of grant and all the vested options can be exercised by the option grantee within twenty four months from the vesting date or at the time of liquidity event, as approved by the Board, whichever is later. However, in respect of resigned employees, vested options shall stand forfeited unless such options are exercised by the employees during his/her notice period before the last working day and in respect of terminated employees, vested options shall be exercised within one month from the notice of termination.

On April 1, 2016, July 10, 2017, August 5, 2017, October 1, 2019, January 14, 2020 & October 16, 2020, the Company

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

On October 15, 2020, Board of Directors have approved the grant of same number of options to the employees who have surrendered their options.

The detail of fair market value and the exercise price is as given below (considering the effect of sub-division of shares):

Date of grant	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16	01-Apr-16
Fair market value of option at grant date (Rs.)	232.44	207.98	184.64	162.87	142.94	108.96	94.82
Fair market value of shares per option at grant date (Rs.)	310.00	310.00	310.00	310.00	310.00	310.00	310.00
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Exercise price (Rs.)	93.00	124.00	155.00	186.00	217.00	279.00	310.00

Date of grant	05-Aug-17	10-Jul-17	05-Aug-17	05-Aug-17	05-Aug-17	05-Aug-17	05-Aug-17
Fair market value of option at grant date (Rs.)	375.54	357.15	294.11	253.39	212.67	131.23	90.52
Fair market value of shares per option at grant date (Rs.)	500	500	500	500	500	500	500
Vesting period	3 years	1.75 years	3 years	3 years	3 years	3 years	3 years
Exercise price (Rs.)	150	155	250	300	350	450	500

Date of grant	05-Aug-17	05-Aug-17	05-Aug-17
Fair market value of option at grant date (Rs.)	21.45	51.40	79.65
Fair market value of shares per option at grant date (Rs.)	500	500	500
Vesting period	1 year	2 years	3 years
Exercise price (Rs.)	500	500	500

Date of grant	01-Oct-19	01-Oct-19	01-Oct-19	01-Oct-19	01-Oct-19	01-Oct-19
Fair market value of option at grant date (Rs.)	350.89	294.40	241.47	201.39	179.26	163.80
Fair market value of shares per option at grant date (Rs.)	635	635	635	635	635	635
Vesting period	3 years	3 years	3 years	3 years	3 years	3 years
Exercise price (Rs.)	350	420	490	560	630	700

Date of grant	14-Jan-20	14-Jan-20	14-Jan-20	14-Jan-20
Fair market value of option at grant date (Rs.)	350.89	241.47	179.26	163.80
Fair market value of shares per option at grant date (Rs.)	635	635	635	635
Vesting period	3 years	3 years	3 years	3 years
Exercise price (Rs.)	350	490	630	700

Date of grant	16-Oct-20	16-Oct-20	16-Oct-20
Fair market value of option at grant date (Rs.)	116.44	51.13	92.99
Fair market value of shares per option at grant date (Rs.)	252	252	252
Vesting period	3 years	1 years	2 years
Exercise price (Rs.)	252	252	252

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Employee stock options details as on the Balance Sheet date (considering the effect of sub-division of shares) are as follows:

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Options outstanding at the beginning of April 01, 2019	3,43,711	361.41
Granted during the year	2,32,807	575.00
Exercised during the year	7,774	132.48
Lapsed/forfeited the year	40,789	472.43
<b>Options outstanding at the end of March 31, 2020</b>	<b>5,27,955</b>	<b>450.34</b>
<b>Options available for grant as at March 31, 2020</b>	<b>3,96,751</b>	
Options outstanding at the beginning of April 01, 2020	5,27,955	450.34
Granted during the year	8,06,412	252.00
Surrendered during the year	3,77,712	525.48
Lapsed/forfeited the year	71,500	446.60
<b>Options outstanding at the end of March 31, 2021</b>	<b>8,85,155</b>	<b>237</b>
<b>Options available for grant as at March 31, 2021</b>	<b>30,853</b>	

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	01-Apr-16	10-Jul-17	05-Aug-17	05-Aug-17	05-Aug-17	01-Oct-19	14-Jan-20
Risk Free Interest Rate	6.60%	6.68%	6.68%	6.68%	6.68%	6.76%	6.76%
Expected Life	3.5 years	1.75 years	1 year	2 years	3 years	3 years	3 years
Expected Annual Volatility of Shares	33.33%	3.02%	3.02%	3.02%	3.02%	31.30%	31.30%
Expected Dividend Yield	0.24%	0.15%	0.15%	0.15%	0.15%	0.20%	0.20%

Grant date	16-Oct-20	16-Oct-20	16-Oct-20	08-Dec-20	08-Dec-20	08-Dec-20
Risk Free Interest Rate	5.48%	5.96%	5.96%	116.44	51.13	92.99
Expected Life	1 year	2 year	3 year	252.00	252.00	252.00
Expected Annual Volatility of Shares	44.63%	59.77%	62.35%	3 years	1 years	2 years
Expected Dividend Yield	0.20%	0.20%	0.20%	252.00	252.00	252.00

Grant date	25-Jan-21	25-Jan-21	25-Jan-21
Risk Free Interest Rate	116.44	51.13	92.99
Expected Life	252.00	252.00	252.00
Expected Annual Volatility of Shares	3 years	1 years	2 years
Expected Dividend Yield	252.00	252.00	252.00

## 42 Disclosures in respect of leases

Company as a lessee : The Company has lease contracts for operational stores and corporate office, with lease period varying between 3 to 18 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Amount recognised in Consolidated Statement of Profit and Loss

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation on Right-of-use assets	596.25	587.12
Finance cost: Interest on lease liabilities	499.23	481.33
Exceptional items: (Gain)/Loss on early termination of lease contracts	(51.87)	22.37
Short term and variable lease payments	196.03	162.03

The Group applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (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) and lease arrangements having variable lease payments based on turnover of respective outlets at premises taken on lease.

### Amount recognised in Consolidated Statement of Cash Flows

Particulars	As at March 31, 2021	As at March 31, 2020
Cash outflows for leases	(541.68)	(874.72)
<b>Additional information:</b>		
Non-cash changes to lease liabilities	132.29	1,009.49

## 43 Segment information

The Company and its subsidiaries (Group) are solely engaged in the business of restaurant services. The economic characteristics, nature of service provided, production and distribution process of the company and its subsidiaries are similar. Hence, the management has determined that the group operates as a single segment.

### Geographical information:

The group predominantly operates in India. Refer details below of geographical operations:

#### Revenue

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	5,187.26	7,999.20
Others (Overseas)	344.04	508.74

#### Non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
India	6,980.15	7,714.87
Others (Overseas)	442.95	578.15

The Group does not have revenues from transactions with a single external customer amounting to more than 10 per cent or more of the Group's revenues. The total of non-current assets do not include financial instruments and deferred tax asset.



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 44 Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic Earnings Per Share (Basic EPS)	(31.14)	(11.77)
Diluted Earnings Per Share (Diluted EPS)	(31.14)	(11.77)
<b>Earnings used in computing basic and diluted earnings per share</b>		
Profit/ (loss) after tax attributable to the equity holders of the Company	(904.64)	(329.28)
Less: Share issue expenses debited to securities premium	(4.72)	-
<b>Profit/loss after tax attributable to the equity holders of the Company</b>	<b>(909.36)</b>	<b>(329.28)</b>
<b>Weighted average number of shares used in computing basic and diluted earnings per share</b>		
Weighted average number of shares used for calculating Basic EPS	2,92,07,015	2,79,86,203
Add: Effect of ESOPs and share warrants which are dilutive*	-	-
Weighted average number of shares considered for calculating Diluted EPS	<b>2,92,07,015</b>	<b>2,79,86,203</b>
Face value in ₹	5.00	5.00

\*The effect of ESOPs outstanding is anti-dilutive and hence ignored for the purpose of computing Diluted EPS.

### 45 Consolidated Statement of Transactions with Related Parties and Balances

#### A) List of related parties:

Description of relationship	Names of related parties
Subsidiaries	Barbeque Nation MENA Holding Limited (formerly known as Barbeque Nation Holding Limited) Barbeque Nation Restaurant LLC Barbeque Nation Holdings Pvt Ltd Barbeque Holdings Pvt Ltd (upto September 27, 2019) Barbeque Nation (Malaysia) SDN. BHD. Barbeque Nation International LLC (from February 18, 2018) Barbeque Nation International LLC Barbeque Nation Kitchen LLC Red Apple Kitchen Consultancy Private Limited
Investing party for which the Company is an Associate	Sayaji Hotels Limited Sayaji Housekeeping Services Limited Tamara Private Limited (upto Jan 24, 2021)
Key Management Personnel (KMP)	Kayum Dhanani (Managing Director) Rahul Agarwal (Whole-time Director - from December 31, 2020) Rahul Agrawal (Chief Executive Officer - from January 14, 2020) Rahul Agrawal (Chief Financial Officer - from May 21, 2018 to January 13, 2020) Amit V Betala (Chief Financial Officer - from January 14, 2020) Nagamani CY (Company Secretary) Non-Executive Directors T Narayanan Unni Raof Razak Dhanani Suchitra Dhanani Tarun Khanna Abhay Chintaman Chaudhary Natarajan Ranganathan Devinjit Singh
Relatives of KMP	Gulshanbanu Memon Sanya Dhanani
Entities in which KMP exercises control	Sara Soule Private Limited Samar Lifestyle Private Limited Samar Retail Private Limited
Entities in which Relatives of KMP exercises significant influence	Sana Reality Private Limited

**See accompanying notes to the Consolidated Financial Statements**

(Amount in Rupees Millions except for share data or as otherwise stated)

**B) Restated Consolidated Statement of Transactions and Balances with Related Parties**

**i) Transactions with related parties**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Royalty income</b>		
Subsidiary company:		
Barbeque Nation Restaurant LLC	5.61	7.90
Barbeque Nation (Malaysia) SDN. BHD.	0.57	0.69
Barbeque Nation International LLC	0.53	1.05
<b>Guarentee commission</b>		
Subsidiary company:		
Barbeque Nation MENA Holding Limited	3.83	4.04
<b>Services received</b>		
Investing party for which the Company is an Associate :		
Sayaji Hotels Limited	0.02	0.08
<b>Entities in which KMP exercises control</b>		
Sara Soule Private Limited	0.71	1.57
Samar Lifestyle Private Limited	-	0.26
<b>Reimbursement of expenses paid</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	1.32	5.26
Barbeque Nation (Malaysia) Sdn. Bhd.	-	0.82
Barbeque Nation International LLC	-	0.30
<b>Purchase of consumables</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	-	0.08
<b>Rent and maintenance charges</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	2.46	0.56
Samar Retail Private Limited	-	5.66
Entities in which Relatives of KMP exercises significant influence		
Sana Reality Private Limited	5.55	14.99
Liberty Restaurant Pvt Ltd	4.64	-
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	4.58	12.51
Relatives of KMP		
Gulshanbanu Memon	4.94	4.56
<b>Remuneration</b>		
Relatives of KMP		
Sanya Dhanani	1.72	0.74
<b>Security deposit paid</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	-	3.13
Samar Retail Private Limited	-	2.50
Relatives of KMP		

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gulshanbanu Memon	-	0.51
<b>Investment made during the year in</b>		
Subsidiaries:		
Red Apple Kitchen Consultancy Private Limited	-	674.87
Barbeque Nation MENA Holding Limited	-	36.82
<b>Loan granted to subsidiaries (Refer note D below)</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	65.26	111.95
<b>Loan received and repaid during the year (Refer note E below)</b>		
Non-Executive Directors		
Raooof Razak Dhanani	20.00	-
<b>Provision for impairment of investment and loan receivable</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	-	502.19
Barbeque Holdings Private Limited	-	1.39
Red Apple Kitchen Consultancy Private Limited	-	271.00
<b>Interest income on loan granted</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	2.75	5.95

### ii) Balances outstanding with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Loans receivable</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited (net of provision for impairment of ₹386.81 as of March 31, 2021 and 2020)	65.26	-
<b>Trade receivables</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	7.87	4.04
Barbeque Nation Restaurant LLC	13.51	7.91
Barbeque Nation (Malaysia) SDN. BHD.	1.26	0.69
Barbeque Nation International LLC (Oman)	1.58	1.05
Other receivables KMP		
Mansoor Memon (Employee advance)	17.18	-
<b>Security deposits (refundable) with</b>		
Subsidiaries:		
Red Apple Kitchen Consultancy Private Limited (liquor licence deposit)	2.50	2.50
Entities in which KMP exercises control		
Sara Soule Private Limited	3.13	3.13
Samar Retail Private Limited	0.60	0.60
Entities in which Relatives of KMP exercises significant influence		
Sana Reality Private Limited	3.00	3.00
Relatives of KMP		
Gulshanbanu Memon	7.46	7.46

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	5.10	5.10
<b>Trade Payables</b>		
Entities in which KMP exercises control		
Sara Soule Private Limited	1.26	0.69
Samar Lifestyle Private Limited	0.04	0.04
Entities in which Relatives of KMP exercises significant influence		
Sana Reality Private Limited	1.95	-
Investing party for which the Company is an Associate		
Sayaji Hotels Limited	2.99	2.61
<b>Other receivables</b>		
Subsidiaries		
Barbeque Nation MENA Holding Limited	9.00	7.68
Barbeque Nation Holdings Private Limited, Mauritius	1.68	1.67
Barbeque Nation (Malaysia) SDN. BHD.	5.76	5.76
Barbeque Nation International LLC (Oman)	0.38	0.38
<b>Interest accrued on loan</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited (net of provision for impairment of ₹5.95 as at March 31, 2021 and 2020)	2.75	-

### Outstanding corporate guarantee

Particulars	As at March 31, 2021	As at March 31, 2020
Stand-by Letter of Credit (SBLC) and Corporate guarantee given to Banks on borrowings availed by the subsidiaries to the extent outstanding)	489.38	513.28

### Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term benefits	16.94	17.33
Share-based payments	7.10	4.69
<b>Total</b>	<b>24.04</b>	<b>22.02</b>

The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by actuary.

- C) All the related party transactions entered during the year were in ordinary course of business and are on arm's length price
- D) All loans given to related parties are repayable on demand and carries an interest rate of Company's lending rate plus 0.25%.
- E) Loans taken from Raof Razak Dhanani (Non-Executive Director) are repayable on demand and rate of interest is Nil.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

F) On consolidation, following transactions and balances with the subsidiaries have been eliminated:

Name of the entity	Description of relationship
Barbeque Nation MENA Holding Limited (formerly known as Barbeque Nation Holding Limited)	Wholly owned subsidiary
Barbeque Nation Restaurant LLC	Wholly owned subsidiary
Barbeque Nation Holdings Pvt Ltd	Wholly owned subsidiary
Barbeque Holdings Pvt Ltd (upto September 27, 2019)	Subsidiary
Barbeque Nation (Malaysia) SDN. BHD.	Step down subsidiary
Barbeque Nation International LLC	Step down subsidiary
Barbeque Nation International LLC	Step down subsidiary
Barbeque Nation Kitchen LLC	Step down subsidiary

### i) Transactions with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Royalty income</b>		
Subsidiary company:		
Barbeque Nation Restaurant LLC	5.61	7.90
Barbeque Nation (Malaysia) SDN. BHD.	0.57	0.69
Barbeque Nation International LLC	0.53	1.05
<b>Guarentee commission</b>		
Subsidiary company:		
Barbeque Nation MENA Holding Limited	3.83	4.04
<b>Reimbursement of expenses paid</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	1.32	5.26
Barbeque Nation (Malaysia) Sdn. Bhd.	-	0.82
Barbeque Nation International LLC	-	0.30
<b>Investment made during the year in</b>		
Subsidiaries:		
Red Apple Kitchen Consultancy Private Limited	-	674.87
Barbeque Nation MENA Holding Limited	-	36.82
<b>Loan granted to subsidiaries (Refer note D above)</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	65.26	111.95
<b>Provision for impairment of investment and loan receivable</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	-	502.19
Barbeque Holdings Private Limited	-	1.39
Red Apple Kitchen Consultancy Private Limited	-	271.00
<b>Interest income on loan granted</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	2.75	5.95

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### ii) Balances outstanding with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Loans receivable</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited (net of provision for impairment of ₹386.81 as of March 31, 2021 and 2020)	65.26	-
<b>Trade receivables</b>		
Subsidiaries:		
Barbeque Nation MENA Holding Limited	7.87	4.04
Barbeque Nation Restaurant LLC	13.51	7.91
Barbeque Nation (Malaysia) SDN. BHD.	1.26	0.69
Barbeque Nation International LLC (Oman)	1.58	1.05
<b>Security deposits (refundable) with</b>		
Subsidiaries:		
Red Apple Kitchen Consultancy Private Limited (liquor licence deposit)	2.50	2.50
<b>Other receivables</b>		
Subsidiaries		
Barbeque Nation MENA Holding Limited	9.00	7.68
Barbeque Nation Holdings Private Limited, Mauritius	1.68	1.67
Barbeque Nation (Malaysia) SDN. BHD.	5.76	5.76
Barbeque Nation International LLC (Oman)	0.38	0.38
Interest accrued on loan		
Subsidiaries:		
Barbeque Nation MENA Holding Limited (net of provision for impairment of ₹5.95 as at March 31, 2021 and 2020)	2.75	-

## 46 Financial instruments

The carrying value and fair value of financial instruments by categories as at

Particulars	Carrying Value		Fair Value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	300.15	289.15	300.15	289.15
Trade receivables	26.44	21.51	26.44	21.51
Cash and cash equivalents	2,454.94	146.96	2,454.94	146.96
Other financial assets	17.71	63.48	17.71	63.48
<b>Total assets</b>	<b>2,799.24</b>	<b>521.10</b>	<b>2,799.24</b>	<b>521.10</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	1,527.91	2,449.63	1,527.91	2,449.63
Lease liability	4,497.80	4,815.73	4,497.80	4,815.73
Trade payables	1,467.77	1,125.13	1,467.77	1,125.13
Other financial liabilities	1,142.85	104.14	1,142.85	104.14
<b>Total liabilities</b>	<b>8,636.33</b>	<b>8,494.63</b>	<b>8,636.33</b>	<b>8,494.63</b>



## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

The management assessed that fair value of cash and cash equivalents, trade receivables, loans and trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### Financial risk management

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments. The company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.

### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Due to COVID-19 pandemic, the Group's operations have been significantly affected increasing the liquidity risk. The Group also had instances of delays in repayment of loans during the year ended March 31, 2021, the details of which are given below.

Nature of Borrowings	Name of Lender	Amount not paid on due date	Principal/ Interest/Penal Interest
Term loan	Axis Bank	43.26	Principal
Term loan	Navi Finserv Private Limited	33.07	Principal
Term loan	Vivriti Capital Private Limited	18.67	Principal
Term loan	ICICI Bank	7.32	Principal
Term loan	YES Bank	5.39	Principal
Term loan	Axis Bank	11.06	Interest
Term loan	Navi Finserv Private Limited	8.85	Interest
Term loan	Vivriti Capital Private Limited	8.46	Interest
Term loan	ICICI Bank	1.87	Interest
Term loan	Axis Bank	0.04	Penal Interest
Term loan	ICICI Bank	0.62	Principal
Term loan	ICICI Bank	0.02	Interest

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

The working capital position of the Group is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	2,454.94	146.96
<b>Total</b>	<b>2,454.94</b>	<b>146.96</b>

The table below provides details regarding the contractual maturities of significant financial liabilities

Particulars	As at March 31, 2021				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	538.36	607.31	382.24	1,527.91	1,527.91
Trade payables	1,467.77	-	-	1,467.77	1,467.77
Other financial liabilities	1,142.85	-	-	1,142.85	1,142.85
<b>Total</b>	<b>3,148.98</b>	<b>607.31</b>	<b>382.24</b>	<b>4,138.53</b>	<b>4,138.53</b>

Particulars	As at March 31, 2020				
	< 1 year	1-3 years	> 3 years	Total	Carrying value
Borrowings	798.99	1,484.83	165.81	2,449.63	2,449.63
Trade payables	1,125.13	-	-	1,125.13	1,125.13
Other financial liabilities	104.14	-	-	104.14	104.14
<b>Total</b>	<b>2,028.26</b>	<b>1,484.83</b>	<b>165.81</b>	<b>3,678.90</b>	<b>3,678.90</b>

### Foreign currency risk

The Group's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Group. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings in USD	493.15	537.45
Interest accrued in USD	-	0.22

### Foreign currency rate sensitivity analysis

Particulars	Impact on profit after tax for the year ended	
	As at March 31, 2021	As at March 31, 2020
<b>Depreciation of USD by 5%</b>		
Increase in profit / Decrease in loss	18.45	20.11
<b>Appreciation of USD by 5%</b>		
Decrease in profit / Increase in loss	(18.45)	(20.11)

### 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. Such risks are overseen by the Group's corporate treasury department as well as senior management.

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### Interest rate sensitivity analysis

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit/(loss) for the year ended would have impacted in the following manner:

Particulars	Impact on profit after tax for the year ended	
	As at March 31, 2021	As at March 31, 2020
<b>Decrease in interest rate</b>		
Increase in profit / Decrease in loss	11.43	18.33
<b>Decrease in interest rate</b>		
Decrease in profit / Increase in loss	(11.43)	(18.33)

### Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the Group.

The capital structure is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity attributable to the equity share holders of the Group	2,439.00	59.16
Equity as a percentage of total capital	61%	2%
Current borrowings	538.36	798.99
Non-current borrowings	989.55	1,650.64
<b>Total borrowings</b>	<b>1,527.91</b>	<b>2,449.63</b>
Less: Cash and cash equivalents*	1,405.52	146.96
<b>Net borrowings</b>	<b>122.39</b>	<b>2,302.67</b>
Net borrowings as a percentage of total capital	3%	92%
<b>Total capital (borrowings and equity)</b>	<b>3,966.91</b>	<b>2,508.79</b>
*		
Cash and cash equivalents as per note 12	2,454.94	146.96
Less: Bank balance received on behalf of selling share holders as per note 16	1,049.42	-
<b>Net Cash &amp; cash equivalent</b>	<b>1,405.52</b>	<b>146.96</b>

**47** The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 48 Subsequent event:

The Company completed its Initial Public Offering (IPO) of its equity shares which have been listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from April 07, 2021. The net proceeds from the fresh issue of the IPO would be utilised towards the following:

- capital expenditure for expansion and opening of new restaurants by the Company;
- prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company on a consolidated basis; and
- general corporate purposes

## See accompanying notes to the Consolidated Financial Statements

(Amount in Rupees Millions except for share data or as otherwise stated)

### 49 Additional information as required by Paragraph 2 of the General Instructions for Preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

As on and for the year ended 31 March 2021

Particulars	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent - Barbeque-Nation Hospitality Limited (including consolidation adjustments)	115.43%	2,815.38	81.35%	(747.48)	100.00%	25.56	80.82%	(721.92)
<b>Indian Subsidiary</b>								
Red Apple Kitchen Consultancy Private Limited	4.76%	116.07	4.00%	(36.77)	0.00%	-	4.12%	(36.77)
<b>Foreign Subsidiary</b>								
Barbeque Nation Holdings Limited, Dubai	9.31%	227.08	0.36%	(3.27)	0.00%	-	0.37%	(3.27)
Barbeque-Nation Restaurant LLC, Dubai	-26.65%	(650.10)	10.28%	(94.49)	0.00%	-	10.58%	(94.49)
Barbeque Nation (Malaysia) Sdn. Bhd.	-2.45%	(59.82)	1.37%	(12.57)	0.00%	-	1.41%	(12.57)
Barbeque Nation International LLC, Oman	-0.34%	(8.40)	2.56%	(23.54)	0.00%	-	2.64%	(23.54)
Barbeque Nation Holdings Pvt Ltd, Mauritius	-0.05%	(1.21)	0.08%	(0.73)	0.00%	-	0.08%	(0.73)
	<b>100.00%</b>	<b>2,439.00</b>	<b>100.00%</b>	<b>(918.85)</b>	<b>100.00%</b>	<b>25.56</b>	<b>100.00%</b>	<b>(893.29)</b>

As on and for the year ended 31 March 2020

Particulars	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent - Barbeque-Nation Hospitality Limited (including consolidation adjustments)	571.67%	338.20	-2.94%	9.68	100.00%	(26.49)	4.73%	(16.81)
<b>Indian Subsidiary</b>								
Red Apple Kitchen Consultancy Private Limited	242.56%	143.50	4.71%	(15.50)	0.00%	-	4.36%	(15.50)
<b>Foreign Subsidiary</b>								
Barbeque Nation Holdings Limited, Dubai	306.87%	181.54	-6.49%	21.37	0.00%	-	-6.01%	21.37
Barbeque-Nation Restaurant LLC, Dubai	-968.52%	(572.98)	95.59%	(314.76)	0.00%	-	88.47%	(314.76)
Barbeque Nation (Malaysia) Sdn. Bhd.	-75.78%	(44.83)	6.86%	(22.58)	0.00%	-	6.35%	(22.58)
Barbeque Nation International LLC, Oman	25.87%	15.30	1.94%	(6.39)	0.00%	-	1.80%	(6.39)
Barbeque Nation Holdings Pvt Ltd, Mauritius	-2.67%	(1.58)	0.33%	(1.10)	0.00%	-	0.31%	(1.10)
	<b>100.00%</b>	<b>59.16</b>	<b>100.00%</b>	<b>(329.28)</b>	<b>100.00%</b>	<b>(26.49)</b>	<b>100.00%</b>	<b>(355.77)</b>



## BARBEQUE-NATION HOSPITALITY LIMITED

Registered Office: Sy. No. 62, Site No. 13, 6th Cross, NS Palya, BTM Layout,  
Bengaluru-560 076, Karnataka, India.

T: +91 80 45113000, F: +91 80 45113062, E-mail: corporate@barbequenation.com

CIN: L55101KA2006PLC073031

W: www.barbequenation.com

# NOTICE

**NOTICE** is hereby given that the Fifteenth (15th) Annual General Meeting ("AGM"/e-AGM) of Shareholders/Members of Barbeque-Nation Hospitality Limited (the "Company") will be held on Tuesday, August 31, 2021 at 11:00 AM (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following businesses:

### ORDINARY BUSINESS:

#### Item No. 1:

**Adoption of Financial Statements for the financial year ended March 31, 2021.**

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Auditors' Report thereon and the Board's Report including Secretarial Audit Report be and are hereby received, considered and adopted."

#### Item No. 2:

**Re-appointment of Mrs. Suchitra Dhanani (DIN:00712187), Director, who retires by rotation.**

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mrs. Suchitra Dhanani (DIN: 00712187), Director, who retires by rotation at this Annual General Meeting, and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

#### Item No. 3:

**Re-appointment of Mr. Raoof Razak Dhanani (DIN: 00174654), Director, who retires by rotation.**

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Raoof Razak Dhanani (DIN: 00174654), Director, who retires by rotation at this Annual General Meeting, and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

### SPECIAL BUSINESS:

#### Item No. 4:

**Appointment of Mr. Tarun Khanna (DIN: 02306480) as a Nominee Director of the Company.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 152 and 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and any other applicable provisions of the Act, Rules and Regulations (including any statutory modifications or re-enactments thereof) and in accordance with the provisions of Memorandum of Association and Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and the Board of Directors, consent of the Shareholders be and is hereby accorded to appoint Mr. Tarun Khanna (DIN: 02306480) as a Nominee Director of the Company and his office shall be liable for retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds things and matters as considered necessary, expedient and imperative to give effect to the aforesaid resolution."

#### Item No. 5:

**Approval of the revision in payment of remuneration to Mr. Rahul Agrawal (DIN:07194134), Chief Executive Officer & Whole Time Director.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 read with

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V of the Companies Act, 2013 and any other applicable provisions of the Act, Rules and Regulations (including any statutory modifications or amendments thereto or re-enactments thereof) and in accordance with the enabling provisions of Memorandum of Association and Articles of Association of the Company, and as recommended by the Nomination and Remuneration Committee and the Board of Directors, consent of the Shareholders be and is hereby accorded to increase the remuneration of Mr. Rahul Agrawal (DIN:07194134), Chief Executive Officer & Whole Time Director and the total remuneration payable to Mr. Rahul Agrawal shall not exceed ₹1,90,00,000/- (Rupees One crore and Ninety Lakhs only) for the financial Year 2021-22 and the said remuneration may be increased by such per cent but, not exceeding 15% for the FY 2022-23 and 15% for the FY 2023-24, and payment of onetime bonus of ₹1,00,00,000 (Rupees One Crore Only) as a reward for contribution made towards the work done over the

**Registered Office:**

Sy. No. 62, Site No. 13, 6th Cross,  
NS Palya, BTM Layout,  
Bengaluru- 560 076,  
Karnataka, India

Place: Bengaluru

Date: May 24, 2021

**NOTES:**

As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") read with General Circular No. 14/2020 dated April 8, 2020, No. 17/ 2020 dated April 13, 2020, No. 22/ 2020 dated June 15, 2020, No. 33/ 2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No.10/2021 dated June 23, 2021 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19" issued by the Ministry of Corporate Affairs, Government of India (collectively, referred to as the "MCA Circulars"), Secretarial Standard issued by Institute of Company Secretaries of India on General Meetings ('SS-2') and SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

The Explanatory Statement pursuant to the provisions of Section 102(1) of the Act read with the relevant rules made thereunder, setting out the material

previous year including the successful completion of Initial Public Offer.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board) be and is hereby authorized to vary, alter, enhance, or widen the scope of remuneration (including Fixed Salary, Incentives & Increments thereto and retirement benefits) payable to Mr. Rahul Agrawal during his tenure to the extent of the limit as approved aforesaid without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary, to give effect to the above resolution including agreeing to such amendments/ modifications in the aforesaid clauses as may be required by any authority or as may be deemed fit by the Board."

By order of the Board  
For **Barbeque-Nation Hospitality Limited**

**Nagamani C Y**  
Company Secretary & Compliance Officer  
M. No.: A27475

facts concerning the business mentioned in the accompanying Notice is annexed and forms part of this Notice.

1. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM.
2. Since the AGM will be held through VC/OAVM facility, the attendance slip, proxy form and Route Map are not annexed to this Notice.
3. Pursuant to the provisions of Section 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting at the AGM through e-voting facility.
4. The Company has appointed M/s. Central Depository Services (India) Limited (hereinafter called "CDSL"), for conducting the AGM and for voting through remote e-voting or through e-voting at the AGM. The procedure for participating in the meeting through VC/ OAVM is explained in this notes and is also available on the website of the Company at [www.barbequenation.com](http://www.barbequenation.com).



5. **Remote e-voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. **Voting at the AGM:** Members who could not vote through remote e-voting may avail the e-voting facility which will be made available at the Meeting ("e-voting"), facility to be provided by CDSL.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.barbequonation.com](http://www.barbequonation.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
12. Mr. Parameshwar G Bhat, Practicing Company Secretary (C.P. No. 11004, Membership No. FCS: 8860), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting of vote through the e-voting system during the AGM is conducted in a fair and transparent manner.
13. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him/her in writing, who shall countersign the same.
14. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.barbequonation.com](http://www.barbequonation.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or any person authorized by him/her in writing and the same shall be communicated to the BSE Limited and the National Stock Exchange of India Limited. The results will also be displayed on the Notice Board of the Company at its Registered Office. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. August 31, 2021.
15. Electronic copy of the Annual Report for FY 2020-21 and Notice of AGM has been uploaded on the Company's website [www.barbequonation.com](http://www.barbequonation.com) and is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s)/RTA for communication purposes and also available on the website of BSE Limited, and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. Further, the Notice of the AGM is available on the website of CDSL, the agency engaged for providing e-voting facility, i.e. [www.evotingindia.com](http://www.evotingindia.com).
16. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically

for inspection by the Members during the AGM. All the relevant documents referred to in this Notice and the Explanatory Statement will be available for inspection electronically without any fees by the Members. Members seeking to inspect such documents can send an email to [compliance@barbequenation.com](mailto:compliance@barbequenation.com)

**THE INTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL GENERAL MEETING ARE AS UNDER:**

- (i) The voting period begins on Friday, August 27, 2021, at 9:00 AM (IST) and ends on Monday, August 30, 2021, at 5:00 PM (IST). During this period shareholders of the Company, holding shares as on the cut-off date i.e. Tuesday, August 24, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on

- 17. The Company has designated Email ID [Investor@barbequenation.com](mailto:Investor@barbequenation.com) and [compliance@barbequenation.com](mailto:compliance@barbequenation.com) for redressal of shareholders complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.

various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/Evoting Login">https://evoting.cdslindia.com/Evoting/Evoting Login</a> The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the Barbeque-Nation Hospitality Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and

register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email addresses viz., [parameshwar@vjkt.in](mailto:parameshwar@vjkt.in) and [compliance@barbequonation.com](mailto:compliance@barbequonation.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptop/iPad for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting i.e. by August 26, 2021 mentioning their name, demat account number/folio number, email id, mobile number at [compliance@barbequonation.com](mailto:compliance@barbequonation.com).

The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting i.e. by August 26, 2021 mentioning their name, demat account number/folio number, email id, mobile number at [compliance@barbequonation.com](mailto:compliance@barbequonation.com). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP) and can also mail to Registrar & Transfer Agent at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Future, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



## ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS. THIS EXPLANATORY STATEMENT MAY ALSO BE REGARDED AS A DISCLOSURE UNDER REGULATION 27 OF THE SEBI (LODR) REGULATIONS, 2015 AND THE SECRETARIAL STANDARD – 2.

The following statement sets out all material facts relating to all the Special Businesses mentioned in the accompanying Notice dated May 24, 2021 and shall be taken as forming part of the notice.

### Item No.4

Shareholders may take note that Tamara Private Limited ("TPL", also called as "CX Investor") has invested in Equity Shares of the Company in the year 2013 and TPL has nominated Mr. Tarun Khanna as its nominee to the Board of the Company, pursuant to which Mr. Tarun Khanna was appointed as a Nominee Director of the Company with effect from 12th April 2013 as a nominee of TPL.

Further, shareholders may take note of second proviso to article 32.1.3 of Articles of Association of the Company, extract of the same is reproduced below:

*Further provided that the right of the CX Investor to nominate a director shall be subject to approval by the shareholders of the Company by way of Special Resolution in the First General Meeting of the Company subsequent to listing of the Shares and such appointment of a nominee director by the CX Investor shall be subject to the approval of the shareholders post listing and in accordance with applicable laws.*

Consequent to the listing of equity shares of the Company pursuant to the IPO and in accordance with the Articles of Association, it is necessary to obtain approval of Shareholders by way of Special Resolution for continuation of appointment of Mr. Tarun Khanna as a Nominee Director of the Company.

Considering the exigency, the Extra-ordinary General Meeting of Shareholders of the Company was held on July 19, 2021 to, inter-alia, consider and approve the allotment of equity shares of the Company

on preferential basis. Hence, the resolution for appointment of Mr. Tarun Khanna as a Nominee Director of the Company has been placed at this AGM.

Based on the recommendations of the Nomination and Remuneration Committee and pursuant to Section 161 of the Companies Act, 2013, the Board approved the appointment of Mr. Tarun Khanna as a Nominee Director of the Company at the Board Meeting held on May 24, 2021 and recommended to the shareholders for their approval. The office of Directorship of Mr. Tarun Khanna shall be liable for retirement by rotation. Further, the Company has received necessary statutory disclosures/declarations from Mr. Tarun Khanna including, (i) consent in writing to act as a Director in Form DIR- 2 (ii) intimation in Form DIR-8 stating that he is not disqualified under sub-section (2) of Section 164 of the Act, (iii) notice of interest in Form MBP-1, pursuant to section 184 of the Act.

**Additional information of directors recommended for appointment / reappointment as required under Regulation 36 of the LODR Regulations and applicable Secretarial Standards**

### Brief Profile of Mr. Tarun Khanna:

Mr. Tarun Khanna joined the Board of the Company on April 12, 2013. He holds a bachelor's degree in science from the University of Maryland and a master's degree in business administration from the University of Baltimore. He is a Non-Executive, Nominee Director of the Company appointed to the Board by Shareholder, Tamara Private Limited.

In addition to aforesaid, he is also a member of Nomination and remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and IPO Committee of the Company.

### Other Disclosures:

Age	50 years
Nature of expertise in specific functional areas	Finance, Business administration, Portfolio Management
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	None
Listed entities (other than Barbeque-Nation) in which Mr. Tarun Khanna holds directorship and committee membership*	None
Shareholding in the, including shareholding as a beneficial owner	40,000 Equity Shares#
Remuneration proposed to be paid	Nil
Key terms and conditions of appointment	As per the resolution in Item no. 4 of this Notice, read with the explanatory statement thereto



Date of first appointment to the Board, last drawn remuneration and number of Board meetings attended	Mr. Tarun Khanna was first appointed to the Board on April 12, 2013 as a Nominee Director. The details of remuneration drawn and number of meetings attended are provided in the Corporate Governance report section of the Annual Report 2020-21.
---	--

\* Directorship and Committee Membership in Barbeque-Nation Hospitality Limited, Private Limited Companies, Section 8 Companies and Foreign Companies are not considered.

# Mr. Tarun Khanna directly holds 40,000 equity shares of the Company in his personal capacity. Further, He is a beneficiary in AAJV Investment Trust which holds 1,27,206 equity shares of the Company. Tamara Private Limited, who is nominating Mr. Tarun Khanna, currently holds 27,55,296 equity shares of the Company.

The Nomination and Remuneration Committee and Board recommends the resolution in relation to appointment of Mr. Tarun Khanna as a Nominee Director of the Company, for the approval by the shareholders of the Company.

Except Mr. Tarun Khanna, none of the other Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except to the extent of their shareholding, if any in the Company.

#### Item No. 5

Pursuant to the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Act, approval of the Shareholders by way of a Special Resolution is required to increase the remuneration of Mr. Rahul Agrawal, Chief Executive Officer & Whole Time Director, in excess of the limits prescribed under Schedule V.

Mr. Rahul Agrawal was appointed as a Chief Executive Officer of the Company at the Board Meeting held on 14th January 2020 and further appointed as a Chief Executive Officer & Whole Time Director at the Board Meeting held on 31st December 2020 and the same was approved by the Shareholders at the Extra-Ordinary General Meeting held on January 23, 2021.

Mr. Rahul Agrawal is associated with the Company from the year 2015. Initially, he was appointed as a Nominee Director of Pace Private Limited (group entity of the CX Investors). Mr. Rahul Agrawal took active role in the management of the Company from the year 2017.

It is imperative to note that Mr. Rahul Agrawal has made immense and invaluable contribution towards growth and expansion of business of the Company. He has played a key role in reviving the business of

the Company which was impacted by the Covid-19 pandemic. He was instrumental in transforming the business to enable it to face the new operating reality and took the lead in creating and developing many new growth levers in the realm of food delivery, digital applications, loyalty program, etc. Further, he also set the leadership tone on prioritizing employee and customer health and safety and thus put into place regulatory-compliant SOPs to ensure long-term business sustainability, while also building resilience to enable it to counter any exigencies in the future. Besides this, Mr. Rahul Agrawal has played a significant role in the successful completion of Initial Public Offer and listing of equity shares of the Company on the Stock Exchanges.

Considering the above and as recommended by Nomination and Remuneration Committee and the Board, it is hereby proposed to increase the remuneration of Mr. Rahul Agrawal, Chief Executive Officer & Whole Time Director as mentioned hereunder:

- The total remuneration payable to Mr. Rahul Agrawal shall not exceed ₹1,90,00,000/- (Rupees One crore and Ninety Lakhs only) for the financial Year 2021-22 and the said remuneration may be increased by such per cent but, not exceeding 15% for the FY 2022-23 and 15% for the FY 2023-24.
- Further, in addition to the above and recognizing the overall contribution made towards the work done over the previous year including successful completion of Initial Public Offer of the Company, it was proposed to reward Mr. Rahul Agrawal, Chief Executive Officer & Whole Time Director with one-time bonus/incentive of ₹1,00,00,000 (Rupees One Crore Only).

#### Additional information required under Part II of Section II of Schedule V of the Companies Act, 2013

#### I. General information:

Nature of industry	The Company is engaged in the business of running Restaurants in India and Overseas.
Date or expected date of commencement of commercial production	Existing Company and is in operational (13/10/2006 is the date of Incorporation).
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

**I. General information:**

Financial performance based on given indicators	Please refer financial statements of the Company (web link: <a href="https://www.barbequenation.com/investor">https://www.barbequenation.com/investor</a> )
Foreign investments or collaborations, if any	The Company operates Barbeque Nation Restaurants in Dubai, Malaysia, Oman through its Subsidiaries. Further the Company has not entered into any collaborations during the last year.

**II. Information about the appointee:**

Background details	Mr. Rahul Agrawal holds a Bachelor's degree in commerce (honors) from Shri Ram College of Commerce, University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Bengaluru.
Age	39 years
Shareholding in the Company as on July 30, 2021.	1,00,990 Equity Shares
Past remuneration	Rs.1,32,18,926/- for FY 2020-21
Recognition or awards	-
Job profile and his suitability	During his tenure at Barbeque-Nation spanning over 6 years, he has held a number of senior leadership roles, including Non-Executive Director, President and Chief Financial Officer. Currently, he is the Whole-time Director and Chief Executive Officer of the Company. He has been an Executive Director of the Company since December 31, 2020.
Remuneration proposed	Not exceeding ₹1,90,00,000/- for FY 2021-22 and the said remuneration may be increased by such per cent but, not exceeding 15% for the FY 2022-23 and 15% for the FY 2023-24.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Rahul Agrawal, the remuneration proposed to be paid is commensurate with the remuneration packages paid to his similar counterparts in other companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Besides the remuneration proposed to be paid to Mr. Rahul Agrawal, he does not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors.

**III. Other information:**

Reasons of loss or inadequate profits	Economic shutdown due to the unprecedented havoc of the Covid-19 pandemic and its impact on the economy across the globe.
Steps taken or proposed to be taken for improvement	The Company is continuously focusing on improving its business by taking various measures, such as product innovation, focusing on delivery segment, etc.
Expected increase in productivity and profits in measurable terms	The management of the Company is expecting for better financial results in the future. Nonetheless, resurgence of Covid-19 and potential lockdown restrictions has made it difficult to ascertain future productivity and profitability.

#### **IV. Disclosures:**

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration in Rupees paid or payable to Directors for the FY 2020-21.

The Board and the Nomination and Remuneration Committee recommends the resolution in relation to

increase the remuneration of Mr. Rahul Agrawal, for the approval by the Shareholders of the Company.

Except Mr. Rahul Agrawal, none of the other Directors and Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolution except to the extent of their shareholding, if any in the Company.

#### **Registered Office:**

Sy. No. 62, Site No. 13, 6th Cross,  
NS Palya, BTM Layout,  
Bengaluru- 560 076,  
Karnataka, India

Place: Bengaluru  
Date: May 24, 2021

By order of the Board  
For **Barbeque-Nation Hospitality Limited**

**Nagamani C Y**  
*Company Secretary & Compliance Officer*  
M. No.: A27475





**Barbeque-Nation Hospitality Limited**

Sy. No. 62, Site No. 13, 6th Cross, NS Palya, BTM Layout,  
Bengaluru-560 076, Karnataka, India.

**T:** +91 80 45113000, **F:** +91 80 45113062

**E-mail:** [corporate@barbequenation.com](mailto:corporate@barbequenation.com)

**W:** [www.barbequenation.com](http://www.barbequenation.com)

**CIN:** L55101KA2006PLC073031