westlife

WESTLIFE DEVELOPMENT LTD.
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REF : SS:BSE:174 3rd October, 2016

The BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Sub: Submission of Annual Report

Ref: Westlife Development Ltd. (the Company) : Scrip Code-505533

Dear Sirs,

In compliance with Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report approved and adopted in the 33rd Annual General Meeting of the Company held on 29th September, 2016.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For **Westlife Development Ltd.**

Dr Shatadru Sengupta
Company Secretary

Encl : a/a

STANDING UP FOR GOOD!

WESTLIFE DEVELOPMENT LIMITED | ANNUAL BRAND REPORT 2015-16

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DESPITE A CHALLENGING MARKET ENVIRONMENT, WE DELIVERED A ROBUST PERFORMANCE, RECORDING THE HIGHEST LEVEL OF POSITIVE COMPARABLE SALES OF 8.4% AFTER 13 QUARTERS .

OUR PERFORMANCE AMBITION IS TO CREATE ONE OF INDIA'S MOST RESPECTED FOOD SERVICE COMPANIES IN THE QSR SPACE.

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MCCAFÉ NOW AT MCDONALD'S

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OUR PERFORMANCE AMBITION

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DELIVERED HOME. HOT AND FRESH!

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OUR MCDONALD'S RESOURCES

AT WESTLIFE, WE PROVIDE OPPORTUNITY, NURTURE TALENT, DEVELOP LEADERS AND REWARD ACHIEVEMENT. WE BELIEVE THAT A TEAM OF WELL-TRAINED INDIVIDUALS WITH DIVERSE BACKGROUNDS AND EXPERIENCES WORKING IN AN INVIGORATING ENVIRONMENT DRIVES ENGAGEMENT ESSENTIAL TO OUR SUCCESS.

MENU

McVeggie

Veg McMuffin

Choco Marble Cake

Smoothies

Coke Zero

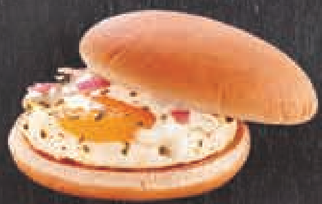
Banana Oreo McFlurry

Chicken Maharaja Mac

Fries

MENU INSIDE

OUTSIDE



McEgg

Choco Chip Muffin

Cafe Mocha

McNuggets

Choco Frappe

Maharaja Mac Meal

Saucy Wraps

ABOUT US

Westlife Development Limited, through its 100% Indian subsidiary, Hardcastle Restaurants Pvt. Ltd, owns and operates a chain of McDonald's restaurants in west and south India, being a master franchisee of McDonald's Corporation, USA, through the Indian subsidiary.

Westlife, through its subsidiary, serves over 185 million customers annually at 236 Company-owned McDonald's restaurants and 75 Company-owned McCafés in Andhra Pradesh, Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala and Madhya Pradesh. The Company's ~7,000-member team delivers standard-raising customer service, giving consumers enough reasons to visit time and again.

McDonald's provides various formats and brand extensions that include standalone restaurants, drive-thrus, 24x7 restaurants, McCafé, McDelivery (online order placement) and order placement through app and kiosks at major transit points.

CONVERSATIONS OVER FOOD ARE THE MOST ENGROSSING.

WOW, YUM SAUCE!

THIS CHICKEN IS SIMPLY....

YOU BOUGHT A NEW CAR, WOW!

YOU CAN ACTUALLY EAT A LOT AT MCDONALD'S WITHOUT SPENDING A LOT. THANK GOD!

OH, YOU BROKE UP? NEVER MIND, LOOK AROUND

UFF, THIS GIRL KEEPS CHANGING HER PROFILE PIC OF FB EVERY SECOND DAY!

WILL YOU MARRY ME?

YOU KNOW WHAT MY WIFE SAID LAST NIGHT...

WHAT'S YOUR EMAIL ADDRESS?

MESSI? OR MESSY? PLEASE SPECIFY!

WHAT'S THE SECRET TO YOUR GLOW?

I LOVE YOU! I DO! BELIEVE ME!

WHAT DO YOU THINK OF LIVE-INS, HA?

I ER...ER LOVE YOU.

LET ME HAVE A SIP OF YOUR SMOOTHIE. PLEAAAAAAASE.

MCDONALD'S FRUIT SMOOTHIE? REALLY?

YOU GOT INTO COLLEGE? SO LET THIS BE YOUR TREAT!

IS THAT WHAT YOUR FIRST PAY-CHEQUE LOOKS LIKE?

At McDonald's, we are not only India's food QSR hub.

We are a social melting pot.

We provide more than comfort food.

We unify people, cultures, traditions and societies.

We are more than a dine-in brand.

We are a mirror of India's dynamic consumption story.

2015-16 core highlights

- Revenue growth of 12.1% year-over-year to Rs 856.8 crore, riding the strong performance of the subsidiary Hardcastle Restaurants Private Limited (HRPL)
- Operating EBIDTA of Rs 72.1 crore, up 8.4% over the previous year
- Profit after tax of Rs 2.8 crore, against a loss of Rs 29.1 crore in the previous year
- Cash profit of Rs 67.1 crore, against Rs 27.3 crore in the previous year
- Total restaurant network of 236 units, year-over-year gross additions of 30; total McCafe count of 75

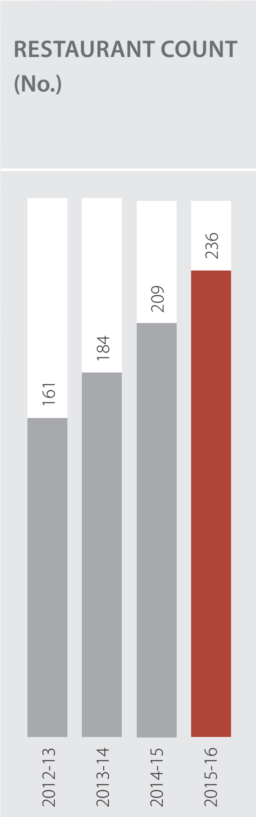
Table talk

"Our performance in the second half of the fiscal year 2016 was better than in the first half. Despite a challenging market environment, we delivered a robust performance across all our offerings, recording the highest level of positive comparable sales of 8.4% after 13 quarters and also representing the third consecutive quarter of positive same restaurant growth during the year under review. Our competitive and profitable growth was driven by quality innovation and sharper in-market execution. With our diverse portfolio of businesses and disciplined management approach, we remain confident of our ability to continue delivering value for our clients and shareholders."

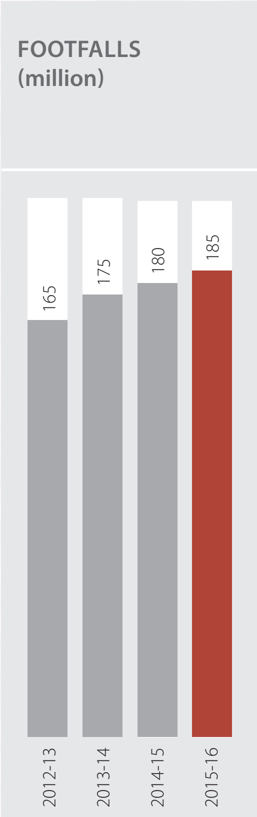
Amit Jatia, *Vice-Chairman, Westlife Development Limited*

THIS IS THE KIND OF PERFORMANCE WE BRING TO OUR INVESTORS' TABLE.

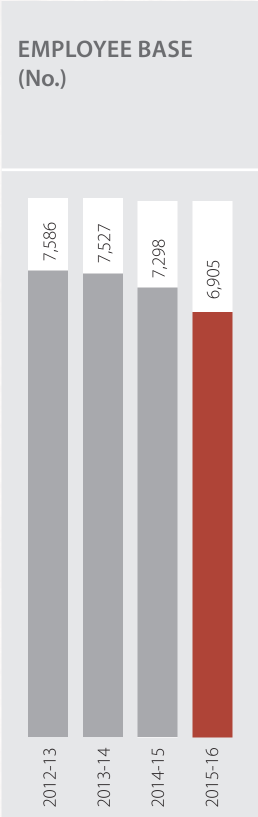
OPERATIONAL



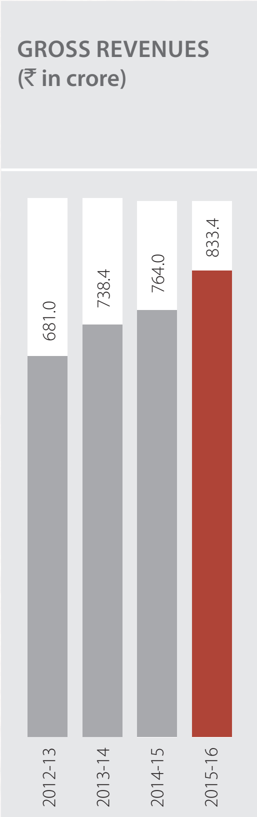
When our restaurant count increases…



A larger number of patrons walk into our restaurants…



Enabling us to acquire talent and enhance skills for life…

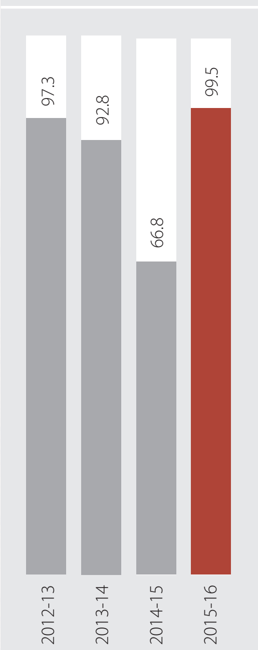


This has made it possible for us to steadily increase revenues…

GROSS PROFIT MARGIN
(% of gross revenues)

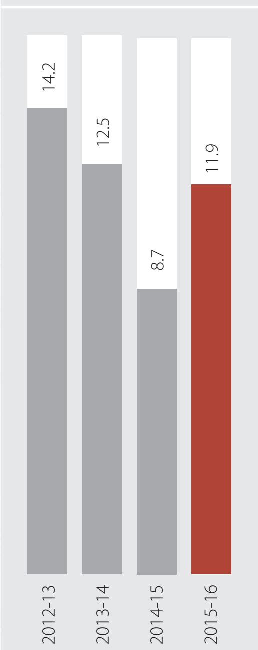
Following tighter focus, we grew our gross profit margin …

RESTAURANT OPERATING PROFIT
(₹ in crore)



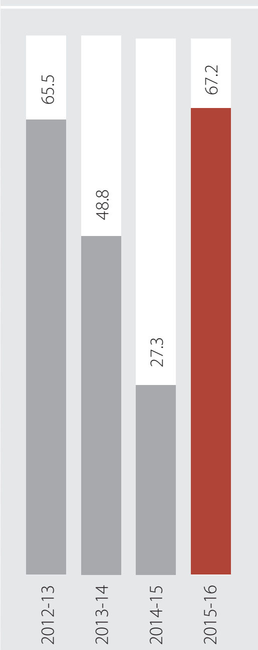
And reported a smart turnaround in our restaurant operating profit

RESTAURANT OPERATING PROFIT MARGIN
(% of gross revenues)



We did not just report revenue growth, we focused on profitable growth as well…

CASH PROFIT
(₹ in crore)



Leading to higher cash profits

VICE CHAIRMAN'S **REVIEW**

THE SECTORAL CHALLENGES NOTWITHSTANDING, WESTLIFE DEVELOPMENT LIMITED REPORTED ITS **BEST-EVER** PERFORMANCE IN 2015-16.

Dear shareholders,

The year 2015-16 was the worst of years and it was the best of years.

On the one hand, the country's economic growth continued to be sluggish, one of the first casualties being the frequency of eating out. The result was that category growth was lower than economic growth, which immediately translated into an increased tendency to offer discounts and deals, eroding sectoral margins. With margins being affected and breakeven points rising, the players in a fragmented sector found it difficult to reinvest in their businesses. To make the operating circumstances even more challenging, the industry continued to poach from within.

I am pleased to state that these challenges notwithstanding, Westlife Development Limited reported its best ever performance. One of the most visible manifestations of our counter-cyclical and counter-industry performance was the fact that after two years of negative same-restaurant sales performance, we reported positive comparable sales (same restaurant sales growth) for three of the four quarters of the year under report. After reporting negative 5.9% same-restaurant sales growth in 2014-15, we reported a 1.8% growth during the year under review. Better still, we reported accelerated momentum: from 1.7% in the second quarter to 3.5% in the third quarter to 8.4% in the fourth quarter, providing us with the optimism that our business differentiation is translating into numbers likely to extend into the current financial year as well.

What I would like to impress upon shareholders is that a couple of years ago, when de-growth became increasingly evident, it would have been easier to complain about what is wrong with the country, economy, competition and consumers. On the contrary, we perceived the slowdown as an opportunity to look within, manage better what was within our control and create a stronger business.

Besides, the Company could have embarked on conventional responses. So even before I describe the various initiatives that we implemented during the year under review, permit me to explain the kind of temptations we resisted. It would have been easy to reduce our sticker prices to fight competition eye-to-eye; we selected to invest and create a stronger business instead. The results were heart-warming: we enhanced our EBIDTA margin 320 bps; we reversed the decline in cash profit of 2014-15 by doubling cash profit to Rs 67.2 crore during the year under review.

The first pillar of our enhanced corporate responsiveness was brand transformation. We recognised that one of the downsides of our positioning was partly within what people referred to us as – a fast-food company in a fast-paced world. A number of customers would see us only as a brand of relevance when they needed a quick bite. The result was that we needed to navigate our brand into a direction where people needing a place to relax would select to do at our restaurants; we needed to strengthen the positioning that our restaurants represented a leisurely oasis in the blur of a fast- paced world; we needed to recreate the aura that in a world of increasing physical disconnect, there was a need to sit face-to-face with friends and family and what better place than our restaurants? It would be simplistic to believe that the upside of this branding initiative, commissioned in the first quarter of 2015-16, translated immediately into improved revenues from the second quarter onwards. We believe that this overarching long-term positioning will increasingly translate into positive traction across the foreseeable future, strengthening our foundation to draw in larger footfalls.

The second pillar was in our menu reorientation. We spoke extensively to our consumers; a number of them indicated that even as our menu was standardised around high delivery standards, the menu mix was predictable and even unexciting. So we embarked on the exercise to overhaul our menu at the front-end, working extensively with back-end partners to ensure supply chain consistency. The result was that from a retrospective average when we introduced one or two products a year, we graduated to the introduction of a new product every quarter along with limited time offers (LTOs). The result is that our menu now comprises a larger choice: the Maharaja Mac, chilli paneer pockets and a wider dessert range. We have reasons to believe that our menu churn has been well-received: the first reaction of a number of our

WE EMBARKED ON THE EXERCISE TO OVERHAUL OUR MENU AT THE FRONT-END, WORKING EXTENSIVELY WITH BACK-END PARTNERS TO ENSURE SUPPLY CHAIN CONSISTENCY.

customers after they have seen the new menu is 'wow'; the proportion of revenues derived from new menu additions is attractively high as well.

The third pillar was reflected in the aggressive McCafé rollout. Westlife introduced the McCafé format within our McDonald's restaurants to address the growing coffee needs of visitors. Following favourable results in 2014-15, we scaled this format during the year under review. More importantly, we extended our personality towards non-coffee beverage offerings like frappes and smoothies. We did not just widen the beverage menu; we emphasised two points that consumers focus on: affordability and hand-craftedness. The increase in footfalls was derived from a growing appreciation of the considerably superior price-value proposition: a wide beverage choice in a vibrant environment at a fraction of the cost in an equivalent five-star environment.

The fourth pillar was enhanced responsiveness. We recognised that with traffic volumes becoming increasingly challenging and the ability to park proximate to our restaurants always being a constraint, there was a larger room for consumers to order online or through their smartphones and consume within their residential or commercial environments. Hence, we introduced the facility of online ordering in 2014; in 2015, we extended this facility to mobile apps. I am pleased to state that despite the scepticism that India was not quite ready for this format, we reported ~50% of the total delivery orders through the modern format (web and mobile app) during the year under review.

The fifth pillar was our cost structure. The year under review was the first full year when we could leverage the benefit of Restaurant Operating Platform 2.0. As a part of this initiative, we examined costs, restaurant design, utilities and kitchen processes. The result was that even as we enhanced the look and ambience of our restaurants, we moderated our fixed costs and operating cost structures by 20-25%; we moderated our overall restaurants breakeven from 60% to the level at which we were a few years ago, neutralising the impact of intervening inflation. I am pleased to state that all the new restaurants that we launched from January 2016 were around the new cost structure, creating a foundation for accelerated break-even and increased corporate profitability.

The sixth pillar was our decision to spread ourselves thick when it would have been far easier to fight the prevailing reality with aggressive restaurant rollout. We extended our presence to only a handful of more cities in the last financial year after we had strengthened our supply chain linkages; besides, even within the cities of our presence we selected to grow in under-addressed locations with potential, strengthening our capital efficiency and superior returns from this cluster approach. As an extension of this approach, we closed a few restaurants and strengthened our restaurant mix. At Westlife, we believe that this selective approach has strengthened our recall, procurement efficiencies and supply chain productivity, strengthening returns for all the restaurants covered by this strategy.

The broad take-home from our performance during the year under review was that we see ourselves as an innovations-driven company. As consumer realities transform, as marketplace dynamics change, as the diverse variables affecting our business become increasingly unpredictable, the only insurance is the ability to pre-guess and prepare. At Westlife, we believe we have created a cross-functional culture that responds to business challenges with timely and effective counter-initiatives. During the last few years, this was showcased in the successful rollout of the McCafé format, menu transformation and the delivery of app- and online-driven orders. We are working now on enhancing the proportion of revenues derived from breakfasts, strengthening our presence as an all-meal and anytime brand.

At Westlife, we are optimistic of our prospects. The margins and volume rebound are likely to be sustained through an increase in 30 or 40 more restaurants in new and existing cities. We intend to increase McCafé restaurants from the current base of 75 during the current financial year. The menu contemporarisation will extend to healthfulness where we moderate calories and sodium content. We intend to invest in quicker delivery for app- and online orders through wider engagement with food aggregators. We intend to strengthen our breakfast menu to attract more footfalls. We intend to strengthen the customer experience. We intend to deepen our Ronald McDonald House Charities Foundation's community responsibilities.

In view of these realities, I am optimistic that we will report attractive years of outperformance ahead.

Amit Jatia, *Vice Chairman*

THE BROAD TAKE-HOME FROM OUR PERFORMANCE DURING THE YEAR UNDER REVIEW WAS THAT WE SEE OURSELVES AS AN INNOVATIONS-DRIVEN COMPANY.


McCafé

WHEN PESSIMISM MEETS NEGATIVITY, WE WORK HARDER TO CREATE OPTIMISM AND POSITIVITY.

The Indian economy faced one of its most challenging periods over the recent past with consumption emerging as the biggest casualty. As a result, there was a general decline in footfalls and spends across the country's QSR space. At Westlife, we focused on using these tough times to build on our foundations, reinforce them and create a robust business model to capitalize on the country's structural long-term consumption story.

This is how we have transformed over the past two years:

236
From a restaurant count of 107 in 2010-11 to a base of 236 restaurants across 30 cities today!

1.8%
From a negative 5.9% SSSG in 2014-15 to a positive 1.8% SSSG today!

109
From 36 SKUs in food products in 2010-11 to 109 SKUs today!

From limited vegetarian fare to the world's first-time introduction of a vegetarian Maharaja Mac!

80
From 5 SKUs in beverages in 2010-11 to 80 SKUs today!

2.3-2.5
From an average of Rs 2.5-3 crore expended as capex per restaurant to Rs 2.3-2.5 crore today!

99%
From 90%+ localization in 2010-11 to almost 99% localization at 2015-16 close!

From a limited beverage offering to a flourishing McCafe coffee platform offered in 75 McDonald's restaurants today!

From a miniscule delivery focus to a thriving McDelivery platform with a turnover of Rs 8-12 million per year per restaurant today!

From a minimal online presence to a dedicated McDonald's app today!

From a pureplay focus on in-restaurant dining to exploring tie-ups with the country's various food aggregators today!

WHEN EXPERIENCE MEETS EXCELLENCE AT THE TABLE, SOME INTERESTING THINGS BEGIN TO HAPPEN.

161
Restaurants in 2012-13

236
Restaurants in 2015-16

165
Footfalls, 2012-13 (Million)

185
Footfalls, 2015-16 (Million)

5
Total restaurant area, 2012-13 (lac sq. ft)

8
Total restaurant area, 2015-16 (lac sq. ft)

7,586
Total workforce, 2012-13

6,905
Total workforce, 2015-16

59
SKUs on offer, 2012-13

189
SKUs on offer, 2015-16

2.5-3
Average capex per restaurant, 2012-13 (Rs crore)

2.3-2.5
Average capex per restaurant, 2015-16 (Rs crore)

WE WORK HARDER.

THE MAGIC OF FRESH NUTRITIOUS FOOD MAKES IT POSSIBLE TO CULTIVATE DIFFERENTIATED PALATES.

THE ABILITY TO FUSE FOOD WITH CULTURE MAKES IT POSSIBLE TO STRENGTHEN THE ECOSYSTEM.

THIS IS THE RESULT:

THE QSR INDUSTRY GREW

3%

IN 2015; WE REPORTED A

9%

REVENUE GROWTH IN 2015-16.

Expanding our restaurant count

At Westlife, we expanded the McDonald's restaurant footprint. We added 30 new restaurants in 2015-16, taking the total count to 236 in West and South India. The Company is on track to add 175-250 restaurants in five years.

Strengthening our restaurant economics

We launched our new Restaurant Operating Platform 2.0, delivering 20-25% savings in capex, leveraging our decades of QSR industry knowledge. The Company maintained a prudent focus on restaurant development costs, which helped maintain healthy unit economics in line with restaurant base growth.

Reinforcing our menu offerings

We consistently developed new offerings that addressed existing and emerging consumer needs. The Company made a concerted effort across brand extensions, which enriched margins. We widened the McCafé footprint, adding 38 locations in 2015-16 (32 in the previous year), taking the total count to 75 (37 in the previous year). McCafé makes it possible for the Company to broaden its addressable market beyond QSR and grow baseline sales. We are on track to double this base in 12-18 months. The product initiatives are successfully leveraging McDonald's brand heritage of quality and innovation, distinguishing the Company in a competitive marketplace. During the year under report, we grew baseline sales through new premium menu items and 'Limited Time Offerings'. The introduction of premium offerings like the first-ever Veg Maharaja Mac, flame-grilled Chicken Maharaja Mac, focaccia buns, chilli paneer pockets and Indi Spicy Burger and desserts like Banana Caramel Oreo McFlurry and limited-time offerings (Black Forest McFlurry and Maha Smoothie) helped mitigate a challenging environment.

Building on our service standards

At our Company, we optimized our delivery business through operational efficiency. We built online capabilities with McDelivery. We made significant investments in leveraging digital platforms that enhanced user-friendliness through the mobile and web platforms. We reported a 20% sales surge through our online and mobile platforms during the year.

We conduct regular surveys to gauge the happiness index of our customers – in terms of variety, servings and prices. A similar assessment led us to re-engineer the 'Maharaja Mac', our chart-topping signature burger that comprises two flame-grilled patties in a three-layer bun with habanero sauce, jalapeños and assorted vegetables.

After a year-long Maharaja Mac re-engineering exercise, the product was launched in the fourth quarter of 2015-16.

Besides, we introduced a vegetarian version of the Big Mac (Maharaja Mac) in 2015-16, which is the first ever such instance in the history of McDonald's globally. We supplemented the launch of a sandwich variety with beverages and desserts, enriching menu variety.

Going ahead, we intend to have a Kung Fu Panda-themed menu and our dessert range themed around the Angry Birds film is expected to enhance traction.

Something interesting!

McCafé organised a 'Chocolate Festival' between July and August 2015 and introduced a suite of premium dark hot chocolate beverages, thereby possessing a composite chocolate portfolio which no one had in the industry. It is interesting to note that the Indian chocolate beverage industry is growing at a 30-40% CAGR over the past few years and this growth was stimulated at our restaurants, pulling in an additional 10 new customers per day and helping position McCafé as a premium chocolate parlour. McCafé intends to double stations from 75 of the 236 restaurants (as on 31 March 2016) during the current fiscal, enhancing coverage, convenience and revenues.

MCCAFÉ NOW AT MCDONALD'S

STEAMING LATTE. WARM CAPPUCCINO. THE MAKINGS OF A STIMULATING CONVERSATION!

McCafé aims to maximise reach through a range of premium, specialty coffees - cappuccino, latte, iced mocha and frappe, among others.

All under one roof.

The Company responded to a long, unmet need in a rapidly-growing Indian specialty coffee market with McCafé. The coupling of the McCafé product portfolio with strategic restaurant reimaging allowed the Company to carve a McCafé niche without needing to lease new space and create a brand-within-a-brand at established points-of-sale.

From a customer's perspective, the concept of McCafé operating inside the existing McDonald's premises enhances possibilities of a premium coffee experience coupled with enriching McDonald's fare. McCafé is a part of McDonald's ongoing commitment to provide Indians with the best experiences at outstanding value. The accelerated rollout of McCafé has allowed the Company to provide consumers an enhanced coffee-drinking experience distinguished by quality, freshness and convenience.

We see a huge potential for McCafé. The Indian coffee market segment is growing at a CAGR of ~20%. We believe we have discovered a sweet spot - quality espresso coffees for connoisseurs. We expect to continue expanding our beverage platform, leading to a larger share of a Rs 4,000 crore Indian beverage market.

Prior to McCafé, our restaurants had a limited beverage range. As more visitors showed an increasing preference for coffee, we bet big on this segment. The result is that our McDonald's restaurants now have a dedicated McCafé counter. What has emerged is a widening cross-sell and opportunity: customers returning for coffee and graduating to full-fledged meals; McCafé beverage customers selected to experiment with new exotic offerings, widening revenues; the Company kick-started such limited-time offers as a cold coffee festival, strengthening beverage offtake; the Company also launched a range of limited offer premium dark chocolate-flavoured beverages. We also introduced the Maha smoothie, a larger version of the best-selling real fruit smoothie.

McCafé also launched a range of real fruit smoothies, in step with establishing McCafé as a premium beverage outlet offering competitively-priced products. This was launched to cater to youngsters who like to share their food. The campaign was successful in selling larger volumes (and hence higher priced) of smoothies.

McDelivery.

DELIVERED HOME. HOT AND FRESH!

Visiting a McDonald's restaurant is an experience. We introduced McDelivery™ with the objective to extend this pleasure to customer residences!

The global McDelivery™ model was introduced in Singapore in 2005, spawning similar spinoffs in India, Kuwait, Pakistan and other countries.

McDelivery has proved to be a catalyst. Whether one is yearning for one's favourite McDonald's breakfast while curled up in bed or seeking a quick way to feed a bunch of friends dropping in unannounced, customers depend increasingly on McDelivery™.

During the year under review, the Company increased McDelivery™ coverage to 50% of its restaurants, strengthening sales and margins. We also tied up with third-party food aggregators to enhance reach.

McDelivery has proved to be good for business. The service reported higher margins on account of lower rent and utility costs. During the fiscal under review, there was an almost even split between orders coming in via the call centre and online (~60:40 in the previous year), indicating that an increasing number of consumers were ordering online.

Looking ahead, the Company intends to upgrade its technology platform and supply mechanisms to enhance efficiency in line with third-party food aggregators coupled with promotional campaigns on emerging menu additions.


McDelivery
66 000 666

OUR PERFORMANCE AMBITION

At Westlife Development, our performance ambition is to create one of India's most respected food service companies in the QSR space.

Overall goal:

- Stay committed to the goal that we communicated in 2014-15 – establish 450-500 restaurants over the next 5-7 years and double the base of McCafé's from the current 75 over the next 12-18 months

Goal contributors:

- Strategic selection of real estate with a high consumption appetite / catchment
- Align the first opportunity of raising the McCafé platform across existing McDonald's restaurants

We are making focused investments in:

- Enriching our online presence through tech-strengthening and updating our app
- Reinforcing our food and beverage options by adding value-added products to the menu
- Engaging in selective menu reorganisation and price increase
- Focusing on providing everyday value for greater customer benefit rather than engaging in discounting
- Enhancing chances of product cross-sell through bunching and focusing on providing a full-fledged meal rather than a snacking option

We are focused on profitable growth:

- SSSG turned positive in 2015-16; Q4 2015-16 SSSG was the third consecutive quarter of positive growth
- Total revenue grew about 12% in 2015-16 to Rs 856 crore
- Operating profit margin grew 570 bps to 8.4% in 2015-16


M


Closed.
MAKE YOUR SPICY MEAL
SPICIER
WITH THE NEW

OUR MCDONALD'S RESOURCES

The year 2015-16 represented a validation of what we have always believed: that we provide an exciting workplace.

This conviction was endorsed during the year under review. The Company was awarded the #1 spot in the retail segment in the 'Great Places to Work' survey, 2015, up from #4 spot a year ago.

The Company also retained its #1 spot within the QSR segment from the survey's previous year.

At Westlife, we provide opportunity, nurture talent, develop leaders and reward achievement. We believe that a team of well-trained individuals with diverse backgrounds and experiences working in an invigorating environment drives engagement essential to our success.

The Company's employee value proposition revolves around the three 'Fs' - Fun, Flexibility and Future. We inspire our employees to feel that their work has a larger meaning than just any job. Our programs are designed to reinforce the Company's values, mission, vision, etc. We adopt practices that showcase the value of their work for customers and/ or society. We share stories with employees that foster pride in self, service and Company.

The Company intends to impart soft-skills training to customer-interfacing employees. It also intends to work with authorities to enhance skill development in line with the government's 'Skill India' programme.

Flexibility in timings is an aspect that makes us stand out. McDonald's hires individuals' fresh into the workforce or without a job. Even if they work a few hours at McDonalds, we ensure that they learn these skills for life.

At Westlife, our Adaptive Employee Personality Test (ADEPT) is rated as the most advanced adaptive personality and potential assessment available in the world. ADEPT has 15 dimensions - 10 are based directly on the well-validated 'Five Factor' personality model; an additional five stem from decades of research in leadership effectiveness and learning orientation. ADEPT has helped graduate the Company's employees into the most sought-after talent in the country's QSR sector. Besides, a regimented five-step recruitment process ensures effective screening.

At Westlife, a comprehensive performance appraisal system evaluates employees and identifies enhanced productivity opportunities. The performance review rates managers across QSC, sales, profits, staffing, administration, people development and retention, decision-making, enthusiasm, adaptability, planning, sensitivity, communications skills, leadership and additional responsibilities.

McDonald's also cares for the community. The Company provides opportunities to semi-urban youth, recruiting students from NGOs and young tribals and female staff from underprivileged regions.

OUR BUSINESS MODEL

Supply chain

Our extensive presence and typically large units make it possible to generate attractive procurement economies. Besides, our backbone comprises a supply chain built around a unique 'farm-to-fresh' model. The SC works on a 100% assured supply promise, guaranteeing no stock-out at any restaurant. This hub-and-spoke model comprises sourcing centers feeding resources into strategically-located distribution and warehousing centres (four centres located across each corner of the geographic footprint), which in turn feed various restaurants. Each distribution centre caters to around 100 restaurants located across a radius of 250-1,500 km. Besides, temperature-controlled logistics (cold chains) ensure zero wastages and farm-fresh food. Moreover, the Company also addresses contingency supply to meet emergencies.

We have also adopted some other agri initiatives in our supply chain. Onions and tomatoes have seen significant price volatility in the past couple of years due to weather vagaries. To provide price predictability to the system, we have initiated contract farming in a small way. The benefits are two-pronged: McDonald's gets price predictability and the farmer gets an assured return. We hope to scale up this initiative in the coming years by tying-up with more and more farmers. Besides, we also introduced a new harvesting technology in green peas farming through a mechanized harvester. Normally, harvesting is manual, leading to losses; this new technology gives a higher yield to the farmer.

Leveraging technology

With a geographically spread out restaurant base of 236 restaurants across 30 cities, HRPL has a wide distribution network with stringent requirements on timely deliveries and strict temperature control. At any point in time, ~10 trucks are on the road carrying material from suppliers to our distribution center (DC) and from the DC to our restaurants. Therefore, GPS and IT technology has been leveraged to the fullest to be able to track all these vehicle movements, which strengthens visibility into the supply chain network. Besides, across the distribution leg to our restaurants, GPS, mapping and traffic monitoring is used to estimate vehicle arrival time at the next restaurant along the delivery route.

Temperature integrity is critical for the cold chain and the DC control tower is able to monitor vehicle temperatures online. This gives us the ability to react to any temperature fluctuations and helps maintain the integrity and safety of our food.

Cold storage infrastructure

We possess almost 10,000 sq. ft of cold storage infrastructure across strategic procurement and consumption hubs. This enables us to capitalise on attractive prices, stocking for future needs and managing product shelf-life better. We invested ~Rs 100 crores in our cold chain infrastructure, one of the highest such spends by a QSR chain in India.

Locations and rollout

McDonald's restaurants are located in upscale commercial and residential locations/ high-streets to address an upwardly mobile and aspirational clientele. In 2015-16, the Company had 236 restaurants and was on track to establish 450-500 more restaurants in next five to seven years. The Company reported a 16.1% CAGR in restaurant base growth in five years.

Restaurant interiors

McDonald's investments are channelised in interior design (chic furniture and appealing fixtures along with a birthday party area). We entered into long-term agreements with prominent equipment manufacturers (grills, dishwashers, exhaust fans and computers) for procurement, maintenance and servicing, resulting in high equipment utilization.

Menu offerings

The Company's menu provides a value-for-money proposition for all socio-economic classes. So while the Happy Price Menu addresses the entry-level (Rs 25), the Maharaja Mac range addresses the top-end (full-fledged meal at Rs 220). Besides, a strong control on inputs enabled the capping of menu price increases to 3-4% in 2015-16 even as overall CPI food inflation ruled higher.

For the first time in 2015-16, we introduced exotic vegetables into the McDonald's supply chain. For two new products – the Maharaja Mac and the Indi McSpicy, we introduced green jalapenos and red paprika into our menu items. Our suppliers helped us set up the supply chain for these exotic vegetables to ensure assured supply round the year. Moreover, we also took a shot at menu customization by providing different bun options, including the focaccia bun and tandoori bun.

In-restaurant service

The Company's corporate motto is to 'Serve with a smile'. As an extension of this philosophy, the Company continued with its 'One minute service' where an hourglass measures the single minute delivery promise to customers even during rush hours. The Company's food services have been extended to home delivery, online orders, Drive-Thrus and kiosks. Besides, we trained to strengthen service, endeavouring to ensure that the order placement-to-delivery cycle was not more than 29 minutes. The results: high customer service, food freshness and higher cover rotation.

Prudent restaurant size and rentals

Our restaurants range from ~1,200 sq. ft (single floor) to 4,000 sq. ft (including a mezzanine, second floor). We entered into long-term lease contracts in exchange for affordable rentals, accelerating restaurant breakeven. The strength of the McDonald's brand enables it to tie in attractive rental agreements as most property owners desire to be associated. Depending upon the location and the nature of the engagement, we embraced either a pre-decided rental with built-in increases across a defined tenure or revenue-sharing. These rental agreements went a long way in helping restaurants break even faster since rentals constitute the largest fixed cost component. As a percentage of overall expenses, our rent costs accounted for 8.5% in 2015-16, compared with 8.1% two years ago, a marginal increase despite the addition of over 1.5 lac sq. ft during the intervening period.

Hygiene and cleanliness

The Company adheres to a strict code of conduct and cleanliness, ensuring that hygiene plays a significant role in the way food is served. Extensive precautions and stringent rules apply to the entire staff in terms of wearing caps and gloves while serving food with the kitchen area being out of bounds for visitors. Toilets and floors are regularly swept with disinfectants with caution signs placed in the areas being cleaned.

Maximising day-parts

The Company serves food across all day parts – breakfast in the mornings, snacks mid-morning, lunch, snacks mid-afternoon and dinner, with the addition of a new day-part through McCafé – late-evening coffee and dessert. This not only maximizes resource and utility utilisation but also enable longer productive hours. All the Company's 236 restaurants operate on 365 days.

Localisation

As a Company, we believe in high levels of localisation. For instance, the spoon used for the iconic McFlurry range of desserts, which doubles up as a spoon for the customer and a flurry tool in operations, and has a very intricate design, has been localized and is now manufactured 100% in India. Besides, the coating system for the iconic chicken nuggets has been localized. A critical control on the wheat quality is required to ensure a consistent sensory perception to the customer and India is one of the few countries which makes the chicken nugget coating locally.

PROFILE OF THE BOARD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01 B.L. JATIA
CHAIRMAN

Mr. B. L. Jatia has over 45 years of experience in paper, textiles, chemicals, food processing, mining, hospitality, healthcare, investments and finance and retail sectors. Mr. B. L. Jatia is currently the Chairman and Managing Director of Hardcastle & Waud Mfg. Co. Ltd. The Company is engaged in trading /manufacturing of chemical products. Besides, he also holds directorships in a number of other companies and is a trustee of a charitable trust. Mr. B. L. Jatia holds B.Com and LLB degrees from the University of Mumbai.

02 AMIT JATIA
VICE CHAIRMAN

Mr. Amit Jatia has over 25 years of experience in the QSR industry. As Vice-Chairman of Westlife Development Ltd., he has been responsible for all aspects of the establishment and operation of McDonald's restaurants in western and southern India, including site location and acquisition, site development and equipment installation, supply chain management, product development and marketing strategy, among others. He has been recognised for his achievements with the 'Young Achievers Award', bestowed by the Indo-American Society in 2003, Business World's 'Most Respected Company' award for the Food Sector in 2005, for the third consecutive year, as well as Images 'Retailer of the Year' award in 2004 and 2005. He holds a B.Sc in Business Administration (Finance) from the University of Southern California. He has completed programmes on Management Control Systems at the Indian Institute of Management and on strategy, leadership and governance at Harvard Business School.

03 P.R. BARPANDE
INDEPENDENT DIRECTOR

Mr. P.R. Barpande, a Chartered Accountant, has more than 30 years of experience as an audit partner with Deloitte Haskins & Sells. He has served various groups such as Financial Technologies / MCX, Blossom, Reliance, Mafatlal, Lupin, Mahindra, Hexaware, Jet Airways, John Deere, Bridgestone and TechMahindra as an audit partner. He was actively involved in reformatting accounts to US GAAP/ IFRS for major domestic and multinational companies and some Indian banks. He is a Fellow of the Institute of Chartered Accountants of India.

04 DILIP J. THAKKAR
INDEPENDENT DIRECTOR

Mr. Dilip J. Thakkar is a practicing Chartered Accountant with over 51 years of experience in taxation and foreign exchange regulations. He is associated with several public and private companies as a Director. He is a Fellow of the Institute of Chartered Accountants of India.

05 SMITA JATIA
DIRECTOR

Ms Smita Jatia comes with two decades of experience in the QSR industry. She has been an active member of the McDonald's India team since the commencement of its operations and over the years, has handled various roles within the organization. Ms Jatia is responsible for charting out and leading the aggressive growth of McDonald's India operations across West and South India. She has been instrumental in launching, indigenizing and building the McDonald's brand over the last 17 years. She joined Hardcastle Restaurants Pvt. Ltd as Director, Marketing, in 1996 and was the Chief Operating Officer for Hardcastle Restaurants Pvt. Ltd. She currently performs the role of Managing Director, Hardcastle Restaurants. A

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commerce graduate from Sydenham College, Mumbai, Ms Jatia has also completed an 18-week executive management program from Harvard Business School, Boston, and has undergone a rigorous Marketing and Restaurant Leadership program at the Hamburger University, USA.

06 **MANISH CHOKHANI**
DIRECTOR

Mr. Manish Chokhani is one of India's most respected investors and financial experts. He is an Advisor to Axis Bank and holds Board positions in various companies including Axis Capital, Enam Holdings and Westlife Development. He has had a brilliant career, graduating as among the youngest MBAs from the London Business School soon after obtaining his CA certification. He went on to become MD & CEO of Enam Securities and led its US$ 300 million merger with Axis Bank to create Axis Capital Ltd (ACL) one of India's leading investment banks. Mr. Chokhani had co-founded Enam AMC that manages the wealth of some of India's leading business families. He also served as a Director of the US$ 1 billion ZA Capital Fund and Advisor to the US$ 400 mn India Capital Fund. Mr. Chokhani has served three terms as Co-Chairman of the Capital Markets Committee at the Indian Merchants Chamber. He is an active member of the Young Presidents Organisation and a Fellow of the AIMA. He has served on the International Alumni Board as well as scholarship panels of the London Business School. He has also been a visiting faculty member at the IIM Kolkata and has delivered talks at various other business schools.

07 **ACHAL JATIA**
DIRECTOR

Mr. Achal Jatia is the Chairman of the Board of Directors of Hardcastle Petrofer Pvt. Ltd, a leading manufacturer of specialty oils and chemicals for the metal working industry. He has obtained a Bachelor of Science degree in Business Administration from the University of Southern California, Los Angeles. Additionally, he has attended the Owner / President Manager Executive Education program at Harvard Business School, Boston. He is a Life Member of the Golden Key Honor Society, USA, and a Member of the Entrepreneurs Organization (EO) and the Young Presidents' Association (YPO).

08 **TARUN KATARIA**
INDEPENDENT DIRECTOR

Mr. Tarun Kataria was CEO of Religare Capital Markets in India until September 2013. He is currently Independent Director of Mapletree Logistics Trust Ltd, a SGX-listed REIT. In a career spanning the US, Asia and India, Mr. Kataria has worked in the US with Merrill Lynch's Investment Banking Division and Chase Manhattan Bank's Derivatives Group. He moved to Asia in 1995 as Head of Derivatives, Southeast Asia for Chase Manhattan Bank based in Singapore. He joined HSBC in 1998 as Head of Derivatives, Southeast Asia, and later was appointed Head of Sales, Singapore, HSBC Global Markets. Mr. Kataria has an MBA in Finance, 1985, from The Wharton School of the University of Pennsylvania. His primary education was at The Cathedral and John Connon School, Bombay, and the Sydenham College of Commerce and Economics, Bombay. He is a Chartered Accountant. He is a Paul Harris Fellow of Rotary International and his interests include contemporary Indian art, golf, yoga and African safaris with his family. His charitable work is directed at educating women and girl children.

Management discussion and analysis

Indian economy

India's GDP grew 7.6% during 2015-16, compared to a growth of 7.2% in 2014-15, 6.9% in 2013-14 and 5.1% in 2012-13. The economy remained relatively resilient to inflation, fiscal deficit, weak demand, external account imbalances and an oscillating rupee – as was evident in FY2011-12 and FY2012-13. India's GDP growth is expected to accelerate to 8% in FY2017-18 on the back of a significant increase in investment inflow, favourable monsoons and moderate oil prices *(Source: World Bank)*.

Industry overview

India's consumption growth story

The eating habits of Indians have undergone extensive changes in the last few years. With an increase in the number of restaurants, more Indians are now accustomed to dining out. Given such a backdrop, the long-term prospects of our Company remain optimistic. The 2014 National Sample Survey Office report confirms that tastes of the average Indian consumer have altered. The market for non-vegetarian food is expanding; high-value vegetables (broccoli, capsicum and bell peppers, among others) are being increasingly preferred. The shares of fruit and vegetables, dairy products and eggs, meat and fish have remained largely unchanged. The market for processed foods and hot and cold beverages are expanding as well. These changes highlight what is and what will be on our plates in the future. As India's GDP is expected to triple by 2020, food consumption is expected to rise 4% each year from ₹11 trillion in 2010 to ₹22.5 trillion in 2020 *(Source: 2014 National Sample Survey Office report)*.

Informal eating out industry

Changing lifestyles and food preferences catalysed by increasing urbanisation and a growth in the number of double-income households are evident. With India's population becoming younger on average, there is a growing incidence of eating out. Besides, the advent of a growing number of global QSR players into the Indian market has helped create awareness leading to the growth of the QSR category. This has catalysed the growth of cafés, quick service restaurants (QSR), frozen dessert/ice cream parlours, casual dining outlets and roadside vendors*.

This trend is translating into interesting numbers. Families in Tier-I cities spend about ₹6,000 a month in eating-out; families in Tier-II cities spend ₹1,500 to ₹2,000 a month. This spending is expected to grow significantly on the back of a burgeoning youth segment, larger disposable incomes, higher protein consumption, increased incidence of working women and exposure to Western lifestyles. These factors are encouraging Indians to experiment, adopt new dietary habits and eat out often. *Source: IBEF*

* Does not include fine dining restaurants

The quick service restaurant (QSR) industry

Currently, almost the entire US$50 billion Indian food service industry is dominated by the unorganised sector. However, the organised food service industry, which stands at about $15 billion, is expected to grow at a 17% CAGR to reach US$33 billion, capturing 36% of the total market share by 2020. Within the organised food sector, QSR is a fast-growing, price-sensitive and youth-oriented segment. The factors that contribute to the long-term growth of the QSR industry include increasing disposable incomes and shift in consumer preferences about eating out. The QSR segment in India comprising ~100 brands and ~3,000 outlets is expected to touch the US$4.1 billion-mark by 2020, according to a report by CyberMedia Research. To withstand competition, most of the players are tailoring their offerings in terms of flavours, pricing and services to lure Indian consumers. In terms of menu, while Indian QSRs like Haldiram's and Bikanervala, among others, offer strictly vegetarian fare, this is in contrast to international players who offer a mix of both vegetarian and non-vegetarian fare.

Quick service restaurants are a specific restaurant type characterised by good fast food cuisine with minimal table service. QSR is the fastest-growing segment in the Indian eating-out market, registering a robust 25-30% annual growth on account of the following: Changes in lifestyles, food habits and consumption patterns. Enhanced availability, rise in home delivery services and changing preferences of the average Indian consumer are likely to catalyse QSR industry growth. Besides, QSR is preferred as the food is ready-to-serve and the processes stringently standardised, leading to quality consistency.

The result is that a number of QSRs have enhanced their presence in malls, food courts, multiplexes and larger restaurants.

The arrival of McDonald's two decades ago in India marked the introduction of the QSR concept. Thereafter, several global brands have entered the market – either through company-owned stores or via franchisees, or a mix of both. Over the past five years, many home-grown QSR brands have mushroomed across the country, serving either foreign food or adapting Indian cuisine to fit the fast food format.

The outlook for the QSR segment is optimistic and projected to grow to ₹4,080,400 million by 2018. Moreover, international companies continue to enjoy a stronger presence compared with domestic entities. This is because domestic restaurants in India generally cater to the eating habits of a particular region and specialise in the same. However, international companies offer a variety of meals at all of their outlets, which is generally adapted to Indian taste preferences, making it locally relevant.

Western fast food chains

The Western fast food chains (WFF) category has been the key driver of the growth of the QSR industry, representing about US$1 billion of the US$15.4 billion market, ever since the entry of McDonald's, a global IEO brand, in 1996. Given India's burgeoning youth population coupled with a growing inclination for Western fast food, the WFF category is expected to go from strength to strength. The factors favouring the growth of category include an evolving demographic profile, rising exposure to international brands and increasing awareness of global trends.

Factors catalysing sectoral growth

Some of the key factors that are expected to provide a strong impetus to the growth of the QSR segment in India include the following:

Income growth: Per capita income (at current prices) stood at ₹93,231 in FY16, up by 7.3% from ₹86,879 in the year before period. It stood at ₹71,050 and ₹79,412 in FY13 and FY14, respectively. At current prices, per capita income is expected to cross the threshold of ₹1 lakh in 2016-17, which is an encouraging sign for the QSR sector as higher disposable income usually drives growth of the eating-out category.

Increasing urbanisation: The 21st century is set to become India's urban century. According to projections, an estimated 140 million people will move to cities by 2020 and a whopping 700 million will urbanise by 2050. Besides, the number of cities with population above one million will nearly double by 2020 and may increase fourfold by 2050. There will also likely be a large increase in the number of mega-cities (above five million) to 10 by 2021 and 36 by 2051. In addition, the government's ambitious ₹48,000 crore Smart City project is expected to ease congestion pressures across existing urban centres and also catalyse urbanisation.

Demographic dividend: India currently has 605 million people below the age of 25, while in the age group 10-19, poised for higher education, there are 225 million. This means that for the next 40 years India would have a youthful, dynamic and productive workforce when the rest of the world, including China, continues to age. By 2020, India will have 116 million workers in the work-starting age bracket of 20-24 years, as compared to China's 94 million.

Growing nuclearisation: Indian Census data demonstrates that the number of nuclear families in absolute terms increased from 135 million in 2001 to 172 million in 2011. However, major social trends in marriage and increasing work-related stress has altered the structure of families in most big cities and consequently, over 200 million households are expected to be classified as 'nuclear' by 2020, accounting for a 25-50% higher per capita expenditure. *(Sources: Census 2011, Crisil, ILO, IMF)*

Interesting facts on eating out

- India's food service industry is pegged at US$50 billion, a negligible portion of which is accounted for by online sales.
- Less than 10% of India's food industry is organised.
- 52% of restaurants in India do not offer home delivery services.
- The average delivery duration in India is pegged at ~50 minutes.
- India has 15 fully-online restaurants.
- Frequency of eating out in India is low, compared with some of the country's Asian peers, reflecting strong catch-up growth potential

Source: 2014 National Sample Survey Office report

Company overview

Westlife Development Limited (WDL) is a part of the Mumbai-based B.L. Jatia Group and is engaged in developing the country's QSR industry through its wholly-owned subsidiary, Hardcastle Restaurants Private Limited (HRPL), which operates McDonald's restaurants in Western and Southern India through a master franchisee arrangement with McDonald's Corporation.

Business overview

HRPL (or 'the Company') operates in the QSR sub-segment of the informal eating-out industry. In India, the fast food segment has benefited from increasing urbanisation and a growing youth population, as citizens in the metros have steadily adopted lifestyles that offer convenience, speed and value-for-money.

Under the master franchisee arrangement with McDonald's Corporation, your Company is responsible for financing all business operations and paying real estate interests, while McDonald's Corporation offers technical, operational and business support. All of these restaurants are either fully-owned or secured via long-term leases by HRPL to ensure long-term occupancy and optimise overheads. The Company generates revenues primarily from sales made from these restaurants.

HRPL continuously develops and refines operating standards, marketing concepts and product and pricing strategies. This is done in a manner that only those strategies are introduced that are the most beneficial for the system to deliver a great customer experience and drive profitable growth. The Company constantly focuses on enhancing customer delight by managing operations locally – initiating marketing campaigns, launching limited duration offers, engaging in menu innovation and monitoring customer satisfaction levels, among others.

In analysing the Company's performance, the management has taken into cognizance numerous performance-related and financial parameters (including comparable sales and system-wide growth).

- Comparable sales represent sales at all restaurants that have been in operation for at least 13 months, excluding those that have been temporarily closed. Some of the reasons for which restaurants may be temporarily closed include reimaging or remodelling or rebuilding or as a result of natural disasters. The number of weekdays and weekends, referred to as the 'calendar shift/trading day adjustment', as well as the timing of the holidays can impact comparable sales.
- Since HRPL reports on a financial year-basis, monthly, quarterly and yearly comparisons with the corresponding period of the prior year are impacted by the mix of weekdays and weekends in the given timeframe. The Company refers to these impacts as calendar shifts/trading day adjustments. These impacts also vary due to different spending patterns across geographies. System-wide sales include sales at all the restaurants as well as at the two sub-franchised restaurants.

Core growth initiatives

McDonald's is the world's leading global food service retailer with a presence across more than 35,000 locations around the globe. It serves around 70 million customers in over 100 countries daily, generating system-wide sales worth US$25.4 billion. More than 80% of McDonald's restaurants worldwide are franchise-owned and operated.

Over the last 19 years, McDonald's India has led the Western fast food sector in India with a network of around 400 restaurants across the country. Every year, over 325 million customers visit McDonald's restaurants in India.

HRPL has been the custodian of the McDonald's brand in Western and Southern India since 1996 when its first restaurant came up in Bandra, Mumbai. HRPL today serves approximately 185 million customers annually with a consistent focus on QSC&V (quality, service, cleanliness and value). Over the years, HRPL's unwavering commitment to deliver QSC&V to its customers through dedicated employees and an overwhelming appreciation in value has allowed it to keep customers satisfied and sustain its competitive edge.

In India, McDonald's is a vibrant example of a global brand that has become locally relevant by offering consumer-centric value propositions. In line with glocalisation (global-local) philosophy, HRPL has 'localised' the McDonald's menu based on a thorough understanding of Indian sentiments and palates. This has led to the introduction of a number of McDonald's menu items customised and innovated to cater to Indian tastes and preferences such as the McAloo Tikki™ burger, Veg Pizza McPuff™ and the Maharaja Mac™ (vegetarian and non-vegetarian), among others. However, despite this, every product served across its restaurants in India has the stamp of McDonald's uniqueness. Additionally, no McDonald's restaurant in India serves either beef or pork. Moreover, vegetarian and non-vegetarian ingredients are kept isolated at all stages – from the processing centres to the kitchens.

Value-for-money has always been McDonald's' USP. The McDonald's menu is priced in a manner that ensures affordability among the largest customer cross-section. Concurrently, it ensures that quality and hygiene is by no means compromised. HRPL serves hygienic and delicious food and invests constant efforts to provide 'more' to the customer through various offers and routine menu introductions. For instance, the 'Happy Price Menu', the 'Extra Value Meals' and the 'McValue Lunch' provide the most affordable food options to customers every day.

The Company's efforts to offer affordable value to customers is complemented by a focus on driving operating efficiencies, leveraging proprietary scale and supply chain infrastructure and the suppliers' risk management practices to manage costs.

HRPL's robust supply chain serves as a competitive advantage for the brand. Prior to the launch of its first restaurant in 1996, the Company, along with its suppliers, invested six years to develop an internal cold chain network. Several of McDonald's global vendors partnered with local players to set up the supply chain infrastructure, resulting in considerable cost optimisation for the brand through local sourcing. Over the years, HRPL has worked directly with farmers, eliminating middlemen, dealing only in the best quality ingredients, thereby optimising costs. Integration with farms, increased farm acreage, improved capacity and better accessibility to raw material resources help mitigate inflationary impacts. The Company also remains focused on periodically reviewing capacities, growing farm productivities and enhancing supplier facilities to help control food inflation. Over the course of a two-decade journey, the Company, along with its suppliers, have invested over ₹1,000 million to increase capacities and meet the evolving needs of consumers.

HRPL stepped up brand investments to capitalise on emerging opportunities and driving operational efficiencies. This led to a reduction in food, paper and distribution costs along with increased efficiency in terms of product management and menu pricing – resulting in gross margin expansion of ~160 bps during 2015-16. HRPL continued to advance its efforts around augmenting the eating out experience, offering the best food and beverage options and delivering exceptional service.

During 2015-16, the Company's unique value platforms, appetising and locally relevant menu selections and convenience offerings helped deliver the true 'McDonald's' experience to customers.

During the year under review, HRPL continued to focus on customer needs and formulated strategies in line with its growth priorities. Even in a challenging period with consumers largely withholding discretionary spends, the Company continued to focus on its core areas of growth, convinced of the long-term prospects of the business.

(a) **Broadening accessibility** of the brand by opening new restaurants and efficient business unit economics. HRPL continues to bring global cuisines to the average Indian consumer at affordable prices.

(b) **Growing baseline sales** through product innovations, providing value to the customers and offering various conveniences.

(c) **Expanding margins** by leveraging scale and further improving supply chain management.

(d) **Growing by investing in training and development** of the people and building skills for the future.

The Company believes that these priorities remain relevant and actionable to HRPL's business objectives and will continue to drive long-term sustainable growth.

Despite a challenging economy and a relatively flat or declining informal eating out (IEO) segment, in 2015-16, we maintained our market share amid a competitive environment.

Initiatives supporting these growth priorities resonated with customers and drove total revenue growth by 9.0% while system-wide comparable sales for the fiscal stood at 1.8%, despite tepid consumer sentiments.

Subsequently, restaurant operating margins[1] stood at 11.9% in 2015-16 as a percentage of total revenues, compared with 8.7% in 2014-15, largely on account of various restaurant productivity measures and operational efficiencies driven by lower occupancy and utility costs. Over 40% of HRPL's 236 restaurants are less than three years old. As these new restaurants mature over the coming years, they are expected to contribute more productively to the cash flows.

In 2015-16, net cash flow from operating activities stood at ₹794.6 million. WDL's substantial cash flow infused an inherent sense of flexibility when it came to funding capital expenditure initiatives. A capex of ₹1,007.3 million was invested in the business primarily to open new restaurants and enhance accessibility.

As on March 31, 2016, HRPL's restaurant footprint stood at 236, registering a growth of ~13% over the previous year. The Company has grown the number of restaurants by more than 45% over the past three years. It must be kept in mind that these results were achieved despite a macroeconomic slowdown in the IEO segment and heightened competitive activity.

[1]Restaurant operating margins represent the total revenues generated by Company-operated restaurants barring the operating costs of these restaurants (including royalty, among others) before depreciation and corporate overheads; expressed as a percentage of total revenues.

Broadening accessibility

The Company broadened accessibility by adding new restaurants and expanding McCafé and McDelivery across the restaurants. Furthermore, HRPL increased accessibility and convenience by increasing the utilisation of day-parts at the breakfast and highway restaurants, enhancing the web and mobile order volumes through McDelivery™ and dessert kiosks, among others. During the year under review, the Company continued to deepen presence in existing areas while simultaneously foraying into newer locations.

The Company built an efficient real estate portfolio by entering into strategic long-term deals with sites or locations and land owners. This portfolio approach offered a long-term competitive advantage and allowed a keen emphasis to be laid on quality real estate. This approach meant building a strong diversified portfolio of restaurants by operating in food courts, malls, high street retail outlets and standalone drive-thru restaurants. HRPL continues to focus on launching high quality restaurants with long lease periods and favourable terms while focusing on growing the drive-thru portfolio, lending the Company a distinct real estate competitive advantage.

The Company believes that building a balanced portfolio of restaurants is the best long-term growth strategy to capitalise on the opportunity offered in India. HRPL continued to pursue an aggressive but sustainable long-term growth policy backed by clear-cut strategies and their focused execution while continuously improving unit economics by implementing new Restaurant Operating Platform (ROP) 2.0 which resulted in lower capital and operating expenditure per restaurant. The growth momentum remained unabated through 2015-16 as HRPL added 30 new restaurants, representing a 13% growth over the previous year. During the year, the Company entered the cities of Bharuch, Solapur and Raipur. While new restaurants helped HRPL access a larger number of customers, it also ensured that the brand remained an integral part of community life.

HRPL believes that growth will be driven by increasing the accessibility of brand McDonald's to the Indian consumer by expanding the restaurant base. The Company is on course to have 450-500 restaurants by 2022 across Western and Southern India.

Growing baseline sales

Even when inflation was eating away into disposable incomes, the Company continued to deliver value to customers through unique value platforms, great-tasting premium menu selections, locally-relevant menu varieties and convenience and service enhancements.

During 2015-16, HRPL consistently advanced the strategy of developing newer offerings that could best fulfil existing and emerging consumer needs. The Company introduced locally relevant menus that featured a blend of premium burgers, classic favourites, limited-time offers as well as everyday value-for-money offerings. During the year under report, the Maharaja Mac was reengineered with the incorporation of new buns, patty and reconfiguration of the sauces to reinforce premiumness and cater to a wider taste. This reengineering was also accomplished in-line with the feedback received from our customers with regards to taste reorientation and a great desirability for a filling premium product. The product was well-accepted in the market. We also invested in building various categories by introducing a variety of desserts and beverage options, focused on higher price-points, while concurrently strengthening the value proposition. Our new launches led to an increase in footfalls and higher average spends per consumer. We continued to gain market share through the value platform and believe that this approach centred on 'everyday value' will help grow baseline sales and increase footfalls.

Strategic investments in formats such as drive-thrus and brand extensions like McCafé, McDelivery™ and breakfast platforms, dessert kiosks helped the Company create a portfolio that builds brand differentiation and yields long-term results. Brand extensions have provided more accessibility to customers, maximised day-parts utilisation and enhanced unit economics and serves as an important growth driver for HRPL.

In 2015-16, the Company focused on promotional campaigns that covered the brand as a whole as opposed to a product or a category alone. The idea was to create loyalty towards McDonald's and attract customers towards McDonald's as a brand as opposed to a single product. Aligned with this, we refrained from adopting the short-term deep discounting strategy that was aggressively adopted by most of our competitors because we have always believed that it impacts the brand value in the long-term.

Tapping into the ₹6,700 crore organised Indian café market (estimated in 2014 and projected to grow to a size of ₹15,100 crore by 2020, as per Technopak), HRPL launched McCafé in Mumbai in the year 2013, representing a brand extension that serves specialty coffees and desserts, typically located in a separate area inside restaurants. This brand extension is bringing in new customers and generating better sales and margins than existing restaurants. In addition to premium-quality coffee, it allowed the Company to offer a wide range of frappes and smoothies, thereby providing the Company with an alternative product range to draw in new customers. Introduction of McCafé has also increased the sales of other products sold at the restaurants which house a McCafé. Besides, we also reimaged restaurants with McCafé that helped elevate the restaurant's look and feel, thereby making it more contemporary. Clearly, customers coming in to purchase McCafé have a tendency to purchase other products. During 2015-16, we brought 75 restaurants under the McCafé banner to capture additional footfall and in 2016-17, the Company intends to aggressively add to the current base of McCafés, taking the total count to 110-130.

To further build on this competitive advantage, the Company focused on operational improvement initiatives to drive customer satisfaction in a bid to deliver fast, accurate and friendly services, every time. HRPL strengthened convenience offerings by optimising the delivery business, enhancing operational efficiencies with the 29-minute delivery guarantee and by augmenting digital engagement capabilities with the launch of web and mobile ordering facilities under McDelivery™.

Extending convenience into the McDelivery™ platform through web & mobile app have proved to be a success as almost 50% of the delivery orders comes from mobile and web ordering while remaning comes through call centers. During 2015-16, McDelivery™ and its app continued to boost sales as more and more Indian consumers begin to avail online delivery services. The Company has also collaborated with aggregators such as FoodPanda in order to create a more efficient delivery network and address a larger consumer base and their growing demands. As on 31st March 2016, ~125 out of the 236 stores delivered food to customer's homes.

The breakfast business service is now being offered in ~125 restaurants. HRPL laid a keen emphasis on the breakfast business by building on advances that were made during the previous year through the celebration of the National Breakfast Day. Desserts continued to play a significant role as more dessert kiosks were added during the course of the year. These brand extensions will continue to add to baseline sales as HRPL's portfolio and reach grow in terms of scope and scale. The Company continued to improve customer experience through major remodelling initiatives, contemporary restaurant designs and retailing efforts. The improved appearance and functionality of our restaurants deliver a more relevant experience to the customers.

During FY2015-16, HRPL continued to accrue the benefits of the execution of the strategies under the 'Restaurant Operating Platform 2.0' that focused on cost minimisation.

Interestingly, almost 2,500 birthday parties were celebrated during FY2015-16 at McDonald's restaurants across Western and Southern India, reflecting the integral association of the brand with consumer lives and highlighting its importance as a 'fun' destination. HRPL also continued to focus on creating a family-friendly experience by tying up with franchises like Minions, Thomas & Friends, Hello Kitty, Tom & Jerry, Hotel Transylvania, The Peanuts, Mario Kart and Ben 10.

Margin expansion

HRPL continued to expand margins by driving operating efficiencies and leveraging economies-of-scale via effective supply chain management. Furthermore, gross margins were enhanced through a consistent 3-5% y-o-y increase in menu prices even as we continued to effect exciting changes in the product mix. Brand extensions such as the McCafé (sales at higher margins) and McDelivery™ (sales at lower operating costs) facilitated an improvement in gross margins. Over the next year, these two areas are seen as key avenues for margin expansion, while continuing to focus on driving better average sales per restaurant.

HRPL continued to advance the strategy of strengthening brand extensions like breakfast service, McDelivery™, dessert kiosks and McCafé to leverage day-part utilisation and enhance unit economics. As a result, overall gross margin improved by ~160 bps over the previous year.

Further, in the medium-term, margins would continue to expand largely due to the Company's plans to broaden the accessibility of brand McDonald's by opening new restaurants and continuous investment in people to drive future business growth. All these initiatives will help improve operational efficiencies once the consumer sentiment recovers strongly and footfalls start growing.

Investing in people

HRPL is an employer of opportunity, providing quality employment and long-term career prospects to around 7,000 young people as of 31st March 2016. For many of the employees, HRPL is their first employer, providing formal job opportunities that include benefits like medical facilities, soft-skills training and flexible hours. The Company believes in nurturing and grooming fresh talent and makes long-term investmentstowards imparting interpersonal and organisational skills, crucial for effective functioning for any job, anywhere else.

Every employee undergoes the 'Skills for Life' training programme, laying the foundation for customer servicing and leadership imparting skills that can be applied to a wide range of career paths in the future. On-the-job and off-the-job mentoring is provided through international learning programmes that are adapted to local requirements.

Many of the employees are high school passouts and HRPL encourages them to pursue higher studies. Extensive training is provided at each level to help employees rise along the organisational value chain and build a secure future. The Company has developed alliances with educational institutions to provide special courses at discounted fees to employees. This include association with Welingkars' Institute of Management, Mumbai. Today, there are several examples of people who started out in the organisation as high school passouts and now head multi-crore business verticals.

HRPL offers flexible working hours, enabling employees to pursue higher studies while they earn. Similarly, at the restaurant level, employees can choose to work in a shift that they prefer. The Company's talent pool continues to thrive and contribute to the growth of the organisation.

HRPL was ranked first among food retailers in India in a survey by the Great Place to Work® Institute. This is India's largest annual study of workplace excellence and is based on confidential employee feedback and an audit of management processes by the Great Place to Work® Institute in partnership with the Retailers Association of India. This ranking is a testament to the relevance of HRPL's unique employee value proposition of 'Fun, Flexibility and Future' and the people-positive policies that have helped the Company to attract and nurture high-quality talent.

Challenges

Despite facing a significant number of challenges, HRPL has not let these challenges deter it from pursuing its goals or opening more restaurants. On the contrary, the number of restaurants has increased by 13% in FY2015-16 over previous year. The Company also started new initiatives to optimise costs. Hence, although revenues increased at a small pace, profit growth outpaced it.

Economic slowdown: Even as India's GDP improved considerably during the bygone fiscal, consumer sentiment remained stymied, impacting the Company's revenues. However, to counter this threat, HRPL enhanced accessibility by opening more restaurants and invested more in training and development of personnel who are to be deployed at these restaurants.

Store-visit-to-store-growth rate: While HRPL increased the number of restaurants significantly in 2015-16, a visible co-relation between restaurant growth and the growth in the number of restaurant visits has been established. Moreover, even though the overall restaurant tally has gone up, we brought down the breakeven sales on a per restaurant basis during the year under report.

Discounts and other offers provided by competitors are leading to market fragmentation: HRPL saw a number of competitors providing offers that customers have found hard to refuse. Despite this scenario, we gained incremental market share during the year under review, validating the effectiveness of our strategy.

Commentary on financial performance, 2015-16

- Revenue growth of 9.0% year-over-year to ₹8,334.3 million (normalized revenues), riding on the strong performance of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL)
- Operating EBIDTA stood at ₹487.7 million; margins at 5.9% (as % of normalized total revenues)
- Profit/(loss) after tax stood at ₹28.3 million as against ₹(291.1) million in the previous year
- Cash profit stood at ₹671.8 million as against ₹273.1 in the previous year
- Total restaurant network at 236, y-o-y gross additions at 30; Total McCafé count at 75

WESTLIFE DEVELOPMENT LIMITED

Consolidated Financial Performance

(₹ in million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenues		
Sales	8,234.4	7,597.9
Other Operating Income [1]	330.8	42.5
Other Trading Revenues	3.1	2.9
Total Revenues	**8,568.3**	**7,643.3**
Operating Costs and Expenses		
Store Operating Cost and Expenses		
Food & Paper	3,329.9	3,177.0
Payroll and Employee Benefits	912.8	861.9
Royalty	289.5	268.2
Occupancy and Other Operating Expenses	2,807.6	2,667.9
Total Operating Costs and Expenses	**7,339.8**	**6,974.9**
Restaurant Operating Margin	**1,228.5**	**668.4**
General & Administrative Expenses	503.7	463.3
Other Trading Operating Cost and Expenses	3.1	0.5
Operating EBITDA	**721.7**	**204.6**
Other (Income)/Expenses, (net)	(84.7)	(149.5)
Extra-ordinary Expenses[2]	49.1	37.8
Financial Expense (Interest & Bank Charges)	149.9	102.1
Depreciation	576.5	504.4
Profit Before Tax	**30.9**	**(290.2)**
Taxes	2.6	(0.9)
Profit After Tax	**28.3**	**(291.1)**
Cash Profit	**671.8**	**253.9**

[1] Includes the recognition of additional credit in respect of indirect taxes paid on inputs up to March 31, 2015, amounting to ₹234.0 million.

[2] One-time expense on account of assets written-off pertaining to restaurants relocation/closure.

Consolidated Operating Results

Total Revenues

The Company's revenues consist of sales by Company-operated restaurants. In FY16, Company recorded a revenue growth of 12.1% to ₹8,568.3 million[3] compared to ₹7,643.3 million last year, riding on the restaurant operations of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL). The increase in revenue was primarily driven by the opening of new restaurants; Company added 30 new restaurants taking the total restaurant count to 236 restaurants across west and south India. In FY16, comparable sales (same-store sales growth) was 1.8% compared to -5.9% in the previous year; largely driven by the significant work during the year conducted around our menu and brand extensions through McCafé and McDelivery™.

[3] All the comparisons (as a % of sales) are done while excluding the additional credit realized in FY16, amounting to ₹234.0 million

Gross Margins

During the review period, food, paper and distribution costs (FPD) increased to ₹3,329.9 million, compared to ₹3,177.0 million in 2014-15. The increase in costs was primarily led by increase in overall restaurant sales during the year. During the year under report, the Company delivered improvement in gross margins by

~160 bps Y-o-Y to 60.0%, driven by efficiencies in supply chain through sourcing network optimization, logistics efficiency through improved utilizations and by other measures such as improvement in wastage reduction, yield improvement, better product mix and increase in menu prices. Gross margins were also impacted positively by the presence of McCafé across 75 restaurants. The Company has expanded gross margins by ~440 bps over the last five years (FY12-FY16).

McDonald's menu features burgers, finger foods, wraps and hot and cold beverages besides a wide range of desserts. The Company introduced several new products like the Maharaja Mac (veg and chicken) and few limited-time offers like Indi-Spicy (paneer and chicken), Chilli Paneer Pockets and Chilli Mango McFlurry, at multiple price levels, catering to different customer needs.

Restaurant Operating Margin (RoM)

Restaurant operating margin represent total revenues from company-operated restaurants less operating cost of these restaurants (including royalty etc.) before depreciation and corporate overheads. In FY16, Company reported Restaurant Operating Margin at INR 994.5 million compared to INR 668.4 million in the previous year. RoM amounted to 11.9% compared to 8.7% in fiscal 2015. The increase in restaurant operating margins was largely driven by gross margins expansion, employee productivity initiatives, efficiencies in utility consumption and occupancy & cost-conducting expenses at the restaurant-level. Company also incurred expenses pertaining to marketing, advertisement and promotions necessary for building and maintaining the brand image.

General & Administration (G&A) Expenses

Despite a sluggish market environment, the company continued to invest in a talent pipeline to ensure smooth management and operations of its business both current and future. In FY16, General & Administrative expenses increased to INR 503.7 million compared to INR 463.3 million in FY15.

General & Administrative expenses as a percent of total revenues was flat, 6.0% in FY16 compared to 6.1% in FY15. Management believes that analyzing General & Administrative expenses as a percent of total revenues is meaningful because these costs are incurred to support overall McDonald's business and there will be operating leverage as the business growth happens over the coming years.

Operating EBITDA

Operating EBITDA was INR 487.7 million in fiscal 2016 compared to INR 204.6 million in fiscal 2015.

Operating EBITDA margin is defined as operating EBITDA as a percent of total revenues. Operating EBITDA margin was 5.9% in fiscal 2016 and 2.6% in fiscal 2015.

Financial Position and Capital Resources

Cash Flows

The Company generates cash from its operations and has substantial credit availability and capacity to fund operating spending such as capital expenditures and debt repayments. Company also needs cash primarily to fund the various requirements in its restaurants, to pay interest and taxes, and for other general corporate purposes. In addition to cash and equivalents on hand and cash generated by operations, the Company can meet these capital requirements through variety of sources, including short & long-term lines of credit arrangements and issuance of share capital.

As of March 31, 2016, at a consolidated level, WDL had cash and cash equivalents of ₹1,631.0 million. This primarily represents cash and balances with banks in India and investments in liquid funds/Fixed Maturity Plans (FMPs).

Restaurant Development and Capital Expenditure

In FY 2016, the Company expanded its footprint with gross addition of 30 new restaurants and also invested in re-imaging activities relating to building the interiors and exteriors to enhance the overall dining experience at its restaurants. For purposes of the same the Company invested ₹1,007.3 million towards capital expenditure. These were largely funded through internal cash accruals and cash reserves and external bank borrowings. During the year, Company closed/relocated 3 restaurants across various locations in west and south India. The Company closes/relocates restaurants for a variety of reasons, such as existing sales and profit performance or completion of real estate tenure or shifts in restaurant trading areas.

Outlook

India's food and beverages (F&B) industry is expected to expand at an average annual pace of 24% to reach US$3.8 trillion in sales by the year ending 31 March 2017. Fast food joints, which have the largest market share at 45%, will grow by 16.6% a year, indicates a report by consulting firm Grant Thornton India and Federation of Indian Chambers of Commerce and Industry (FICCI), followed by casual dining (32% share) expanding 10.1% annually. The country has 356 million people between the ages of 10 and 24, giving it the world's largest youth population, according to a United Nations report.

With more young people entering the workforce daily, growth in the economy, a rising female work force, and increased mobility among consumers, the traditionally difficult Indian market has become hungry for a more diverse menu.

At HRPL, we are focused on delivering great-tasting, high-quality and affordable food and beverages and an exceptional experience to our customers. By leveraging our competitive advantages, we are well-positioned to pursue long-term opportunities that exist in the US$ 100 billion IEO segment.

We remain focused on matters within our control with the customer as our first and central priority. We plan to strengthen our relationship with customers through restaurant expansion and further leveraging consumer insights in our efforts for broader consumer reach.

We will continue to execute our four growth priorities to broaden accessibility to brand McDonald's, grow our baseline sales through expanding our menu and leveraging various product platforms, margin expansion driving gross margins and operating leverage and enabling growth through our people resources.

Risk review

Economic slowdown: Further slowdown in the economy can impact the food services industry as it can impact disposable income of consumers which, in turn, will affect sales

Inflation: Sharp rise in inflation can lead to pressure on pricing, which would result in depressing margins.

Supply chain: Any disruption in the supply chain can adversely impact the supply of ingredients to the restaurants and the freshness of finished products.

Competition: Any competition in the industry may rise further as new players enter the market and investments from foreign investors rise. As the QSR space expands further in India, competition is likely to increase.

Response in new markets: Although there is a robust expansion plan in place, the response may not be in line with expectations in certain markets.

Regulatory restrictions/ actions: The regulatory environment is volatile and regulatory restrictions across various parameters can impact the brand and the business.

Internal control and systems

Our elaborate internal control systems ensure the efficient use and protection of resources and compliance with policies, procedures and statutory requirements. The internal control systems comprise well-documented guidelines, authorization and approval procedures, including audit. Intrinsic to the overall governance process, HRPL has institutionalized a well-established internal audit framework which covers all aspects of financial and operational controls, covering all units, functions and departments. The Company also has adequate internal financial controls over financial reporting.

HRPL is an integral part of the global system of McDonald's Corporation, USA. As a result, it follows numerous control systems across its restaurant operations that are tried and tested internationally. There are various audits which are carried out on a consistent basis by McDonald's Corporation.

The Internal Audit (IA) team of HRPL comprising senior cross-functional members some of whom are also key managerial personal of WDL and keep actively engaged in evaluating and improving various functions and activities of the Company including restaurant operations and other support functions and departments.

The Audit Committee (AC) is also ably supported by an external and independent Chartered Accountant firm specialized in the domain of internal audit.

Report of The Board of Directors to Members

Your Directors are pleased to present their Thirty-Third Annual Report and Audited Statement of Accounts for the year ended March 31, 2016.

I Financial Details

Consolidated Financial Highlights

(₹ in millions)

Particulars	2015-2016	2014-2015
Revenue from Operations (Net)	8,334.27	7,643.27
Total Expenses excluding Depreciation, Interest and Tax	7,908.00	7,491.67
EBITDA	523.34	316.34
Profit / (loss) before tax	30.90	(290.24)
Less : Tax Expenses	2.57	0.86
Profit / (loss) after tax	28.33	(291.10)

Standalone Financial Highlights

(₹)

Particulars	2015-2016	2014-2015
EBITDA	(1,894,092)	(414,108)
Less : Depreciation	5,080	3,302
Less : Finance Cost	–	23,135
Profit/ (Loss) before Tax	(1,899,172)	(440,545)
Less : Tax Expenses		
Deferred Tax	2,571,512	861,775
Profit/ (Loss) for the year	(4,470,684)	(1,302,320)
Add : Balance brought forward	(23,331,448)	(22,025,562)
Less: Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013 (net of tax ₹ 1594)	–	(3,566)
Balance Carried forward	(27,802, 132)	(23,331,448)

II Performance

Standalone Operating Performance

During the financial year 2015-16, due to the prevailing uncertainties the Company has reported its loss after tax of ₹44.71 lakhs as against a loss of ₹13.02 lakhs for last year.

The Company focuses on putting up and operating Quick Service Restaurants (QSR) in India through its wholly owned subsidiary, which is a Development Licensee / Master Franchisee of McDonald's and operates QSRs under the brand name McDonald's.

Consolidated financial statements of the Company and its subsidiary prepared in accordance with applicable accounting standards and duly audited by the Company's statutory auditors are annexed.

Subsidiary's Operating Performance

Hardcastle Restaurants Pvt Ltd, a wholly owned subsidiary of the Company has during the financial year 2015-16, recorded a profit of ₹32.80 millions as against a loss of ₹289.80 millions for last year.

Dividend

In order to conserve reserves, no dividend is being recommended.

State of the Company's affairs

Your Company had carried out trading activities during the year. It has promoted the operations of QSRs through its subsidiary as aforesaid. The Company endeavors to continuously improve its performance. Your Directors are satisfied with the present state of the Company's affairs.

Transfer to Reserves

No funds are being transferred to the reserves.

Material changes and commitments

No material changes and commitments affecting the financial position of your Company have occurred between 31st March, 2016 and the date of the report.

Particulars of loans, guarantee or investments

Particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are provided in Note No. 7 and 9 to the Standalone Financial Statements.

III Directors and Management

Reappointment of Director

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the office of Ms. Smita Jatia is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, she offers herself for re-appointment. The Board recommends her re-appointment.

Number of meetings of the Board

Four meetings of the Board of Directors were held during the financial year. For further details, please refer to the Report on Corporate Governance which forms a part of this Annual Report.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Directors' Responsibility Statement

As required under Section 134 (3) (c) and pursuant to Section 134 (5) of the Companies Act, 2013, your Directors state that:

(a) in the preparation of the annual accounts for financial year ended 31st March, 2016, the applicable accounting standards have been followed and there are no departures in adoption of these standards;

(b) 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 at 31st March, 2016 and of the profit and loss of the Company for the year ended on that date;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts for financial year ended 31st March, 2016 on a 'going concern' basis.

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently; and

(f) the Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

Audit Committee

In accordance with Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013, the Company had constituted an Audit Committee, which consists of three independent non-executive directors namely; (1) Mr P.R. Barpande (Chairman), (2) Mr Dilip Thakkar (member), (3) Mr Manish Chokhani (member) and one other director, Mr Amit Jatia (member). The Audit Committee functions in terms of the role and powers delegated by the Board of Directors of the Company keeping in view the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 and the corresponding Rules made thereunder, being the Companies (Meetings of Board and its Powers) Rules, 2014.

Vigil Mechanism and Whistleblower Policy

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and under Regulation 22 of the Listing Regulations is implemented through the Company's Vigil & Whistleblower Policy to enable the Directors and employees of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

The Vigil & Whistleblower Policy of the Company is available on the Company's website at the web-link: http://www.westlife.co.in/investors-compliance-and-policies.php

Auditors

Statutory Auditors and Auditors' Report

S R B C & CO LLP, Chartered Accountants (ICAI Registration No. 324982E) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting (AGM) held on 26th September, 2014 until the conclusion of the 36th AGM of the Company (subject to ratification of their appointment by the Members at every AGM held after the AGM held on 26th September, 2014).

As required under the provisions of Section 139(1) of the Companies Act, 2013, the Company has received written consent from S R B C & CO LLP, Chartered Accountants to their appointment and a certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013. The Members are requested to ratify the appointment of the Statutory Auditors as mentioned in the Notice. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit and Report of company secretary in practice

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr Shailesh Kachalia, Practicing Company Secretary (Certificate of Practice Number: 3888) to carry out the Secretarial Audit of the Company.

In terms of provisions of sub-section 1 of Section 204 of the Companies Act, 2013, the Company has annexed to this Board Report as 'Annexure I', a Secretarial Audit Report given by a company secretary in practice.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Key Managerial Personnel (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr Amit Jatia, Chief Executive Officer (CEO), Mr Suresh Lakshminarayanan, Chief Financial Officer (CFO) and Dr. Shatadru Sengupta, Company Secretary (CS). There has been no change in Key Managerial Personnel during the year.

Contracts or Arrangements with Related Parties

No Related Party Transactions were entered into during the year by your Company. Accordingly, the disclosure of Related Party Transactions to be provided under Section 134(3) (h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

Statement of deviation(s) or variation(s)

With reference to the provisions of Regulation 32 (4) of the Listing Regulations, there were no deviations or variations of funds of the Company for the financial year.

Qualifications, positive attributes and independence criteria for Directors' and Remuneration for Directors, Key Managerial Personnel and other employees' Policy

In accordance with the provisions of Section 134(3) (e); sub section (3) and (4) of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Company has formulated a policy. The said policy has been appended as 'Annexure II' which forms a part of this Report.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 as to Corporate Social Responsibility are not applicable to your Company.

Disclosure pursuant to Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014

In accordance with the rule 5 of the Companies (Appointment and Remuneration) Rules, 2014, the following disclosures are made:

• The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year: N.A.*

• the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: N.A.*

• the percentage increase in the median remuneration of employees in the financial year: N.A.*

• the number of permanent employees on the rolls of Company: Three

• 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: N.A.*

• the terms of remuneration are in line with the Remuneration Policy of the Company.

* Directors did not receive any remuneration from the Company during the year, except sitting fee for attending meetings of the Board and its Committees, and no remuneration is being paid to the employees or Key Managerial Personnel of the Company.

Internal Financial Control System and their Adequacy

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and the same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future.

Public Deposits

The Company did not accept any deposits during the year.

Corporate Governance

Report on Corporate Governance of the Company for the year under review, as per the requirements of Regulation 34 (3) read with Para C of Schedule V of the Listing Regulations, has been given under a separate section and forms part of this Annual Report.

Management Discussion and Analysis

A detailed review of operations, performance and future outlook of the Company and its business, as stipulated under Regulation 34 (2)(e) read with Para B of Schedule V of the Listing Regulations, is presented in a separate section forming part of the Annual Report under the heading 'Management Discussion and Analysis'.

Extracts of Annual Return

In accordance with sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the annual return as at 31st March, 2016 forms part of this Report and is appended herewith as 'Annexure III'.

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

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under sub-section (3) (m) of Section 134 of the Companies Act, 2013 read with Rule

(8)(3) of the Companies (Accounts) Rules, 2014 are given as under:

A. Conservation of Energy

i) The steps taken or impact on conservation of energy: The operations of your Company are not energy intensive.

ii) The steps taken by the Company for utilizing alternate sources of energy: NIL

iii) The capital investment on energy conservation equipments: NIL

B. Technology Absorption

i) The efforts made towards technology absorption : NIL

ii) The benefits derived like product improvement, cost reduction, product development or import substitution : NIL

iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): NIL

(a) Details of Technology Imported;

(b) Year of Import;

(c) Whether the Technology has been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

iv) Your Company has not incurred any expenditure on Research and Development during the year under review.

C. Foreign Exchange Earnings and Outgo

During the year under review there were no foreign exchange inflow, outflow or earnings.

For details in relation to the Company's subsidiary, please refer to the Management Discussion and Analysis and the Business Responsibility Report annexed as Annexure IV to the Board's Report.

Risk Management

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. The Company has a robust organisational structure for managing and reporting on risks.

Your Company has constituted a Risk Management Committee of the Board which is authorised to monitor and review a Risk Management Plan. The Risk Management Plan provides a detailed programme for risk prevention, risk mitigation and risk management and the operation/working thereof, along with reporting of any new risks. The Risk Management Plan has been established across the organisation and is designed to prevent, mitigate and manage risks that affect the Company.

IV Dividend Distribution Policy

The above policy is enclosed as Annexure V.

V Acknowledgement

The Board of Directors wish to express its gratitude and record sincere appreciation for the dedicated efforts of all employees of the Company. The Board is thankful to the esteemed shareholders for their continued support and confidence reposed in the Company. The Board takes this opportunity to express its gratitude for the valuable assistance and co-operation extended by all stakeholders including government authorities, customers, banks, vendors, advisors, and other business partners.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Amit Jatia	**Smita Jatia**
Director	*Director*
DIN:00016871	DIN: 03165703

Place: Mumbai
Date: 5th August, 2016

Annexure I

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2016

[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,
WESTLIFE DEVELOPMENT LIMITED
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Westlife Development Limited (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.

Based on my verification of the Company's 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 March 2016 ('Audit Period') 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 March 2016 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014,

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);

(f) (The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable to the Company during the Audit Period.

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India

2. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

SHAILESH KACHALIA
Practising Company Secretary
Proprietor
Membership No. 1391 / CP No. 3888

Place : Mumbai
Date : 5th August, 2016

Annexure II

Appointment and Remuneration Policy

(As formed by the Nomination and Remuneration Committee)

A. Appointment Criteria for Directors:

The policy describes the criteria for determining qualifications, positive attributes and independence of a director of the Company.

The attributes are:

1.	Qualifications	Graduate in any discipline
2.	Positive attributes	a. Professional approach
		b. Good team work
		c. Good communication skills
		d. Good knowledge of specific domains related to the business activities of the Company.
3.	Independence	Meets the criteria laid down in Section 149 (6) of the Companies Act, 2013 and Clause 49 (II)(B)(1) of the Listing Agreement.

B. Remuneration Policy for Directors, Key managerial Personnel (KMP) and other Employees:

The policy describes the criteria for deciding the remuneration to directors, key managerial personnel and other employees of the Company.

The attributes are:

1. The remuneration payable to directors of the Company shall consist of sitting fees. The quantum of such sitting fees shall be as decided by the Board of Directors from time to time.
2. Such remuneration shall be paid to a director only when the director attends a meeting of the Board or of a Committee.
3. Key Managerial Personnel and other senior management employees, not being members of the Board of Directors, and any other employees shall not be entitled to be paid any remuneration until the Board of Directors decides otherwise.

Annexure III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

I. Registration and Other Details:

i)	CIN	L65990MH1982PLC028593
ii)	Registration Date	30/10/1982
iii)	Name of the Company	WESTLIFE DEVELOPMENT LIMITED
iv)	Category of the Company Sub–Category of the Company	Company limited by shares Indian Non–Government Company
v)	Address of the Registered office Contact details	1001, Tower–3, 10th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013 022 – 4913 5000
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C–13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078400. Tel No: 022–25946970

II. Principal Business Activities of The Company

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

Sl. No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Letting out of property	6810	83%
2	Trading in goods	46411	17%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No	Name And Address Of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Name: Hardcastle Restaurants Private Limited Address: 1001–1002, 10th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Mumbai – 400013	U55101MH1995PTC091422	Subsidiary	100%	2(87) (ii)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category–wise Share Holding

Sl.	Category of Shareholders	No. of Shares held at the beginning of the year. As on 1st April, 2015				No. of Shares held at the end of the year. As at 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1)	**Indian**									
g)	Individual /HUF	376538	–	376538	2.42	2506538	–	2506538	1.61	-0.81
h)	Central Govt	–	–	–	–	–	–	–	–	–
i)	State Govt (s)	–	–	–	–	–	–	–	–	–
j)	Bodies Corp.	80799729	–	80799729	51.95	80799729	–	80799729	51.95	–
k)	Banks / FI	–	–	–	–	–	–	–	–	–
l)	Any Other…	–	–	–	–	–	–	–	–	–
	Sub–total (A) (1)	**84556267**		**84556267**	**54.37**	**83306267**	**–**	**83306267**	**53.56**	**-0.81**
2)	**Foreign**									
a)	NRIs – Individuals	289569	–	289569	0.19	1539569	–	1539569	0.99	0.81
b)	Other – Individuals	–	–	–	–	–	–	–	–	–
c)	Bodies Corp.	11881640	–	11881640	7.64	11881640	–	11881640	7.64	0
d)	Banks / FI	–	–	–	–	–	–	–	–	–
e)	Any Other….	–	–	–	–	–	–	–	–	–
	Sub–total (A) (2)	**12171209**	**–**	**12171209**	**7.83**	**13421209**	**–**	**13421209**	**8.63**	**0.81**
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	96727476	–	96727476	62.19	96727476	–	96727476	62.19	–
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	3831770	–	3831770	2.46	13735111	–	13735111	8.83	6.37
b)	Banks / FI	–	–	–	–	–	–	–	–	–
c)	Central Govt	–	–	–	–	–	–	–	–	–
d)	State Govt(s)	–	–	–	–	–	–	–	–	–
e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
f)	Insurance Companies	–	–	–	–	–	–	–	–	–
g)	FIIs	29602907	–	29602907	19.03	19300127	–	19300127	12.41	-6.62
h)	Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i)	Others (specify)	–	–	–	–	–	–	–	–	–
	Sub–total (B)(1):–	**334346770**	**21.50**	**334346770**	**21.50**	**33035238**	**–**	**33035238**	**21.24**	**–0.26**

Sl.	Category of Shareholders	No. of Shares held at the beginning of the year. As on 1st April, 2015				No. of Shares held at the end of the year. As at 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	**Non– Institutions**									
a)	**Bodies Corp.**									
i)	Indian	11409166	–	11409166	7.34	11468331	–	11468331	7.37	0.04
ii)	Overseas	–	–	–	–	–	–	–	–	–
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	382575	–	382575	0.25	656602	–	656602	0.42	0.18
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	13613715	–	13613715	8.75	13648786	–	13648786	8.77	0.02
c)	Others (specify)									
i)	Non– Resident (Non– repatraiation)	5491	–	5491	0.00	5262	–	5262	0.00	0.00
ii)	Non– Resident (Repatraiation)	5244	–	5244	0.00	10100	–	10100	0.00	0.00
	Sub–total (B)(2)	**25371442**		**25371442**	**16.31**	**25789081**	**–**	**25789081**	**16.58**	**0.27**
	Total Public Shareholding (B)= (B)(1)+ (B)(2)	**58806119**	**–**	**58806119**	**37.81**	**58824319**	**–**	**58824319**	**37.81**	**0**
C.	Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
	Grand Total (A+B+C)	**155533595**	**–**	**155533595**	**100**	**155551795**	**–**	**155551795**	**100**	**–**

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Horizon Impex Pvt Ltd	47285325	30.40	0.00	47285325	30.40	0.00	0.00
2	Subh Ashish Exim Pvt Ltd	33233707	21.37	0.00	33233707	21.37	0.00	0.00
3	Makino Holdings Limited	11881640	7.64	0.00	11881640	7.64	0.00	0.00
4	Smita Jatia	3125250	2.01	0.00	1875250	1.21	0.00	–0.80
5	Amit Jatia	630000	0.41	0.00	630000	0.41	0.00	0.00
6	Anurag Jatia	161621	0.10	0.00	161621	0.10	0.00	0.00
7	Achal Exim Pvt Ltd	160697	0.10	0.00	160697	0.10	0.00	0.00
8	Akshay Amit Jatia	63974	0.04	0.00	63974	0.04	0.00	0.00
9	Ayush Amit Jatia	63974	0.04	0.00	63974	0.04	0.00	0.00
10	Saubhagya Impex Pvt Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
11	Winmore Leasing And Holdings Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
12	Shri Ambika Trading Co Pvt Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
13	Banwarilal Jatia	1176	0.00	0.00	1176	0.00	0.00	0.00
14	Lalita Devi Jatia	50	0.00	0.00	50	0.00	0.00	0.00
15	Usha Devi Jatia	50	0.00	0.00	50	0.00	0.00	0.00
16	Banwari Lal Jatia	11	0.00	0.00	11	0.00	0.00	0.00
17	Amit Jatia	1	0.00	0.00	1	0.00	0.00	0.00
18	Anurag Jatia	0	0.00	0.00	1250000	0.80	0.00	0.80
	Total	**96727476**	**62.19**		**96727476**	**62.19**	**0.00**	**0.00**

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

Sl. No.		Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Smita Jatia	3125250	2.01	01.04.2015				
		1875250	1.21	01.02.2016	–1250000	Transfer	1875250	1.21
		1875250	1.21	31.03.2016				
2.	Anurag Jatia	161621	0.10	01.04.2015				
		1411621	0.80	01.02.2016	1250000	Transfer	1411621	0.80
		1411621	0.80	31.03.2016				

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

Sl. No.	Shareholders Name	Shareholding		Date of change in Share-holding	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company				No. of Shares	% of total shares of the company
1.	Arisaig Partners (Asia) Pte Ltd. A/C Arisaig India Fund Limited	12296550	7.91	01.04.2015	No Movement During The Year			
		12296550	7.91	31.03.2016				
2.	Rajiv Himatsingka	12060000	7.75	01.04.2015				
		12095071	7.78	31.10.2015	35071	Transfer	12095071	7.78
		12095071	7.78	31.03.2016			12095071	7.78
3.	Bay Capital Investments Ltd	7565630	4.86	01.04.2015	No Movement During The Year			
		7565630	4.86	31.03.2016				
4.	SBI Magnum Balanced Fund	550000	0.35	01.04.2015				
		1843300	1.19	28.08.2015	1293300	Transfer	1843300	1.19
		4000000	2.57	11.03.2016	2156700	Transfer	4000000	2.57
		4000000	2.57	31.03.2016			4000000	2.57
5.	SBI Magnum Global Fund	830000	0.53	01.04.2015				
		1700000	1.09	28.08.2015	870000	Transfer	1700000	1.09
		3500000	2.25	11.03.2016	1800000	Transfer	3500000	2.25
		3517706	2.26	25.03.2016	17706	Transfer	3517706	2.26
		3519570	2.26	31.03.2016	1864	Transfer	3519570	2.26
6.	Tree Line Asia Master Fund (Singapore) Pte Ltd	3282296	2.11	01.04.2015	No Movement During The Year			
		3282296	2.11	31.03.2016				
7.	New Leaina Investments Limited	3225648	2.07	01.04.2015	No Movement During The Year			
		3225648	2.07	31.03.2016				
8.	SBI Emerging Businesses Fund	900000	0.58	01.04.2015				
		1100000	0.71	28.08.2015	200000	Transfer	1100000	0.71
		3000000	1.93	11.03.2016	1900000	Transfer	3000000	1.93
		3000000	1.93	31.03.2016			3000000	1.93
9.	SBI Small And Midcap Fund	148770		01.04.2015				
		528877	0.34	15.05.2015	380107	Transfer	528877	0.34
		524377	0.34	30.06.2015	–4500	Transfer	524377	0.34
		1019459	0.66	09.10.2015	495082	Transfer	1019459	0.66
		1062037	0.68	16.10.2015	42578	Transfer	1062037	0.68
		1777811	1.14	11.03.2016	715774	Transfer	1777811	1.14
		1805374	1.16	18.03.2016	27563	Transfer	1805374	1.16
		1805374	1.16	31.03.2016			1805374	1.16
10.	Vimladevi Ravikumar Mohatta	1500150	0.96	01.04.2015	No Movement During The Year			
		1500150	0.96	31.03.2016				

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
	Shareholders Name	No. of shares	% of total shares of the company				No. of Shares	% of total shares of the company
1.	Banwarilal Jatia, Director	11	0.00	01.04.2015	No Movement During The Year			
				31.03.2016				
2.	Amit Jatia, Director	630000	0.41	01.04.2015	No Movement During The Year			
				31.03.2016				
3.	Smita Jatia, Director	3125250	2.01	01.04.2015	–1250000	Transfer	1875250	1.21
		1875250	1.21	31.03.2016			1875250	1.21
4.	Dilip Thakkar, Director	–	0.00	01.04.2015	No Movement During The Year			
				31.03.2016				
5.	Padmanabh Barpande, Director	–	0.00	01.04.2015	No Movement During The Year			
				31.03.2016				
6.	Manish Chokhani, Director	–	0.00	01.04.2015	No Movement During The Year			
				31.03.2016				
7.	Tarun Kataria, Director	–	0.00	01.04.2015	No Movement During The Year			
				31.03.2016				
8.	Achal Jatia, Director	–	0.00	01.04.2015	No Movement During The Year			
				31.03.2016				
9.	Suresh Lakshminarayanan, CFO	12	0.00	01.04.2015	1000	ESOP Exercise	1012	0.00
		1012	0.00	31.03.2016				0.00
10.	Shatadru Sengupta, CS	–	0.00	01.04.2015	No Movement During The Year			
				31.03.2016				

V. Indebtedness

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	–	–	–	–
ii)	Interest due but not paid	–	–	–	–
iii)	Interest accrued but not due	–	–	–	–
	Total (i+ii+iii)				
	Change in Indebtedness during the financial year				
	• Addition	–	–	–	–
	• Reduction	–	–	–	–
	Net Change				
	Indebtedness at the end of the financial year				
i)	Principal Amount	–	–	–	–
ii)	Interest due but not paid	–	–	–	–
iii)	Interest accrued but not due	–	–	–	–
	Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		–	–	–	–	
1.	Gross salary					
a.	Salary as per provisions contained in section 17(1) of the Income–tax Act, 1961	–	–	–	–	–
b.	Value of perquisites u/s 17(2) Income–tax Act, 1961	–	–	–	–	–
c.	Profits in lieu of salary under section 17(3) Income–tax Act, 1961	–	–	–	–	–
2.	Stock Option	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–
4.	Commission					
	– as % of profit	–	–	–	–	–
	– others, specify…	–	–	–	–	–
5.	Others, please specify					
	Total (A)	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount Rupees
1.	**Independent Directors**	**Mr. P.R. Barpande**	**Mr. Dilip Thakkar**	**Mr. Tarun Kataria**	**Mr. Manish Chokani**	
	• Fee for attending board/committee meetings	2,75,000	1,25,000	1,25,000	3,00,000	8,25,000
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (1)	2,75,000	1,25,000	1,25,000	3,00,000	8,25,000
2.	**Other Non–Executive Directors**	**Mr. B.L.Jatia**	**Mr. Amit Jatia**	**Ms. Smita Jatia**	**Mr. Achal Jatia**	
	• Fee for attending board/ committee meetings	1,00,000	2,00,000	1,75,000	50,000	5,25,000
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (2)	1,00,000	2,00,000	1,75,000	50,000	5,25,000
	Total (B)=(1+2)	3,75,000	3,25,000	3,00,000	3,50,000	13,50,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	**Company Secretary**	**CFO**	
		Amit Jatia	**Shatadru Sengupta**	**Suresh Lakshminarayanan**	
1	Gross salary				
a.	Salary as per provisions contained in section 17(1) of the Income–tax Act, 1961	–	–	–	–
b.	Value of perquisites u/s 17(2) Income–tax Act, 1961	–	–	–	–
c.	Profits in lieu of salary under section 17(3) Income–tax Act, 1961	–	–	–	–
2	Stock Option	–	–	–	–
3	Sweat Equity	–	–	–	–
4	Commission				
	– as % of profit	–	–	–	–
	– others, specify…	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	NIL	NIL	NIL	NIL

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

Annexure IV

Business Responsibility Report

[See Regulation 34(2)(f)]

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L65990MH1982PLC028593
2.	Name of the Company	WESTLIFE DEVELOPMENT LTD
3.	Registered address	1001, Tower 3, 10th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013
4.	Website	www.westlife.co.in
5.	E-mail id	shatadru@westlife.co.in
6.	Financial Year reported	01-04-2015 to 31-03-2016
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	46411
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Trading in goods
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	NA
	(b) Number of National Locations as of 31st March, 2016	One Head office and 236 Restaurants (Subsidiary- Hardcastle Restaurants Pvt Ltd)
10.	Markets served by the Company – Local/State/ National/International	Local

Section B: Financial Details of the Company

1.	Paid up Capital (INR)	311135710/-
2.	Total Turnover (INR)	30,97,725/-
3.	Total profit after taxes (INR)	(44,70,684)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	NIL
5.	List of activities in which expenditure in 4 above has been incurred	NIL

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?
   Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
   One
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   No

Section D: BR Information

1. Details of Director/Directors responsible for BR

Mr. Amit Jatia

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	DIN Number	00016871
2.	Name	Mr. Amit Jatia
3.	Designation	Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Dr Shatadru Sengupta
3	Designation	Company Secretary
4	Telephone number	022-4913 5000
5	e-mail id	shatadru@westlife.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.westlife.co.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?									
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) N.A

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	No

SECTION E: Principle-Wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? **Yes**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. **NIL**

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   a) LEDs - LED lamps have a lifespan and electrical efficiency which are several times longer than incandescent lamps, and significantly more efficient than most fluorescent lamps, saves ELECTRICITY

   b) Evaporative Coolers – Works on principle of water evaporation and uses ambient temp to cool given space reducing HVAC usage and hence saves ELECTRICITY

   c) Waterless Urinals – Eliminates flushing of water in Urinal pots, hence saves WATER

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   In our cup making processes, our converter is committed to delivering wastage reduction in materials usage and utilities consumption used in their operations. Comparing results in 2015 vs. 2014, they delivered a 9% reduction in materials wastage through a combination of maximizing the # of blanks produced per paper roll/ sheet by changing the layout, upgrading their machinery, and work process changes in storage and handling of WIP. Reduction in utilities usage (power ~ 6.8% and water ~ 5.5%) through implementation of simple energy savings practices was also achieved during the same period.

Below are some hard numbers to show this:

Resources Management Yearly Reduction Detail

Material Wastage Control

Year	Total paper consumed during year in MT	Wastage in %
July-2014 To June 2015	3480	32.5
July-2015 To June 2016	3540	23.4
Total Wastage Reduced In %		9.1
Details of Wastage Reduced		
1. 5 % wastage redction in design by applying new layout and new printing M/C		
2. 3 % wastage reduction in process in different stages like printing , cupping punching etc.		
3. 1 % wastage reduction in handling by applying new forklift and proper storage wip		

Electricity Savings

Year	Total Electricity Consumption Year Wise	% Energy Save
July-2014 To June 2015	1210800	
July-2015 To June 2016	1127900	
Total Energy Save In Units	82900	6.846712917
Detail:-		
1. Lights Switched Off on Day Time		
2. Natural light replaced as electrical light during day time		
3. M/C energy saving :		
a. Switch off the main in lunch/tea and shift change time		
b. Switch off compressor		
4. Switch off the fan, coolers ac when not in use		
5. Electrical preventive maintenance carried out on time		

Water Savings

Year	Total Water Consumption Year Wise	% Water Save
July-2014 To June 2015	185400	
July-2015 To June 2016	175200	
Total Energy Save In Units	10200	5.501618123
Detail:-		
1. All the taps are replaced with push pillar cocks.		
2. System Water washings are used for gardening purpose		
3. All the tanks are installed with float valves to minimize if not eliminate water wastage		

Our folding carton converter is FSC/COC-certified and sources its fiber-based materials from FSC-COC-certified mills. It is working towards reflecting these certifications in all of its commercial documentation to the DCs in 2016. The site is also ISO 14001:2004-certified for Environmental Management Systems. From a material and utilities conservation standpoint, it continues to work on the following:

1. 2% reduction in Power Consumption which they delivered in 2015 versus 2014
2. Efforts are also underway to reduce water consumption in its operations and this being monitored by the site on an on-going basis
3. Waste generated from process are sent to a government-authorized body for disposition. Reduction in our process wastage.
4. We have an Environmental Management Protection (EMP) program on Green belt development and on this behalf they are carrying out plantation every year.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Electricity Saving due to LEDs	
5 old stores for 9 months	16,200 EB units
5 old stores for 2 months	3,600 EB units
19 New stores for 3 months	20,520 EB units
30 New stores for 7 months	65,800 EB units
System-wide	**1,06,120 EB Units**
Electricity Saving due to Munters	
4 old stores for 3 months	36,000 EB units
2 New stores for 3 months	18,000 EB units
System-wide	**54,000 EB Units**
Water Saving due to Waterless Urinals	
5 Old stores for 9 months (@ 2700 ltrs water per month per store)	1,20,500 Ltrs
All new stores for 16 stores for 3 months	1,30,000 Ltrs
System-wide	**2,50,500 Ltrs**

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Potential Analysis

Baseline assessment to establish potential for market Chain of Custody implementation process. Understand the sources of the materials used for our fiber-based packaging, the current status of the mills relative to fiber certification, identify the gaps versus our requirements and develop action plans to address the gaps.

Identification of certified fiber-availability and certified status within the supply chain (mapping)

- Targeting of an optimal starting point, based upon supplier infrastructure and minimum on-cost
- Initiating dialogue with key suppliers
- Linking implementation to SSRs.

Setting Expectations with Supplier Partners

Certification and claim requirements to meet McDonald's sustainability strategy. Training conducted with our supplier partners

Monitoring and Evaluation

Monitoring progress to meet requirements for supply of certified product.

Remediation and Capability Building

Training and support to meet supplier requirements and needs to continue to drive compliance to McDonald's requirements on Sustainable sourcing.

Partnership

Support supplier ownership of the process

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? **Yes**

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

McDonalds and its suppliers source a lot of agri-produce like lettuce and potatoes from farmers. A large number of small and local farmers have been aggregated for this purpose and these farmers are given assured business and also a lot of know-how on good agricultural practices, weather related information, crop protection information, water conservation information etc and thus the local farming community's capability and knowledge base has been enhanced. These initiatives help increase farm yields, crop quality and ultimately the farmer's income.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Some of our packaging contains recycled paper.

Principle 3

1. Please indicate the Total number of employees. **6,921**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. **N.A.**
3. Please indicate the Number of permanent women employees. **1,659**
4. Please indicate the Number of permanent employees with disabilities **N.A.**
5. Do you have an employee association that is recognized by management. **No**
6. What percentage of your permanent employees is members of this recognized employee association? **N.A.**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a)	Permanent Employees	100%
(b)	Permanent Women Employees	100%
(c)	Casual/Temporary/Contractual Employees	NA
(d)	Employees with Disabilities	NA

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No **No**
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. **N.A.**
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. **N.A.**

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? **Covers only Company**
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? **NIL**

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others. **Yes, extends to Suppliers**
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. **No**

3. Does the company identify and assess potential environmental risks? Y/N **No**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? **No**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. **No**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? **N.A.**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. **N.A.**

Principle 7

1. Is your company a member of any trade and chamber or association? **Yes**

   If Yes, Name only those major ones that your business deals with:

   (a) National Restaurant Association of India (NRAI)

   (b) Confederation of Indian Food Trade & Industry (CIFTI, the food arm of FICCI)

   (c) The Protein Foods and Nutrition Development Association of India (PFNDAI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) **No**

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes, through its subsidiary. Please see answer to 3 below.

2. Are the programmes/projects undertaken through in-house team/own foundation/external

   NGO/government structures/any other organization?

   The company has worked in-house as well as with external NGOs in the financial year to support the well-being of children. Projects such as book donation drive to the municipal schools to promote education, social project of providing clean water for rural India.

3. Have you done any impact assessment of your initiative? N.A.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Particulars	**2015-16**	**2014-15**
	In Cash	**In Kind**
Amount paid to Ronald McDonald House Charities (RMHC India)	0.02	–
Amount paid towards social project of providing clean water for rural India	0.05	–
Promoting education by distribution of books to non-privileged children	0.10	4.48
Total	**0.17**	**4.48**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. **NA**

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. **NIL**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   This question seems to be relevant for a packaged goods company. However, we do display nutrition information for our products on our website so that consumers are aware of the nutrition values and can make informed choices. The law does not mandate such a declaration, so this is being done over and above the local law.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   There is a consumer complaint with ASCI (Advertising Standards Council of India) where the complainant has alleged that the communication of a free burger on purchase worth ₹319/- is misleading because consumer receives a burger of much lesser value than advertised.

   We have responded to ASCI that we do offer free burgers as per the ad and the claim is unsubstantiated. ASCI agreed with our contentions and the complaint was not upheld, and was decided in our favour, and accordingly closed.

   1. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The company carries out the following surveys to understand the health of the brand.

   1. Fast Track (Key imagery Statements, Awareness, Usage, Barriers, Last Visit Satisfaction and Market Share
   2. Customer Satisfaction Opportunity (across 9 key critical satisfaction drivers)
   3. There are other surveys that we do when we test new products and innovations and their ability to drive trials.

Annexure V

Dividend Distribution Policy of the Company

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the parameters of the Dividend Distribution Policy of the Company are as follows :

(a) the circumstances under which the shareholders of the listed entities may or may not expect dividend :

Shareholders may expect dividend if the Board of Directors recommends payment of the same based on the financial parameters mentioned below, and may not expect it otherwise.

(b) the financial parameters that shall be considered while declaring dividend :

These parameters presently include the profitability of the Company for the year in question and its profit record for previous years, the cash flow position of the Company, for both the year in question and the previous years, plans for investments to be made by the Company, the need for working capital generally and the need for cash in particular, and contingency requirements.

(c) internal and external factors that shall be considered for declaration of dividend :

Internal factors that shall be considered shall include the above financial parameters. External factors shall not be considered.

(d) policy as to how the retained earnings shall be utilized :

Retained earnings shall be utilized by ploughing them back into the operations of the Company, in furtherance of attainment of its objects.

and

(e) parameters that shall be adopted with regard to various classes of shares :

The Company has presently only one class of equity shares in its issued capital, and all the parameters as above shall apply to the same.

Corporate Governance Report

[Pursuant to SEBI (Listing Obligations and Requirements) Regulations, 2015 read with Para C of Schedule V]

Company's Philosophy on Code of Governance

The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibilities that conform fully with laws, regulations and guidelines and is intended:

- To ensure adequate control systems to enable the Board to efficiently conduct the business and discharge its responsibilities to shareholders.
- To ensure that the decision making process is fair, transparent and equitable.
- To ensure fullest involvement and commitment of the management for maximization of stakeholders value.
- To imbibe the Company's values in the employees and encourage them in their conduct.
- To ensure that the Company follows globally recognized corporate governance practices.

Board of Directors

The Board comprises eight Directors as on 31st March, 2016. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below. None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies and 3 Listed Companies in case he/she serves as a Whole Time Director in any Listed Company. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), across all the Companies in which he/she is a Director.

The Company's Board has four independent non-executive directors as on March 31, 2016, unrelated to each other and not holding any shares in the Company. The Board met four times during the year, on May 8, 2015; August 7, 2015; November 6, 2015; and February 5, 2016.

Attendance and other details of Directors

Name	Category	No. of Board Meetings Attended	If present at last AGM	Total No. of Outside Directorships held		*No. of other Committees in which Member/ Chairman	
				Public	Private	Member	Chairman
Mr Banwari Lal Jatia (DIN: 00016823)	Promoter Non-Executive	4	Yes	2	11	-	1
Mr Amit Jatia (DIN: 00016871)	Promoter Executive	4	Yes	2	10	4	-
Mr Dilip J Thakkar (DIN: 00007339)	Independent Non-Executive	2	No	7	9	4	3
Mr Padmanabh Ramchandra Barpande (DIN: 00016214)	Independent Non-Executive	4	Yes	5	2	7	4
Ms Smita Jatia (DIN: 03165703)	Promoter Non-Executive	4	Yes	2	2	-	-
Mr Manish Chokhani (DIN: 00204011)	Independent Non-Executive	4	No	3	4	3	2

Name	Category	No. of Board Meetings Attended	If present at last AGM	Total No. of Outside Directorships held		*No. of other Committees in which Member/ Chairman	
				Public	Private	Member	Chairman
Mr Tarun Kataria (DIN: 00710096)	Independent Non-Executive	2	No	2	1	-	-
Mr Achal Jatia (DIN: 03587681)	Non-Executive	2	Yes	-	1	-	-

* Committee Membership(s) and Chairmanship(s) are counted separately.

Code of Conduct

The Company has framed a Code of Conduct for the members of the Board of Directors and its senior managerial personnel. The Code has been posted on the website of the Company i.e http://www.westlife.co.in/investors-compliance-and-policies.php. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to this effect is enclosed at the end of this Report.

The Code of Conduct for the Independent Directors of the Company pursuant to the provisions of Section 149(8) and Schedule IV of the Companies Act, 2013, which is a guide to professional conduct for Independent Directors, has been adopted by the Company.

Audit Committee

This Committee consist of the following Directors viz. Mr P R Barpande (Chairman of the Committee), Mr Dilip J Thakkar, Mr Manish Chokhani, and Mr Amit Jatia. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations. Besides having access to all the required information from within the Company, the Committee acts as a link between the Statutory Auditors and the Board of Directors of the Company.

Details of date of meeting and attendance during the year of the Audit Committee:

Name of the Committee Members & Chairperson	Date of meeting and attendance during the year			
	8th May, 2015	7th August, 2015	6th November, 2015	8th February, 2016
Mr P R Barpande	Yes	Yes	Yes	Yes
Mr Dilip J Thakkar	No	Yes	No	Yes
Mr Manish Chokhani	Yes	Yes	Yes	Yes
Mr Amit Jatia	Yes	Yes	Yes	Yes

Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee of the Board of Directors (erstwhile Compensation Committee) had been constituted consisting of Mr P.R. Barpande (Chairman), Mr Manish Chokhani (Member) and Mr Amit Jatia (Member). Dr Shatadru Sengupta, the Company Secretary of the Company is the Secretary to the Committee. The Committee also administers the Westlife Development Limited Employees Stock Option Scheme 2013.

The terms of reference of this Committee are in accordance with the provisions of the Companies Act, 2013, Regulation 19 (4) read with Part D of Schedule II of the Listing Regulations and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Committee met twice during the year, on November 6, 2015 and February 5, 2016. All the members and chairperson had attended the Committee meetings.

The remuneration policy formed by this Committee is annexed as 'Annexure II' to the Board's Report. Also the details of remuneration to all the directors have been mentioned in Clause VI of 'Annexure III' to the Board's Report.

Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr B L Jatia, Non-Executive Director. Mr Amit Jatia and Mr P R Barpande are also members of the Committee. Dr Shatadru Sengupta, the Company Secretary of the Company is the Secretary to the Committee.

The terms of reference of this Committee are in accordance with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 20 (4) read with Part D of Schedule II of the Listing Regulations.

No investor complaints were received during the year. No complaints are pending. The dedicated e-mail ID for investors' grievances is complianceofficer@westlife.co.in

Risk Management

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. The Company has a robust organisational structure for managing and reporting on risks.

The Board has constituted a Risk Management Committee. The Committee is chaired by Mr Tarun Kataria, Independent Director. The other members are Mr Manish Chokhani, Independent Director and Ms Smita Jatia. Dr Shatadru Sengupta, the Company Secretary and Mr Suresh Lakshminarayanan, the Chief Financial Officer of the Company, being senior executives, are part of the Committee. The Committee is required to lay down the procedures to inform the Board about the risk assessment and minimisation procedures and the Board shall be responsible for framing, implementing and monitoring the Risk Management Plan of the Company.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

Familiarisation Programme for Independent Directors

The details of programs for familiarisation of the Independent Directors with the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the Web link: http://www.westlife.co.in/investors-compliance-and-policies.php

Meeting of Independent Directors

The Independent Directors of the Company meet in a separate meeting, at least once a year, without the presence of non-independent directors and members of management. For the year under reporting, the Independent Directors' separate meeting was held on February 5, 2016.

The said meeting was conducted in a manner to enable the Independent Directors to inter alia discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Remuneration and relationship of Directors

Mr Banwari Lal Jatia being a director is related to Mr Amit Jatia, director and Mr Achal Jatia, director, being his sons and Ms Smita Jatia, director, being his son's wife. Similarly, the other above mentioned directors are related inter se to each other. None of the Independent Directors of the Company are inter-se related to each other.

The Company has published its criteria for making payments to non-executive directors in 'Annexure II' to the Board's Report.

The Company has disclosed the number of shares held by non-executive directors in Clause (v) of IV of 'Annexure III' to the Board's Report.

Policy for determining 'material' subsidiaries

The Company has formulated a Policy for determining 'material' subsidiaries as defined in Regulation 16(1) (c) of the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: http://www.westlife.co.in/investors-compliance-and-policies.php

Policy for determining materiality of related party transactions

The Company has formulated a Policy for determining materiality of related party transactions as defined in Regulation 23 of the Listing Regulations. This Policy has been posted on the website of the Company at the Web link: http://www.westlife.co.in/investors-compliance-and-policies.php.

CEO and CFO Certification

As required by Regulation 17 (8) read with Part B of Schedule II of the Listing Regulations, Mr Amit Jatia, Chief Executive Officer (CEO) and Mr Suresh Lakshminarayanan, Chief Financial Officer (CFO) of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2016. The Certificate is annexed as 'Annexure I' to this Report.

Compliance Certificate

A certificate from Mr Shailesh Kachalia, a practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Para E of Schedule V of the the Listing Regulations is annexed to this Report as 'Annexure II'.

Role of the Company Secretary in overall governance process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

Management Discussion and Analysis Report

A detailed review of operations, performance and future outlook of the Company and its business, as stipulated under Regulation 34(2) (e) read with Para B of Schedule V of the Listing Regulations, is presented in a separate section forming part of the Board's Report under the heading 'Management Discussion and Analysis'.

Annual General Meeting

Location, Date and Time of the last 3 AGMs:

Sr. No.	Location	Date	Time	No. of Special Resolutions
1	Brabourne Stadium, 87, Veer Nariman Road, Mumbai 400 020	September 11, 2013	12.00 noon	One
2	Tower-1, 5th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai-400 013	September 26, 2014	2.00 p.m.	One
3	Tower-1, 5th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai-400 013	September 24, 2015	3.00 p.m.	Nil

No special resolution was passed through postal ballot during the year under review. No special resolution is being proposed to be conducted through postal ballot.

Disclosures

a) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. No materially significant related party transactions that might have potential conflict with the interests of the Company at large took place during the year.

b) All applicable Accounting Standards mandatorily required have been followed in preparation of the financial statements.

c) The Company has made disclosures in compliance with the Accounting Standard on "Related Party Disclosures" in Note. No 17 of the Standalone Financial Statement which forms a part of this Board's Report.

d) There was no money raised through public issue or rights issue etc.

e) The directors did not receive any remuneration from the Company during the year, except sitting fee for attending meetings of the Board and its Committees.

f) All pecuniary relationships or transactions of the directors' vis-à-vis the Company have been disclosed in the Notes to the Accounts for the year which are being circulated to members along with this Report.

g) There were no financial/commercial transactions by the Senior Management Personnel where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosures by them to the Board of Directors of the Company.

h) Compliance Reports of applicable laws are periodically reviewed by the Board of Directors. The Company is in compliance with all applicable laws. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

i) The Company has established a whistle blower policy and no personnel have been denied access to the Audit Committee.

j) Relevant details of directors proposed to be appointed are furnished in the Notice of the 33rd Annual General Meeting being sent along with the Board's Report.

Communication

The Company's quarterly financial results are submitted to the BSE Ltd within the prescribed time-period in a form so as to enable the Exchange to put the same on its own website. In addition, the Company displays such quarterly results on its website www.westlife.co.in. The quarterly results are also published in Free Press Journal (English) and Navshakti (Marathi) newspapers.

The Company issues press releases as and when the occasion arises. The presentations made to institutional investors/ analysts are available on the Company's website.

General Shareholder Information

(i) Annual General Meeting to be held :

Date	:	29th September, 2016
Time	:	2.30 p.m.
Venue	:	Fantasy Banquet Room, 1st floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400018.

(ii) Financial Year : 1st April – 31st March

(iii) Date of Book Closure : 23rd September, 2016 to 28th September, 2016 (both days inclusive)

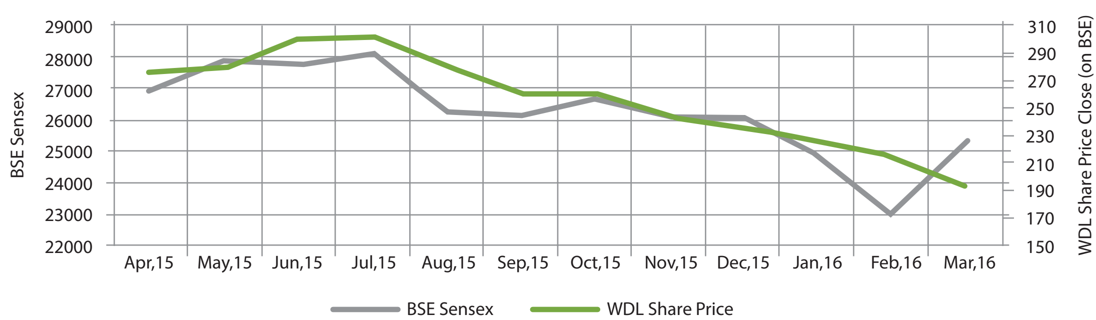
(iv) Dividend Payment Date : No dividend is being recommended

(v) The Company's shares are listed on the BSE Ltd

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001 (Stock/Scrip Code: 505533). The annual listing fee has been paid to BSE Ltd for the financial year.

(vi) Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



(vii) Monthly Market Price Data:

Monthly highest and lowest closing quotations of the Company's equity share on the Bombay Stock Exchange during the financial year 2015-16 were as under. Comparative figures of the month-end closing prices of the Company's share and the BSE Sensex are also tabulated alongside.

Month	Rupees per share			Sensex High	Sensex Low
	High	Low	Month-end closing		
April, 2015	335.9	275	276.3	29094.61	26897.54
May, 2015	323.8	265.4	280.3	28071.16	26423.99
June, 2015	337.2	269.1	300	27968.75	26307.07
July, 2015	340	275	301.5	28578.33	27416.39
August, 2015	328.7	260	281	28417.59	25298.42
September, 2015	298.7	250	260.4	26471.82	24833.54
October, 2015	298	249.3	259.9	27618.14	26168.71
November, 2015	265	237.1	246	26824.3	25451.42
December, 2015	254	225	237.1	26256.42	24867.73
January, 2016	262.9	219	225.8	26197.27	23839.76
February, 2016	266.4	201	214.8	25002.32	22494.61
March, 2016	220	175	195	25479.62	23133.18

(viii) Registrars & Transfer Agent:

Link Intime India Pvt Ltd

C-13 Pannalal Silk Mills Compound, L BS Marg, Bhandup West, Mumbai 400 078

Tel: 91-022-2594 6970 Fax: 91-022-2594 6969 • Email: rnt.helpdesk@linkintime.co.in

(ix) Share Transfer System:

As on 31st March, 2016, 100% paid-up capital of the Company is in dematerialised form. Trading in Ordinary (Equity) Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

(x) Shareholding Pattern as on 31st March, 2016:

	No. of Holders	No. of Shares held	Percentage of holding
Promoter Group :			
Individuals/ HUF	8	40,46,107	2.60
Bodies Corporate	7	9,26,81,369	59.59
Non-Promoters :			
Individuals/ HUF	1618	14,320,750	9.21
Bodies Corporate	120	6,20,405	0.40
Foreign Institutional Investors	15	30,148,053	19.38
Mutual Fund	8	13,735,111	8.83
	1776	**15,55,51,795**	**100.00**

Distribution of shareholding as at March 31, 2016:

Shareholding	No. of Shareholders	No. of Equity Shares	Shareholding Percentage
1-2500	1680	2,99,846	0.193
2501 to 5000	21	68,825	0.044
5001 to 10000	12	82,987	0.053
10001 to 15000	8	1,07,686	0.069
15001 to 20000	7	1,24,344	0.080
20001 to 25000	2	45,779	0.029
25001 to 50000	10	3,47,762	0.224
50001 to 9999999999	36	1,54,474,566	99.307
	1776	**1,55,551,795**	**100.00**

(xi) Dematerialisation of shares:

As on 31st March, 2016, shares comprising 100% of the Company's paid-up capital are held in dematerialized form under ISIN INE 274F01020.

(xii) The Company has not issued or does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

(xiii) Plant Location:

The Company is a trading company and thus it does not have any plant.

(xiv) Addresses for correspondence:

Shareholders' correspondence may be addressed to any of the following addresses:

1. Link Intime India Pvt Ltd
C-13 Pannalal Silk Mills Compound, L BS Marg, Bhandup West, Mumbai 400 078
Tel: 91-022-2594 6970 Fax: 91-022-2594 6969 • Email: rnt.helpdesk@linkintime.co.in

2 Westlife Development Ltd
1001, Tower-3, 10th Floor, Indiabulls Finance Centre Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013.

(xv) Compliance with mandatory requirements:

Your Company has complied with all the requirements as specified in Part E of Schedule II of the Listing Regulations.

Your Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

CEO and CFO Certificate

To,
The Board of Directors
Westlife Development Ltd,
1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road,
Mumbai – 400 013

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the 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, that there are no deficiencies in the design or operation of such internal controls, if any, of which we are aware.

D. We have indicated to the auditors and the Audit committee that:

(1) there are no significant changes in internal control over financial reporting during the year;

(2) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) there are no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Amit Jatia
Chief Executive Officer

Sd/-
Suresh Lakshminarayanan
Chief Financial Officer

Compliance Certificate

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") entered into, by the Company, with BSE Ltd for the financial year ended March 31, 2016.

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

I have conducted my review on the basis of the relevant records and documents maintained by the Company and furnished to me for the review, and the information and explanations given to me by the Company.

Based on such a review, and to the best of my information and according to the explanations given to me, in my opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Regulation 34 (3) read with Para E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

sd/-
Shailesh Kachalia
CP 3888
Company Secretary

Place: Mumbai
Date: 5th August, 2016

Financial Statements

Independent Auditor's Report

To
The Members of **Westlife Development Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Westlife Development Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 34 to the consolidated financial statements regarding approval awaited from the Central Government for managerial remuneration paid by the subsidiary company for the period April 2012 to March 2015 in excess of the limit specified under applicable Companies Act by ₹33.01 Million. Pending such approval, no adjustments have been made in the consolidated financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accountmaintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "Annexure 1" to this report;

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

   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group– Refer Note 30 to the consolidated financial statements;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

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

per Jayesh Gandhi
Partner
Membership Number: 37924

Place: Mumbai
Date: 6 May, 2016

Annexure 1 to the Independent Auditor's report of even date on the Consolidated Financial Statements of Westlife Development Limited

Report on the Internal Financial Controls 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 Westlife Development Limited as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Westlife Development Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditingas specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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, the Holding Company and its subsidiary company, which is incorporated in India, have, maintained 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 31 March 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Jayesh Gandhi
Partner
Membership Number: 37924

Place: Mumbai
Date: 6 May, 2016

Consolidated Balance Sheet as at March 31, 2016

(₹ in Millions)

	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	311.10	311.07
Reserves and surplus	3	5,069.54	5,025.02
		5,380.64	**5,336.09**
Share application money pending allotment	2	0.40	-
Non-current liabilities			
Long-term borrowings	4	75.00	-
		75.00	**-**
Current liabilities			
Short-term borrowings	5	1,232.54	729.39
Trade payables	6	677.36	567.89
Other current liabilities	7	939.20	1,037.97
Short-term provisions	8	73.26	61.62
		2,922.36	**2,396.87**
TOTAL		**8,378.40**	**7,732.96**
ASSETS			
Non-current assets			
Fixed assets	9		
Tangible assets		4,150.03	3,790.15
Intangible assets		874.58	851.76
Capital work-in-progress		184.31	209.05
Non-current investments	10	250.00	97.23
Deferred tax assets (net)	11	-	2.57
Loans and advances	12	878.70	833.74
Other non-current assets	13	0.09	1.88
		6,337.71	**5,786.38**
Current assets			
Current investments	10	1,311.51	1,383.46
Inventories	14	278.23	240.83
Trade receivables	15	42.04	42.37
Cash and bank balances	16	69.50	72.64
Loans and advances	12	328.18	191.02
Other current assets	17	11.23	16.26
		2,040.69	**1,946.58**
TOTAL		**8,378.40**	**7,732.96**
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Millions)

	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from operations (Net)	18	8,334.27	7,643.27
Other income	19	97.07	164.74
Total Revenue (I)		**8,431.34**	**7,808.01**
EXPENSES			
Cost of material consumed	20	3,329.88	3,176.97
Purchase of traded goods	21	3.09	0.52
Employee benefits expense	22	1,240.23	1,136.61
Other expenses	23	3,334.80	3,177.57
Total (II)		**7,908.00**	**7,491.67**
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I) – (II)		**523.34**	**316.34**
Depreciation and amortisation expense	9	576.54	504.38
Finance costs	24	149.91	102.20
Profit /(Loss) before tax and exceptional items		**(203.11)**	**(290.24)**
Exceptional Items (Refer Note 37)		234.01	-
Profit /(Loss) before tax		**30.90**	**(290.24)**
Less : Tax Expenses			
Current Tax		6.69	-
MAT credit entitlement		(6.69)	-
Deferred tax		2.57	0.86
Total tax expense		**2.57**	**0.86**
Profit / (Loss) for the year		**28.33**	**(291.10)**
Earning Per Equity Share {Face value of ₹2 each (Previous year ₹2 each)}	29		
Basic Earning per share (₹)		0.18	(1.87)
Diluted Earning per share (₹)		0.18	(1.87)
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Consolidated Cash flow Statement for the year ended March 31, 2016

(₹ in Millions)

		For the year ended March 31, 2016	For the year ended March 31, 2015
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit /(Loss) before taxation	30.90	(290.24)
	Adjustments for :		
	Depreciation and amortisation expense	576.54	504.38
	Employee stock compensation expense	13.97	17.83
	Loss on Sale / write off of fixed assets	50.28	39.80
	Interest expense	145.85	93.72
	Premium on forward contract amortised	-	3.72
	Interest Income	(4.60)	(2.53)
	Gain on sale of current investment	(80.17)	(151.77)
	Dividend Income	(2.44)	(2.65)
	Unrealised (gain)/loss on foreign exchange	-	0.01
	Operating profit before working capital changes	**730.33**	**212.26**
	Movements in Working Capital		
	Decrease/(Increase) in inventories	(37.40)	(41.37)
	Decrease/ (Increase) in trade receivables	0.33	20.55
	Decrease/ (Increase) in loans and advances	(142.87)	(8.63)
	(Decrease)/Increase in other curent assets	4.97	2.36
	(Decrease)/Increase in trade payables	109.48	(23.09)
	(Decrease)/Increase in other liabilities	125.20	11.13
	(Decrease)/Increase in provisions	8.70	13.63
	Cash generated from operations	**798.74**	**186.85**
	Tax refund received / (Taxes paid)	(4.14)	0.88
	NET CASH FLOW FROM OPERATING ACTIVITIES	**794.60**	**187.73**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Additions to fixed assets & capital work-in-progress	(770.14)	(1,051.12)
	Proceeds from sale of fixed assets	1.41	1.46
	Purchase of equity shares*	-	0.00
	Interest Income	4.67	2.53
	Dividend Income	2.44	2.65
	Investments in mutual funds	(3,909.93)	(4,078.27)
	Proceeds from mutual funds	3,909.27	4,335.66
	Investment in / Proceeds from liquidation of fixed deposits	(0.25)	(0.12)
	(With original maturity of three months or more)		
	(Increase)/Decrease in long term deposits	(38.86)	(54.26)
	NET CASH USED IN INVESTING ACTIVITIES	**(801.39)**	**(841.47)**

Consolidated Cash flow Statement for the year ended March 31, 2016

(₹ in Millions)

		For the year ended March 31, 2016	For the year ended March 31, 20145
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from short-term borrowings	2,160.00	1,590.94
	Repayments of short-term borrowings	(1,485.15)	(1,276.92)
	Proceeds from long-term borrowings	100.00	500.00
	Repayments of long-term borrowings	(450.42)	(58.33)
	Proceeds from inter corporate deposits	18.00	342.80
	Repayment of inter corporate deposits	(18.00)	-
	Repayments of loan from director	(171.70)	(392.98)
	Proceeds from issue of equity shares	2.66	-
	Interest paid	(153.78)	(90.53)
	Premium on forward contract paid	-	(9.24)
	NET CASH FLOW FROM FINANCING ACTIVITIES	**1.61**	**605.74**
	NET DECREASE IN CASH AND CASH EQUIVALENTS	**(5.18)**	**(48.00)**
	Cash and cash equivalents at the beginning of the year	72.63	120.63
	Cash and cash equivalents at the end of the year	67.45	72.63
	NET DECREASE IN CASH AND CASH EQUIVALENTS	**(5.18)**	**(48.00)**
	Components of cash and cash equivalents		
	Cash and bank balances	69.50	72.64
	Less: Not considered as cash and cash equivalents		
	Fixed deposit with remaining maturity of more than		
	three months	2.05	0.01
	Total cash and cash equivalents (Refer Note - 16.1)	**67.45**	**72.63**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

1.1 Corporate information

Westlife Development Limited is a public limited company having its registered office at Mumbai. The Company focuses on putting up and operating Quick Service Restaurants (QSR) in India through its wholly owned subsidiary Hardcastle Restaurants Private Limited.

1.2 Summary of significant accounting policies

a) Basis of Preparation:

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Consolidated Financial Statements comprise the financial statements of Westlife Development Limited ("the Company") and its subsidiary. The Company and its subsidiary constitute the WDL Group. Reference in these notes to the 'Company' or 'WDL' shall mean to include Westlife Development Limited and/or its subsidiary, consolidated in these financial statements unless otherwise stated.

(i) The list of Companies which are included in consolidation and the Parent Company's holdings therein are as under:

Sr. No	Names of the Company	Percentage Holding 31-03-16	Percentage Holding 31-03-15
1.	Hardcastle Restaurants Private Limited (HRPL)	99.99%	99.99%

Notes:

1. The above Company is incorporated in India and the financial statements thereof are drawn up to the same reporting date as that of the parent Company i.e. March 31, 2016.
2. The Consolidated Financial Statements have been prepared and presented in accordance with Generally Accepted Accounting Principles in India (IGAAP), under historical cost convention on an accrual basis. The Company has prepared these financials statements to comply in all material respect with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
3. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.
4. The Consolidated Financial Statements of the Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits/ losses.
5. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
6. The difference between the cost of investment in the subsidiary, and the Company's share of net assets at the time of acquisition of shares in the subsidiary is recognised in the Financial Statements as Goodwill or Capital Reserve as the case may be. Goodwill arising on consolidation of financial statements of subsidiary is not amortised. However the same is tested for impairment at each balance sheet date.
7. Minority Interest, if any, in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

   Minority interest in the net assets of consolidated subsidiaries consists of:

   (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

   (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
8. Minority Interest's share in Net Profit / (Loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the group.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgement, estimates and assumptions that affect the reported amounts of asset, liabilities and the

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

disclosure of contingent liabilities on the date of balance sheet and reported amounts of revenue and expenses for the period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from the estimates.

c) **Tangible Fixed Assets and Depreciation**

(i) Fixed Assets are stated at cost less accumulated depreciation and impairment losses (if any). The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Further contribution received from landlords in respect of leasehold improvements carried out to leasehold premises is deducted from leasehold improvements cost.

(ii) Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Assets	Useful lives estimated by the management (Years)
Buildings	28
Leasehold Improvements (others)	15
Leasehold Improvements (office)	9
Restaurant Equipments	5-10
Furniture and Fixtures	5-10
Office Equipments	5
Computers	3
Motor Vehicles	4

Based on technical estimates, the useful lives of following assets are lower than those indicated in Schedule II to Companies Act, 2013

Assets	Useful lives estimated by the management (Years)
Buildings	28
Restaurant Equipments	5-10
Furniture (at office premises)	5
Vehicles	4

Leasehold Land is amortised over the period of the lease which is 60 years.

(d) **Intangible Assets and amortisation**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Initial Location & License fees for stores opened up to May 15, 2010, are amortised on a straight line basis over a period of twenty years. For stores opened after May 15, 2010, Initial Location & License fees are amortised on a straight line basis over the remaining period of the Master Franchise Agreement.

Software is depreciated over a period of 5 years.

(e) **Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(f) **Investments**

Investments which are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long-term investments.

(g) **Inventories**

Inventories are valued at lower of cost (determined on First in First Out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(h) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue for food items is recognised when sold to the customer over the counter.

Revenue on sale of other goods is recognised when significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods.

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

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

Revenue from services is recognised pro-rata over the period of contracts as and when services are rendered or in accordance with the terms and conditions of such contracts.

(i) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

(j) **Foreign Currency Transactions**

Initial Recognition:-

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion :-

Foreign currency monetary items are reported using the closing rate.

Exchange Differences :-

Exchange differences arising on settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

Forward Exchange Contracts:-

Premium or discount arising at inception of forward exchange contracts is amortised and recognised as an expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the period.

(k) **Employee benefits**

Defined contribution plan

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

Defined benefit plan

Gratuity liability is a defined benefit scheme and is provided on the basis of an actuarial valuation done by an independent actuary on the projected unit credit method at the end of each financial year. Actuarial gains/losses are recognised in the Statement of Profit and Loss immediately in the year in which they arise and are not deferred.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Other benefits

Short term compensated absences are provided based on details of leave balance and applicable salary rate.

(l) Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of timing difference between taxable and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted and subsequently enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

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

(m) Earnings per Share

Basic earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(n) Operating Leases

Where Company is lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

Where Company is lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(p) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Segment Reporting

i. Identification of segments :

The Company has only one business segment 'Quick Service Restaurants' as its primary segment. The analysis of geographical segments is based on the areas in which major operating division of the Company operates.

ii. Segment Policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(s) Employee stock compensation cost

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

(t) Measurement of EBITDA

As permitted by the Schedule III of the Companies Act, 2013, the Company has opted to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expense but includes other income.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

2. Share Capital

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Authorised shares		
160,925,000 (Previous Year 160,925,000) Equity Shares of ₹2 each.	321.85	321.85
460,000 (Previous Year 460,000) 8% Cumulative Redeemable Preference Shares of ₹10 each	4.60	4.60
	326.45	**326.45**
Issued, subscribed and fully paid-up shares		
155,551,795 (Previous Year 155,533,595) Equity Shares of ₹2 each , fully paid up	311.10	311.07
Total issued, subscribed and fully paid-up share capital	**311.10**	**311.07**

i) **Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Equity shares

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
At the beginning of the year	155,533,595	311.07	155,533,595	311.07
Issued during the year - ESOP	18,200	0.03	-	-
Outstanding at end of the year	155,551,795	311.10	155,533,595	311.07

ii) **Terms/ Rights attached to Equity Shares**

The Company has only one class of equity shares having par value of ₹2 (Previous Year ₹2) per share . Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31,2016, the amount of dividend per share recognised as distribution to equity shareholders was ₹Nil (Previous Year ₹Nil). In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) **Details of aggregate number of shares issued for consideration other than cash and bonus shares issued during the period of 5 years immediately preceding the reporting date**

Equity Shares allotted as	March 31, 2016	March 31, 2015
Fully paid up to the shareholders of Westpoint Leisureparks Private Limited (WLPL) in accordance with the scheme of arrangement	28,994,852	28,994,852
Fully paid up to the shareholders of Triple A Foods Private Limited (TAF) in accordance with the scheme of arrangement	29,704,100	29,704,100
Equity Shares allotted as fully paid Bonus Shares by capitalization of General Reserve, Reserve Fund, Securities Premium and Surplus in Statement of Profit & Loss	11,430,050	11,430,050

In addition, the Company has issued total 18,200 equity shares (Previous Year Nil) during the period of five years immediately preceeding the reporting date on excerise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

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

Equity Shares of ₹2 each fully paid up

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	(₹ in Millions)	No. of Shares held	(₹ in Millions)
Horizon Impex Private Limited	47,285,325	30.40%	47,285,325	30.40%
Subh Ashish Exim Private Limited	33,233,707	21.37%	33,233,707	21.37%
SBI Mutual Funds	13,717,531	8.82%	-	-
Arisaig Partners (Asia) Pte Ltd. A/c Arisaig India Fund Limited	12,296,550	7.91%	12,296,550	7.91%
Rajiv Himatsingka Beneficial owners AKSR Corporate Advisors Private Limited,Yuthika Properties Private Limited and Rajiv Himatsingka Partners of M/s Decent Enterprises	12,095,071	7.78%	12,060,000	7.75%
Makino Holdings Limited	11,881,640	7.64%	11,881,640	7.64%

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

v) **Shares reserved for issue under options**

For details of shares reserved for issue under Employee Stock Option Plan of the Company, Refer Note 36.

vi) Share application money pending allotment represents application money received on account of Employee Stock Option Scheme.The Company has received ₹100 each per share towards allotment of 4,000 equity share at excerise price of ₹100 each and is shown under Share application money pending allotment. The Company has made the allotment on April 21, 2016. The Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money.

3. Reserve and Surplus

(₹ in Millions)

		As at March 31, 2016	As at March 31, 2015
a)	**Capital Reserve**		
	Balance as per last Financial Statements	1,110.25	1,110.25
		1,110.25	**1,110.25**
b)	**Securities Premium Account**		
	Balance as per last financial statements	3,920.74	3,920.74
	Add: Additions on ESOP's excerised	2.22	-
	Add: Transferred from Employee stock option outstanding	4.71	-
		3,927.67	**3,920.74**
c)	**Employee Stock Option Outstanding (Refer Note 36)**		
	Balance as per last financial statements	21.83	4.00
	Add: Amortisation of expense related to options granted	13.97	17.83
	Less:Transferred to General Reserve on account of expiration of options granted	2.79	-
	Less: Transferred to securities premium on excerise of stock options	4.71	-
		28.30	**21.83**
d)	**Surplus/ (deficit) in the Statement of Profit and Loss**		
	Balance as per last financial statements	(27.80)	264.25
	Add: Profit/ (Loss) for the year	28.33	(291.10)
	Less: Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013 (net of tax ₹0.001 million) (Refer Note 35)	-	(0.95)
	Net surplus/ (deficit) in the Statement of Profit and Loss	**0.53**	**(27.80)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

3. Reserve and Surplus (contd.)

(₹ in Millions)

		As at March 31, 2016	As at March 31, 2015
e)	**General reserve**		
	Balance as per last financial statements	-	-
	Add : Transferred from Employee stock option outstanding on account of expiration of options granted	2.79	-
		2.79	-
	Total	**5,069.54**	**5,025.02**

4. Long-term borrowings

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Long-term		Current Maturity of Long term Borrowings*	
Secured Loan				
Loan from Bank (Refer note i and ii below)	75.00	-	187.50	612.92
Total	**75.00**	**-**	**187.50**	**612.92**

*Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)

i) The Company had availed a loan facility of ₹750 million from HDFC Bank Ltd. to finance the capital expenditure. To avail this facility the Company has created a first pari passu charge on moveable fixed assets (present and future). The Company had drawn ₹500 million at an interest rate of 9.75% p.a.-10.45 % p.a (Previous Year 10.45% p.a.) under the said facility. The term loan is repayable in quarterly instalments over a period of 18 to 36 months. As at March 31, 2016 the amount outstanding in respect of the said arrangement is ₹262.50 million (Previous Year ₹500 million).

As at March 31, 2015, the Company had not met the requirement of certain financial covenants specified under loan agreement, thereby the entire amount payable under the said arrangement of ₹500 million was shown as current.

ii) The Company had taken a term loan of ₹175 million from Citi Bank N. A. to finance the capital expenditure. To avail this facility the Company had created first pari-passu charge on present and future moveable plant, machinery and kitchen equipments that are brought in and stored in any premises of the Company including the course of delivery wherever lying and parked. The loan was disbursed in 2 tranches, first tranche of ₹45 million was drawn at an interest rate of 11.53% p.a. and the second tranche of ₹130 million was drawn at an interest rate of 11.20% p.a. The term loan was repayable in quarterly instalments over a period of 36 months. The entire outstanding loan of ₹112.92 million was repaid during the current year.

As at March 31, 2015, the Company had not met the requirement of certain financial covenants specified under loan agreement, thereby the entire amount payable under the said arrangements of ₹112.92 million was shown as current.

5. Short-term borrowings

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Secured		
Loan from Banks (Refer note i and ii below)	1,080.00	200.00
Bank overdrafts (Refer note iii below)	-	0.08
Unsecured		
Bank overdrafts (Refer note iii and iv below)	152.54	357.61
Loan from Director (Refer note v below)	-	171.70
Total	**1,232.54**	**729.39**

5. Short-term borrowings *(contd.)*

i) The Company had availed a revolving short term loan facility of ₹200 million from HDFC Bank Ltd. This facility is sanctioned for the purpose of financing working capital requirements. To avail this facilty, the Company has hypothecated i.e. created a first charge on all stock and book debts and also an exclusive charge on the credit / debit card receivables to the extent of ₹400 million by way of hypothecation. Interest is charged at 9.45% p.a.- 10.15% p.a. (Previous Year 10.12 % p.a.- 10.15 % p.a.) and is payable monthly. The repayment period of the said loan is 30 days to 180 days. As at March 31, 2016 the amount outstanding in respect of the said facility is ₹50 million (Previous Year ₹200 million).

ii) During the year the Company has availed a revolving short term loan facility of ₹1265 million from Australia and New Zealand Banking Group Ltd. for the purpose of financing working capital requirements. To avail this, the Company has created a first pari passu charge on the movable assets. Interest is charged at 9.35% p.a.- 9.85% p.a. The loan is repayable within 30 days from the date of drawdown. As at March 31, 2016 the amount outstanding in respect of the said facility is ₹1030 million (Previous Year ₹Nil).

iii) The Company has availed an overdraft facility of ₹200 million (previous year ₹200 million) with Kotak Mahindra Bank Ltd. (erstwhile ING Vysya Bank Ltd.) at an interest rate of 9.50% p.a.- 10.75% p.a. (Previous Year 13.30% p.a.). This overdraft facility is for financing the working capital requirement and is repayable on demand. The Company had created an exclusive charge in favour of Kotak Mahindra Bank Ltd. (erstwhile ING Vysya Bank Ltd.) on immovable fixed assets having an area of 1291.76 sq. mtrs. located at Kalamboli, Navi Mumbai. As at March 31, 2016 the Company has availed borrowing of ₹Nil (Previous Year ₹199.88 million) under this facility.

iv) The Company has availed an overdraft facility of ₹200 million (Previous Year ₹200 million) with Royal Bank of Scotland with an interest rate of 9.35% p.a-10.35% p.a. (Previous Year 10.35% p.a.) and 18% p.a. if the facility extends beyond ₹200 million. This overdraft facility is for financing the working capital requirement and is repayable on demand. As at March 31, 2016 the Company has utilised ₹152.54 million (Previous Year ₹157.81 million) under this facility.

v) During the previous year, the Company had taken a loan from director at an interest rate of 10.50% p.a. This loan was used for financing the working capital requirement and it was repayable on demand. The said loan is repaid during the year.

6. Trade payables

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Trade payables	677.36	567.89
Total	**677.36**	**567.89**

7. Other current liabilities

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Current Maturity of long term borrowings (Refer note 4)	187.50	612.92
Security deposits	5.27	4.91
Book overdrafts	144.19	105.85
Statutory dues	80.12	68.20
Liability for capital expenditure	316.69	107.69
Interest accrued but not due on borrowings	5.18	13.11
Employee related liabilities	154.11	92.04
Other payables	46.14	33.25
Total	**939.20**	**1,037.97**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

8. Short-term provisions

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Provision for gratuity (Refer Note - 27)	50.30	46.74
Provision for leave benefits	20.03	14.88
Other Provisions		
Provision for taxation	2.93	-
Total	**73.26**	**61.62**

9. Fixed Assets and Depreciation

(₹ in millions)

	Gross Block (At cost)				Depreciation / Amortisation				Net Block	
	As at 01-04-2015	Additions / Adjustments	Deductions / Adjustments	As at 31-03-2016	As at 01-04-2015	For the year*	Deductions / Adjustments	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
TANGIBLE ASSETS										
Lease hold Land	10.50	-	-	10.50	2.18	0.18	-	2.36	8.14	8.32
	10.50	*-*	*-*	*10.50*	*2.01*	*0.17*	*-*	*2.18*	*8.32*	*8.49*
Buildings	142.36	-	(0.03)	142.33	80.39	5.27	-	85.66	56.67	61.97
	145.55	*-*	*(3.19)*	*142.36*	*75.98*	*5.26*	*(0.85)*	*80.39*	*61.97*	*69.57*
Leasehold Improvements	2,495.47	422.55	(18.35)	2,899.67	600.34	189.96	(11.65)	778.65	2,121.02	1,895.13
	2,169.06	*411.59*	*(85.18)*	*2,495.47*	*486.79*	*161.33*	*(47.78)*	*600.34*	*1,895.13*	*1,682.27*
Restaurant Equipments	2,426.01	432.92	(75.86)	2,783.07	939.98	262.73	(35.45)	1,167.26	1,615.81	1,486.03
	2,116.84	*358.41*	*(49.24)*	*2,426.01*	*748.71*	*227.25*	*(35.98)*	*939.98*	*1,486.03*	*1,368.13*
Furniture & Fixtures	520.23	79.21	(7.04)	592.40	227.03	53.49	(6.17)	274.35	318.05	293.20
	440.94	*100.84*	*(21.55)*	*520.23*	*191.82*	*52.24*	*(17.03)*	*227.03*	*293.20*	*249.12*
Office Equipments	23.06	5.98	(1.03)	28.01	12.59	4.90	(0.97)	16.52	11.49	10.47
	25.72	*2.85*	*(5.51)*	*23.06*	*13.79*	*3.75*	*(4.95)*	*12.59*	*10.47*	*11.93*
Computers	45.85	4.50	(1.84)	48.51	36.47	12.15	(1.84)	46.78	1.73	9.38
	40.33	*6.45*	*(0.93)*	*45.85*	*22.28*	*14.94*	*(0.75)*	*36.47*	*9.38*	*18.05*
Vehicles	61.62	1.24	(1.66)	61.20	35.97	9.77	(1.66)	44.08	17.12	25.65
	48.66	*16.85*	*(3.89)*	*61.62*	*31.72*	*8.04*	*(3.79)*	*35.97*	*25.65*	*16.94*
Sub Total	5,725.10	946.40	(105.81)	6,565.69	1,934.95	538.45	(57.74)	2,415.66	4,150.03	3,790.15
	4,997.60	*896.99*	*(169.49)*	*5,725.10*	*1,573.10*	*472.98*	*(111.13)*	*1,934.95*	*3,790.15*	*3,424.50*
INTANGIBLE ASSETS										
Goodwill on consolidation	465.97	-	-	465.97	-	-	-	-	465.97	465.97
	465.97	*-*	*-*	*465.97*	*-*	*-*	*-*	*-*	*465.97*	*465.97*
Initial Location & License Fee	464.66	47.88	-	512.54	107.51	27.04	-	134.55	377.99	357.15
	405.24	*59.42*	*-*	*464.66*	*84.59*	*22.92*	*-*	*107.51*	*357.15*	*320.65*
Computer Software	84.13	13.03	-	97.16	55.49	11.05	-	66.54	30.62	28.64
	73.03	*11.10*	*-*	*84.13*	*46.06*	*9.43*	*-*	*55.49*	*28.64*	*26.97*
Sub Total	1,014.76	60.91	-	1,075.67	163.00	38.09	-	201.09	874.58	851.76
	944.24	*70.52*	*-*	*1,014.76*	*130.65*	*32.35*	*-*	*163.00*	*851.76*	*813.59*
TOTAL	6,739.86	1,007.31	(105.81)	7,641.36	2,097.95	576.54	(57.74)	2,616.75	5,024.61	4,641.91
Previous Year	*5,941.84*	*967.51*	*(169.49)*	*6,739.86*	*1,703.75*	*505.33*	*(111.13)*	*2,097.95*	*4,641.91*	

Notes :

* During the previous year, the Company had revised depreciation on certain fixed assets in accordance with the requirement of the Schedule II of the Companies Act, 2013. Consequently ₹0.95 million (out of total deprecaition of ₹505.33 million) had been adjusted to opening balance of retained earnings on account of assets whose useful life was already exhausted as on April 01, 2014.

10. Investments

(₹ in Millions)

	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Non-Trade Investments				
a) **Investments in Mutual Funds (unquoted) (valued at cost or fair value whichever is lower)**				
Face Value of ₹100 each				
48,725.625 (Previous Year Nil) units of Birla Sunlife Floating Rate Fund Short Term plan-Growth-Regular Plan	-	-	9.62	-
Nil (Previous Year 4,47,546.60) units of Birla Sun Life Cash Plus-Growth-Regular Plan	-	-	-	100.21
Nil (Previous Year 1,715.62) units of ICICI Prudential Liquid- Regular Plan- Growth	-	-	-	0.35
13,503 (Previous Year Nil) units of HDFC liquid fund- Growth	-	-	39.57	-
Nil (Previous Year 1,723.31) units of HDFC Cash Management Fund-Savings Plan- Growth	-	-	-	0.05
Face Value ₹10 each				
43,063.67 (Previous year 39,69,619.59) Units of HDFC Cash Management Fund-Savings Plan - Direct Plan- Daily Dividend Reinvestment Plan	-	-	47.00	44.57
Nil (Previous Year 1,00,00,000) units of Birla Sunlife Fixed Term Plan-Series IU (527 days)-Growth Regular	-	-	-	100.00
Nil (Previous Year 50,00,000) units of HDFC FMP 554 Days November 2013-(1) Series 28-Regular Growth	-	-	-	50.00
50,00,000 (Previous Year 50,00,000) units of Reliance Mutual Fund Fixed Horizon Fund XXIV Series-22-Growth Plan	50.00	-	-	50.00
81,88,000 (Previous Year 81,88,000) units of L & T Mutual Fund FMP VII(April 1124D A) Growth	-	97.23	97.23	-
2,00,00,000 (Previous Year Nil) units of HDFC FMP 1161 Days Feb 2016 (1) Regular Series 35 Growth.	200.00	-	-	-
1,93,85,910.15 Units (Previous Year Nil) units of IIFL Cash Opportunities Fund	-	-	199.46	-
43,38,560.83 (Previous Year Nil) units of IDFC Dynamic Bond Fund - Growth Regular Plan.	-	-	73.64	-
3156.67 (Previous Year Nil) units of ICICI Prudential Money Market Fund Growth	-	-	0.65	-
45,475.77 (Previous Year Nil) units of L & T Cash Fund-Growth	-	-	53.85	-
27,47,678.634 (Previous Year Nil) units of Kotak Treasury Advantage Fund Growth (Regular Plan)	-	-	65.05	-
13,130,000 (Previous Year Nil) units of Kotak Mahindra Mutual Fund FMP Series 131-1061 days Non Direct Growth	-	-	164.16	-
Nil (Previous Year 20,00,000) units of Religare Invesco FMP Series XX-Plan B (601 days) -Growth	-	-	-	23.13

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

10. Investments *(contd.)*

(₹ in Millions)

		Non-Current		Current	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Nil (Previous Year 40,15,526) units of IIFL Fixed Maturity Plan Series 6-Regular Growth	-	-	-	47.91
	Nil (Previous Year 38,07,021.26) units of L & T Short term Opportunities Fund Growth	-	-	-	50.90
	Nil (Previous Year 88,10,000) units of Kotak FMP Series 127- Growth	-	-	-	100.45
	Nil (Previous Year 40,00,000) units of Reliance Fixed Horizon Fund - XXVI - Series 28 Growth Plan	-	-	-	42.79
	Nil (Previous Year 50,00,000) units of Sundaram Fixed Term Plan GG 366 DAYS Regular Growth	-	-	-	53.42
	Nil (Previous Year 13,90,579.16) units of Birla Sunlife Short term Fund - Growth	-	-	-	72.58
	Nil(Previous Year 33,36,630.66) units of HDFC Short term Opportunities Fund - Growth	-	-	-	50.74
	Nil (Previous Year 17,750.72) units of Franklin India Short Term Income Plan - Retail Plan Growth	-	-	-	50.89
	35,51,347.53 (Previous year 35,70,985.55) units of ICICI Prudential Short term Plan- Regular Plan -Growth	-	-	107.50	101.99
	19,04,168.97 (Previous Year 17,89,920.82) units of IDFC - Super Saver Income Fund - Short Term - Growth-(Regular Plan)	-	-	57.50	50.92
	1,35,81,967.15 (Previous Year 1,35,81,967.15) units of JP Morgan India Government Securities Fund - Regular Plan Growth Option	-	-	150.00	150.00
	Nil (Previous Year 43,80,665.72) units of IDFC Dynamic Bond Fund - Plan B- Growth- (Regular Plan)	-	-	-	73.96
	Nil (Previous Year 13,29,298.40) units of Kotak Gilt- Investment Regular - Growth	-	-	-	63.22
	37,24,568.32 (Previous Year 37,24,568.32) units of HDFC Gilt Fund- Long term Growth	-	-	105.38	105.38
b)	**Investment in structured products (unquoted) (valued at cost or fair value whichever is lower)**				
	Debt				
	1005 (Previous Year Nil) units of Reliance Capital Limited SR-B/216 BR NCD	-	-	121.09	-
	Equity				
	200 (Previous Year Nil) units of Reliance Capital Ltd SR. B/298 BR NCD 19AP16 FVRS1 LAC	-	-	19.81	-
c)	**Investments in Equity Instruments (unquoted) (valued at cost)**				
	1 (Previous Year 1) equity shares of Hawcoplast Investments & Trading Limited of ₹10/- each fully paid	-*	-	-	-
	Total	**250.00**	**97.23**	**1,311.51**	**1,383.46**
	* Denotes amount less than ₹1000/-				
	Aggregate amount of Unquoted Investments	250.00	97.23	1,311.51	1,383.46

11. Deferred tax assets (Net)

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
(A) Deferred tax assets		
Expenses allowable in Income Tax on payment basis	39.27	31.09
Unabsorbed depreciation*	7.28	22.09
Total	**46.55**	**53.18**
(B) Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for financial reporting	46.55	50.61
Total	**46.55**	**50.61**
Net Deferred Tax Asset (A) - (B)	**-**	**2.57**

* Hardcastle Restaurants Pvt. Ltd., the Company's subsidiary has carried forward unabsorbed depreciation upto March 31, 2016, deferred tax assets on unabsorbed carried forward depreciation has been recognised only to the extent of deferred tax liability. The deferred tax amounting to ₹187.04 million (previous year ₹165.99 million) as on March 31, 2016 has not been recognised and the same will be available to offset tax on future taxable income.

12. Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹ in Millions)

	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Security deposits to lessors	566.57	527.71	5.00	6.70
Security deposits to others	40.14	33.97	0.40	0.40
Employee advances	-	-	4.82	3.14
Lease hold improvement contributions receivable	-	-	38.33	22.72
Capital advances	10.49	14.71	-	-
Balances with Statutory/Government authorities	122.47	122.36	204.99	68.39
Advances to suppliers	-	3.70	48.52	60.21
Advance income tax (net of provisions)	21.33	20.94	-	-
MAT credit entitlement	35.25	28.57	-	-
Loans to others	75.12	77.59	10.69	13.08
Prepaid Expenses	7.33	4.19	15.43	16.38
Total	**878.70**	**833.74**	**328.18**	**191.02**

Security deposits to lessors include ₹9.50 million (Previous Year ₹6.00 million) deposit given to related party.
Security deposits to others include ₹0.63 million (Previous Year ₹0.63 million) deposit given to related party.

13. Other non-current Assets

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Deposits with banks with remaining maturity for more than 12 months *	0.09	1.88
Total	**0.09**	**1.88**

*includes fixed deposits with lien in favour of statutory authorities ₹0.09 million (previous year ₹1.59 million)

14. Inventories (Valued at lower of cost and net realisable value)

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Food items (Includes goods in transit ₹1.36 million (Previous Year ₹7.75 million))	138.81	118.00
Paper Products (Includes goods in transit ₹0.52 million (Previous Year ₹Nil))	46.12	43.51
Toys & Premiums	34.40	22.63
Stores, spares & Consumables (Includes goods in transit ₹0.03 million (Previous year ₹Nil))	58.90	56.69
Total	**278.23**	**240.83**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

15. Trade receivables

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good unless otherwise stated)		
Other receivables	42.04	42.37
Total	**42.04**	**42.37**

16. Cash and bank balances

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
16.1 Cash and cash equivalents		
Balances with banks:		
– On Current Accounts	11.34	11.70
– On Unpaid Dividend Account*	-	-
Cash on Hand	56.11	60.93
	67.45	**72.63**
16.2 Other bank balances		
– Deposits with remaining maturity for less than 12 months**	2.05	0.01
	2.05	**0.01**
Total	**69.50**	**72.64**

* Denotes amount less than ₹1,000

** includes fixed deposits with lien in favour of statutory authorities ₹ 1.63 million (previous year ₹ Nil)

17. Other current assets

(₹ in Millions)

	As at March 31, 2016	As at March 31, 2015
Other receivables (Unsecured, considered good)	11.16	16.13
Interest accrued on fixed deposits	0.07	0.13
Total	**11.23**	**16.26**

18. Revenue from operations (Net)

(₹ in Millions)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Products (Refer note i)	8,237.49	7,598.41
Sale of Services (Refer note ii)	-	2.42
Other Operating Revenue (Refer note iii)	96.78	42.44
Total	**8,334.27**	**7,643.27**
i) Sale of Products		
Food	6,570.20	6,545.05
Beverages, Desserts, Others	1,664.19	1,052.84
Traded goods	3.10	0.52
Total	**8,237.49**	**7,598.41**
ii) Sale of Services		
Rent income	-	2.42
Total	**-**	**2.42**
iii) Other Operating Revenue		
Conducting Fees	1.88	2.22
Franchising Income	5.52	5.57
Scrap Sales	10.07	11.01
Space Rentals and alliances income	58.33	23.64
Miscellaneous Provisions written back	20.98	-
Total	**96.78**	**42.44**

19. Other income

(₹ in Millions)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income		
- on Bank Deposits	0.21	0.16
- Others	4.39	2.37
Dividend Income on Current Investment	2.44	2.65
Gain on Sale of Current Investment	80.17	151.77
Compensation received for closure of store	-	3.10
Other non-operating Income	9.86	4.69
Total	**97.07**	**164.74**

20. Cost of materials consumed

(₹ in Millions)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Inventory at beginning of the year	184.14	157.46
Add: Purchases during the year	3,365.07	3,203.65
	3,549.21	3,361.11
Less: Inventory at end of the year	219.33	184.14
Total	**3,329.88**	**3,176.97**

20.1 Details of materials consumed

Food	2,876.48	2,731.60
Paper	361.92	364.03
Toys & Premiums	91.48	81.34
Total	**3,329.88**	**3,176.97**

20.2 Value of imported and indigenous materials consumed:

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	(₹ in Millions)	%	(₹ in Millions)	%
Imported	79.91	2.40%	70.24	2.21%
Indigenous	3,249.97	97.60%	3,106.73	97.79%
Total	**3,329.88**	**100.00%**	**3,176.97**	**100.00%**

21. Purchase of traded goods

(₹ in Millions)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Purchases (textile materials)	3.09	0.52
Total	**3.09**	**0.52**

22. Employee benefits expense

(₹ in Millions)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	1,016.16	892.93
Contribution to provident and other funds	95.76	100.52
Employee stock option scheme	13.97	17.83
Gratuity expense (Refer Note - 27)	10.56	19.82
Staff welfare expenses	103.78	105.51
Total	**1,240.23**	**1,136.61**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

23. Other expenses

(₹ in Millions)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Electricity utilities	722.21	671.30
Gas utilities	115.47	166.94
Other utilities	66.61	59.92
Conducting Charges	712.78	680.05
Advertising and sales promotion	466.90	427.61
Royalty Fee	289.50	268.18
Repairs and Maintenance - Restaurant Equipments	159.07	129.83
Repairs and Maintenance - Others	99.88	98.23
Operating Supplies at Stores	128.19	124.52
Travelling and conveyance	51.53	51.18
Consultancy and Professional fees	67.31	83.22
Rent	36.43	35.54
Loss on Sale / write off of Fixed Assets	50.28	39.80
Training and Development Expenses	28.59	29.32
Communication costs	21.52	20.96
Rates & Taxes	6.77	14.83
Insurance	9.45	8.88
CSR Expenditure	0.17	4.48
Exchange differences (net)	1.60	3.04
Miscellaneous Expenses	300.54	259.74
Total	**3,334.80**	**3,177.57**

24. Finance costs

(₹ in Millions)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
- Buyers' credit	-	1.92
- Inter Corporate Deposit	0.22	6.17
- Director's loan	5.24	8.07
- Bank overdraft	14.10	12.73
- Term Loan	122.58	63.23
- Others	3.71	1.60
Premium on forward exchange contracts amortised	-	3.72
Bank charges	4.06	4.76
Total	**149.91**	**102.20**

25. Related Party Disclosure

Names of Related Parties & Related Party Relationship with whom transactions have taken place during the year

a) Key Management Pesonnel with whom transactions have taken plan during the year

Key Management Personnel:	Mr. B.L.Jatia, Director Mr. Amit Jatia, son of Mr. B.L.Jatia Mrs. Smita Jatia, daughter-in-law of Mr. B.L.Jatia Mr. Suresh Lakshminarayanan, Chief Financial Officer Mr. Shatadru Sengupta, Company Secretary
b) Relatives of key management personnel	Mr. Akshay Jatia, grandson of Mr. B.L.Jatia Mr. Ayush Jatia, grandson of Mr. B.L.Jatia
c) Enterprises over which Key Management Personnel or their relatives is/are able to exercise significant influence :	Hardcastle & Waud Mfg Co. Limited Vishwas Investment & Trading Company Private Limited West Pioneer Properties (India) Private Limited (upto February 29, 2016) Hardcastle Petrofer Private Limited Winmore Leasing & Holdings Limited West Leisure Resorts Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

25. Related Party Disclosure *(contd.)*

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

(₹in millions)

Particulars	Vishwas Investment & Trading Company Private Limited		West Pioneer Properties (India) Private Limited		Hardcastle Petrofer Private Limited		Hardcastle & Waud Mft. Co. Limited		West Leisure Resorts Limited		Winmore Leasing & Holdings Limited	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Rent expense	2.05	0.20	-	-	-	-	-	2.16	-	-	-	0.19
Conducting Charges	-	-	7.11	6.24	-	-	-	-	-	-	-	-
Electricity Charges	-	-	7.65	8.88	-	-	-	-	-	-	-	-
Water Charges	-	-	0.02	0.07	-	-	-	-	-	-	-	-
Maintenance Charges	-	-	2.01	1.93	-	-	-	-	-	-	-	-
Gas Charges	-	-	0.52	0.89	-	-	-	-	-	-	-	-
Secuirty Deposit Refunded	-	-	-	-	-	2.00	-	-	-	-	-	-
Security Deposits Refund Received	-	5.25	-	-	-	-	-	1.00	-	-	-	1.50
Security deposit given	3.50	-	-	4.13	-	-	-	-	-	-	-	-
Purchase of Equity Share*	-	0.00	-	-	-	-	-	-	-	-	-	-
Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	-	0.03	-	-
Consultancy charges	-	-	1.68	-	-	-	-	-	-	-	-	-
Reimbursement of expenses recovered	-	-	0.62	0.60	-	-	-	-	-	-	-	-
Inter Corporate Deposits repaid	-	-	-	-	-	-	-	-	-	54.95	-	-
Rent Income	-	-	1.84	2.00	0.12	2.54	-	-	-	-	-	-
Outstanding Balance included in Loans and Advances	3.50	-	-	6.63	-	-	-	-	-	-	-	-
Outstanding Balance included in Other Receivables	-	-	-	0.48	0.01	-	-	-	-	-	-	-

* Denotes amount less than ₹1,000.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

25. Related Party Disclosure *(contd.)*

b) transactions with KMP and their relatives

(₹ in Millions)

Particulars	Key Management Personnel (KMP)							
	B.L.Jatia		Amit Jatia		Smita Jatia		Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Remuneration Paid*	-	-	27.46	19.71	16.68	10.60	7.59	4.68
Director's sitting fees	0.10	0.05	0.20	0.21	0.13	0.12	-	-
Loan taken	-	373.20	-	-	-	-	-	-
Loan repaid	171.70	201.50	-	-	-	-	-	-
Interest Expense	5.24	8.07	-	-	-	-	-	-
Outstanding balance included in Short term Borrowings	-	171.70	-	-	-	-	-	-
Outstanding Balance included in Other current liabilities	-	7.26	-	-	-	-	-	-
Recovery of excess managerial remuneration paid in earlier years.**	-	-	-	2.34	-	1.11	-	-

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

** During the previous year the subsidiary company made an application to the Central Government seeking approval for payment of Managerial Remuneration to its two whole time directors in excess of the limit specified under the Companies Act, 1956 for financial year 2011-12. The Central Government has partially approved the said application and consequently the subsidiary company has recovered the excess remuneration from its two whole time directors.

26. Derivative instruments and unhedged foreign currency exposure

Un-hedged Foreign Currency Exposure as at balance sheet date

(₹ in Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Import Creditors	-	1.04 (USD 0.02 million @ ₹62.59 per USD)
Advances Receivable in cash/kind	0.48 (USD 0.01 million @ ₹66.33 USD)	-

27. Employee Benefits

Defined Contribution Plan

Amount recognised and included in Note 22 "Contribution to Provident Fund and other Funds" - ₹95.76 million (Previous Year ₹100.52 million).

Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of ₹1 million. The Scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet.

I) Expenses recognised in Statement of Profit and Loss

Gratuity expense

(₹ in Millions)

Particulars	2015-16	2014-15
Current service cost	13.28	10.23
Interest cost	4.06	3.43
Expected return on plan assets	(0.33)	(0.30)
Net Actuarial (gain) or loss	(6.45)	6.45
Expense recognised in Statement of Profit & Loss	10.56	19.82
Actual return on plan assets	0.43	0.28

27. Employee Benefits *(contd.)*

II) Amount recognised in Balance sheet

(₹ in Millions)

Particulars	2015-16	2014-15
Present value of defined benefit obligation	55.35	50.88
Fair value of plan assets	5.05	4.14
Amount recognised in Balance Sheet	**50.30**	**46.74**

III) Changes in present value of defined benefit obligation

(₹ in Millions)

Particulars	2015-16	2014-15
Opening defined benefit obligation	50.88	37.50
Interest cost	4.06	3.43
Current service cost	13.28	10.23
Benefits paid	(6.52)	(6.71)
Actuarial (gains)/losses	(6.35)	6.43
Closing defined benefit obligation	**55.35**	**50.88**

IV) Changes in fair value of plan assets

(₹ in Millions)

Particulars	2015-16	2014-15
Opening fair value of plan assets	4.14	3.39
Expected return on plan assets	0.33	0.30
Contributions by employer	7.00	4.12
Benefits paid	(6.52)	(3.65)
Actuarial gains/(losses)	0.10	(0.02)
Closing fair value of plan assets	**5.05**	**4.14**

The Company expects to contribute ₹5.00 million (Previous Year ₹2.50 million) to gratuity fund in the next year.

V) Major categories of plan assets as a percentage of fair value of total plan assets

Particulars	2015-16	2014-15
Insurer managed funds	43%	49%
Bank Balance with gratuity trust	57%	51%

VI) Acturial assumptions used in determining gratuity benefit obligations for the Company's plans

Particulars	2015-16	2014-15
Discount rate	7.84%	7.99%
Expected rate of return on assets	7.84%	7.99%
Salary escalation	7.00%	7.00%
Attrition Rate		
Crew Part time	15.00%	15.00%
Others	10.00%	10.00%
Retirement Age	58 Years	58 Years
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

27. Employee Benefits *(contd.)*

Amounts for current period and previous four years are as follows

(₹ in Millions)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Gratuity					
Defined benefit obligation	55.35	50.88	37.50	31.68	23.72
Plan assets	5.05	4.14	3.39	4.04	3.66
Surplus / (deficit)	(50.30)	(46.74)	(34.11)	(27.64)	(20.06)
Experience adjustments on plan liabilities (gain) / loss	(6.90)	2.19	2.24	(3.11)	(5.41)
Experience adjustments on plan assets gain / (loss)	0.10	(0.02)	(0.55)	(0.15)	(0.01)

28. Segment Reporting:

The Group operates McDonald's chain of restaurants in Western and Southern India and the management considers that these restaurants constitute a single business segment and hence disclosure of segment wise information is not required under AS-17 - "Segment Reporting". The group has only one geographical segment as it caters to the needs of the domestic market only.

29. Earnings Per Share:

Earnings Per Share	Current Year	Previous Year
Profit / (Loss) after tax (₹million)	28.33	(291.10)
Weighted average number of equity shares for computing EPS		
Shares for Basic Earnings per share	155,539,451	155,533,595
Add : Potential Diluted Equity shares on account of ESOP	159,229	199,577
No of shares for Diluted Earnings per share	155,698,680	155,733,172
Earnings per share		
Nominal Value per share	2	2
Basic (in ₹)	0.18	(1.87)
Diluted (in ₹)	0.18	(1.87)

30. Contingent Liabilities not provided for in the accounts:

(₹ in Millions)

Particulars	2015-16	2014-15
Claims against the Company not acknowledged as debts*		
Excise related matters	45.07	45.07
Sales tax / VAT related matters	938.01	938.01
	983.08	**983.08**

*Claims against the Company not acknowledged as debt:

i. The Company had preferred an appeal before the Central Excise and Service Tax Appellate Tribunal against a demand of ₹44.26 million (Previous Year: ₹44.26 million) for earlier years by the Central Excise Department on account of excise duty and penalty. Pending appeal before the Tribunal, the Company has deposited a sum of ₹1 million as pre-deposit in compliance with the order passed by the Tribunal, which has stayed the recovery of the remaining amount till the matter is finally decided.

ii. The Company had preferred an appeal before the Central Excise and Service Tax Appellate Tribunal against a demand of ₹0.49 million (Previous Year: ₹0.49 million) for earlier years by the Central Excise Department on account of excise duty and penalty. Pending appeal before the Tribunal, the Company has deposited a sum of ₹0.01 million as pre-deposit in compliance with the order passed by the Tribunal, which has stayed the recovery of the remaining amount till the matter is finally decided.

iii. The Company had preferred an appeal before the Commissioner (Appeals), Central Excise, Mumbai against demand of ₹0.32 million (Previous Year ₹0.32 million) made by the Central Excise Department on account of excise duty and penalty. The Commissioner (Appeals), Central Excise passed an order rejecting the appeal of the Company. Being aggrieved by the order of the Commissioner (Appeals), Central Excise, the Company had preferred an appeal before the Central Excise and Service Tax Appellate Tribunal. The Appellate Tribunal has granted a stay in the said appeal.

30. Contingent Liabilities not provided for in the accounts: *(contd.)*

iv. The Company had preferred an appeal before the Joint Commissioner of Sales Tax (Appeal II) against a demand of ₹4.06 million (Previous Year: 4.06 million) as per assessment order passed by the assessing officer on account of disallowance of resale sale for the years 2003-04 and 2004-05. Pending appeal before the Commissioner of Sales tax, the Company has deposited a sum of ₹1.53 million as part payment as directed by the said authority.

v. During the financial year 2013-14, the Company had received demand notices of ₹95.86 million for the years 2008-09 to 2012-13 issued by Assistant Commissioner of Commercial Taxes, Tamil Nadu towards Tamil Nadu Value Added Tax. The Company has preferred an appeal before the Appellate Deputy Commissioner against the aforesaid demand and had paid ₹49.49 million (previous year ₹49.49 million) under protest. Subsequent to balance sheet date, vide order dated April 07, 2016, The Appellate Authority has dismissed the appeal against the Company. The Company is in the process of filing second appeal before Tribunal against the order of Appellate Deputy Commissioner. Based on the advice of external counsel, the Company believes it has good grounds for a successful appeal. Accordingly, no provision is considered necessary in this matter.

Further during the previous year, the Company had received demand notice of ₹284.38 million including penalty of ₹170.71 million for the year 2008-09 to 2012-13 issued by Assistant Commissioner of Commercial Taxes, Tamil Nadu alleging that the Company has not maintained and produced books of account for the year under assessment. The Company had preferred an appeal before the Appellate Deputy Commissioner against the aforesaid demand and paid ₹31.46 million under protest. Subsequent to balance sheet date, vide order dated April 07, 2016, The Appellate Authority has allowed the appeal and remanded back the case to assessing officer for fresh consideration and the appeal against penalty levied by the Assessing Officer is allowed. The Company believes that it has maintained proper books of account and produced the same before assessing officer for the years 2008-09 to 2012-13, therefore it has good grounds for a successful appeal and no provision is considered necessary in this matter.

vi. During the financial year 2013-14, the Company had received a demand notice of ₹553.71 million for the period December, 2008 to October 2013 from the Deputy Commissioner of Commercial Taxes, Karnataka alleging that the Company has obtained capital goods from other states, and therefore is ineligible to continue under composition scheme as contemplated under the Karnataka Value Added Tax, 2003 and liable to pay Value Added Tax under regular rate of tax on the sales turnover. In this regard, the Company has filed two writ petitions before the High Court of Karnataka. The said petitions were admitted and the Company was granted an interim stay in both the petitions. In the process, the Company has made payment of ₹37.50 million under protest. Pending writ petition before the Karnataka High Court and based on the advice of external counsel, the Company believes that in both the writ petitions it has good grounds for quashing the impugned notices. Accordingly, no provision is considered necessary in this matter.

31. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹25.83 million (Previous Year ₹47.43 million).

32. Service Tax on Conducting Charges

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

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

1) All members of RAI to deposit 50% of the arrears due for the period 1st June, 2007 through 30th September, 2011 with the concerned department in three equated instalments on or before 1st November, 2011, 1st January, 2012 and 1st March, 2012;

2) For the balance 50% of the arrears, all the members of RAI are:

   (a) To file solvent surety to the satisfaction of the jurisdictional Commissioners;

   (b) To file affidavits in the SCI, within four weeks from the date of the Order, undertaking to pay the balance arrears of service tax, stayed in terms of the Order, as may be directed by the SCI at the time of final disposal of the appeal;

3) The successful party in the appeal to be entitled to interest on the amount stayed by the SCI at such rate as may be directed by the SCI at the time of final disposal of the appeal.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

32. Service Tax on Conducting Charges *(contd.)*

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

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

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

33. Operating Leases Disclosure

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

Operating lease payments recognised in the Statement of Profit and Loss are as follows:

(₹ in Millions)

Particulars	2015-16	2014-15
Fixed Lease payments for the year	441.25	437.30
Lease payments based on percentage of revenue	307.96	278.29
Total	**749.21**	**715.59**

Sub Leases

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

(₹ in Millions)

Particulars	2015-16	2014-15
Rent based on percentage of revenue	1.88	2.22
Fixed Lease payments	-	2.42
Total	**1.88**	**4.64**

34. Managerial Remuneration

The Subsidiary company has, for the period April 12 to March 15, paid managerial remuneration to its two whole-time directors in excess of limits specified under the applicable Companies Act by ₹33.01 million. The subsidiary company's application to the Central Government for approval of such excess remuneration was not allowed on technical grounds. The subsidiary company has made a revised application to the Central Government seeking approval of excess remuneration paid. Pending disposal of the application and on the basis of advice of external legal counsel received by the subsidiary company, no adjustments have been made in the consolidated financial statements.

35.

During the previous year, the Company had revised depreciation rate on certain fixed assets in accordance with the requirements of Schedule II of the Companies Act, 2013. Consequently, depreciation charged for ₹0.95 million had been adjusted to opening balance of retained earnings on account of assets whose useful life was already exhausted as on April 01, 2014.

36. Employee Stock Option Plan

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

On September 18, 2013, the board of directors approved the Equity Settled ESOP Scheme 2013 (Scheme 2013) for issue of stock options to the key employees and directors of the Company and its subsidiary company. According to the Scheme 2013, the employee selected by the Nomination and Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 10.01 years. The other relevant terms of the grant are as below:

Vesting period	Grant vesting – 20% every year
Exercise period	10.01 years

36. Employee Stock Option Plan *(contd.)*

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

Particulars	2015-16		2014-15	
	No of Shares	Weighted average excerise price	No of Shares	Weighted average excerise price
Outstanding at the beginning of the year	333,000	149.62	362,000	153.87
Granted during the year	220,000	248.67	15,000	275.00
Forfeited during the year	61,200	203.92	44,000	227.27
Exercised during the year	18,200	124.18	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	473,600	189.59	333,000	149.62
Exercisable at the end of the year	93,400	140.36	63,600	143.71
Weighted average remaining contractual life (in years)	7.78		8.07	

For options exercised during the period, the weighted average share price at the exercise date was ₹249.40 per share (Previous Year: not applicable since no options exercised).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 7.78 years (Previous Year: 8.07 years). The range of exercise prices for options outstanding at the end of the year was ₹100 to ₹300 (Previous Year: ₹100 to ₹300).

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

(₹ in Millions)

Particulars	2015-16	2014-15
Total Employee Compensation Cost pertaining to share option plans	13.97	17.83
Liability for Employee Stock Options Outstanding at year end	28.30	21.83

d) The weighted average fair value of stock options granted during the year was ₹87.40 (previous year ₹124.04). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	0%	0%
Expected volatility	0%	0%
Risk-free interest rate	7.65%	8.72%
Weighted average share price (₹)	248.00	305.00
Exercise Price (₹)	Grant 5 - 290.00 Grant 6 - 246.70	275.00
Expected life of options granted in years	5.95	5.00

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

(₹ in Millions)

Particulars	March 31, 2016	March 31, 2015
Profit / (Loss) after tax as reported	28.33	(291.10)
Add: ESOP cost using the intrinsic value method	13.97	17.83
Less: ESOP cost using the fair value method	(16.38)	(21.37)
Proforma profit after tax	25.92	(294.64)
Earnings Per Share		
Basic		
- As reported	0.18	(1.87)
- Proforma	0.17	(1.89)
Diluted		
- As reported	0.18	(1.87)
- Proforma	0.17	(1.89)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Note 37. Exceptional Items

During the current year, on the basis of legal advice, the Company has started recognising additional credit in respect of indirect taxes paid on input and input services. Such credit pertaining to the period April 2013 to March 2015 has been accounted and disclosed as Exceptional Items.

38. Disclosure pursuant to Schedule III of the Companies Act, 2013

Name of the entity in the	2015-16				2014-15			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ in millions	As % of consolidated profit or loss	₹ in millions	As % of consolidated net assets	₹ in millions	As % of consolidated profit or loss	₹ in millions
Parent								
Westlife Development Limited	0.98%	52.86	-15.78%	(4.47)	0.97%	51.99	0.45%	(1.30)
Subsidiaries								
Hardcastle Restaurants Private Limited	99.02%	5,327.78	115.78%	32.40	99.03%	5,284.10	99.55%	(289.80)
TOTAL	**100.00%**	**5,380.64**	**100.00%**	**28.33**	**100.00%**	**5,336.09**	**100.00%**	**(291.10)**

39. Previous year figures

Previous year's figures have been regrouped /reclassified wherever necessary to make them comparable with current year's figures.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Independent Auditor's Report

To
The Members of **Westlife Development Limited**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Westlife Development Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2016, its loss, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:

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

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

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, 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 2" to this report;

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

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

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

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

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

per Jayesh Gandhi
Partner
Membership Number: 37924

Place: Mumbai
Date: 6 May 2016

Annexure 1 referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

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

(ii) (a) The Company is engaged into trading business and due to the nature of transactions, it does not hold inventory at any point of time, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

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

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

(v) The Company has not accepted any deposits from the public.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, provident fund, duty of custom and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, sales-tax, value added taxes, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given by the management, the Company has not raised any money by way of loan or borrowings from any financial institution, bank, government or debenture holders, accordingly, the requirements under paragraph 3 (viii) of the Order are not applicable to the Company and hence not commented upon.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer, further public offer, debt instruments and term loans hence, reporting under paragraph 3 (ix) is not applicable to the Company and hence not commented upon.

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

(xi) According to the information and explanations given by the management, during the year the Company has not paid/provided remuneration to managerial person, hence reporting under paragraph 3 (xi) is not applicable to the Company and hence not commented upon.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

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

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

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

per Jayesh Gandhi
Partner
Membership Number: 37924

Place: Mumbai
Date: 6 May, 2016

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Westlife Development Limited

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

We have audited the internal financial controls over financial reporting of Westlife Development Limited("the Company") as of 31 March 2016 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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, 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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Jayesh Gandhi
Partner
Membership Number: 37924

Place: Mumbai
Date: 6 May, 2016

Balance Sheet as at March 31, 2016

(₹)

	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	311,103,590	311,067,190
Reserves and surplus	3	4,472,244,549	4,460,520,763
		4,783,348,139	**4,771,587,953**
Share application money pending allotment	2	400,000	-
Current liabilities			
Trade payables	4	527,677	365,826
Other current liabilities	5	72,779	1,025
		600,456	**366,851**
TOTAL		**4,784,348,595**	**4,771,954,804**
ASSETS			
Non-current assets			
Fixed assets	6		
Tangible assets		-	1,624
Intangible assets		8,706	12,162
Non current investments	7	575,833,084	575,833,084
Deferred tax assets (net)	8	-	2,571,512
Loans and advances	9	4,128,856,998	4,129,367,137
		4,704,698,788	**4,707,785,519**
Current assets			
Current investments	7	47,010,480	44,572,015
Cash and bank balances	10	2,272,907	581,772
Loans and advances	9	711,020	253,376
Other current assets	11	29,655,400	18,762,122
		79,649,807	**64,169,285**
TOTAL		**4,784,348,595**	**4,771,954,804**
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Statement of Profit and Loss for the year ended March 31, 2016

(₹)

	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from operations	12	3,097,725	2,931,700
Other income	13	2,438,465	2,649,558
Total Revenue (I)		**5,536,190**	**5,581,258**
EXPENSES			
Purchase of traded goods	14	3,092,591	517,055
Other expenses	15	4,337,691	5,478,311
Total (II)		**7,430,282**	**5,995,366**
Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) (I) – (II)		**(1,894,092)**	**(414,108)**
Depreciation and amortisation expense	6	5,080	3,302
Finance cost	16	-	23,135
Profit / (Loss) before tax		**(1,899,172)**	**(440,545)**
Less : Tax Expenses			
Deferred tax		2,571,512	861,775
Total tax expenses		**2,571,512**	**861,775**
Profit / (loss) for the year		**(4,470,684)**	**(1,302,320)**
Earning per equity share Face value of ₹2 each (Previous year ₹2 each)	19		
Basic Earning per share (₹)		(0.03)	(0.01)
Diluted Earning per share (₹)		(0.03)	(0.01)
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Cash flow Statement for the year ended March 31, 2016

(₹)

		For the year ended March 31, 2016	For the year ended March 31, 2015
A.	Cash Flow from Operating Activities		
	Profit /(Loss) before tax	(1,899,172)	(440,545)
	Adjustments for:		
	Depreciation and amortisation expenses	5,080	3,302
	Dividend income	(2,438,465)	(2,649,558)
	Interest expense	-	23,135
	Operating Profit before working capital changes	**(4,332,557)**	**(3,063,666)**
	Movements in working capital		
	Decrease/ (increase) in loans and advances	52,495	2,068,376
	Decrease/ (increase) in other current assets	3,077,592	3,058,143
	(Decrease)/increase in trade payables	161,851	(27,064)
	(Decrease)/increase in current liabilities	71,754	(2,103,437)
	Cash generated from / (used in) operations	**(968,865)**	**(67,648)**
	Taxes paid	-	(240,361)
	Net cash flow from / (used in) operating activities (A)	**(968,865)**	**(308,009)**
B	Cash Flow from Investing Activities		
	Purchase of non-current investment	-	(20)
	Proceeds from sale of current investments	-	300,000
	Purchase of current investments	(2,438,465)	(2,649,558)
	Dividend income received	2,438,465	2,649,558
	Net cash from/(used in) investing activities (B)	**-**	**299,980**

Cash flow Statement for the year ended March 31, 2016

(₹)

		For the year ended March 31, 2016	For the year ended March 31, 2015
C	Cash Flow from Financing Activities		
	Proceeds from issuance of equity share capital	2,660,000	-
	Interest Paid	-	(23,135)
	Net cash from/(used in) financing activities (C)	**2,660,000**	**(23,135)**
	Net increase / (decrease) in cash & cash equivalents (A+B+C)	**1,691,135**	**(31,164)**
	Cash & cash equivalents at beginning of the year	581,772	612,936
	Cash & cash equivalents at end of the year	2,272,907	581,772
		1,691,135	**(31,164)**
	Components of cash & cash equivalents :		
	Cash on Hand	7,264	8,703
	With banks - on current account	2,265,368	572,794
	- unpaid dividend account (Refer Note i below)	275	275
	Total cash and cash equivalents (Refer Note - 10)	**2,272,907**	**581,772**

Note :

i) These balances are not available for use by the Company as they represent unpaid dividend liabilities.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Notes to the Financial Statements for the year ended March 31, 2016

1.1 Corporate Information

Westlife Development Limited is a public limited company having its registered office at Mumbai. The Company focuses on putting up and operating Quick Service Restaurants (QSR) in India through its wholly owned subsidiary Hardcastle Restaurants Private Limited.

1.2 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The financial statements have been prepared to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgement, estimates and assumptions that affect the reported amounts of asset, liabilities and the disclosure of contingent liabilities on the date of balance sheet and reported amounts of revenue and expenses for the period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from the estimates.

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods and are shown net of VAT.

Income from Services

Revenues from services are recognised pro-rata over the period of contracts as and when services are rendered or in accordance with the terms and conditions of the contracts.

Interest and Dividend Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

(d) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on fixed assets is provided on the written down value method based on useful lives of the assets which concide with the useful lives prescribed in Schedule II of the Companies Act, 2013.

(e) Intangible Fixed Assets and Amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Software is depreciated over a period of 5 years.

(f) Impairment of Fixed Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the Financial Statements for the year ended March 31, 2016

(g) **Inventory**

Inventory of traded goods is valued at lower of cost and net realisable value. Cost includes all expenses incurred to bring the inventory to its present location and condition.

Cost is determined on a First-In-First-Out (FIFO) basis. Net realisable value is the estimated selling price in ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(h) **Investments**

Investments which are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long-term investments.

(i) **Foreign Currency Transactions**

i) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of a transaction.

ii) **Conversion**

Foreign currency monetary items are reported using the closing rate.

iii) **Exchange Differences**

Exchange differences arising on settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

(j) **Income Tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961

Deferred income tax reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(k) **Employee Benefits**

The Company is not covered under the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The liability towards employee benefits is provided based on contractual terms with employees, if any.

(l) **Operating Leases**

Where Company is lessee:
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

(m) **Earnings Per Share**

Basic earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(p) **Cash & Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

(q) **Segment Reporting**

Identification of Segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of Common Costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated Items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(r) **Employee stock compensation cost**

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

(s) **Measurement of EBITDA**

As permitted by the Schedule III of the Companies Act, 2013, the Company has opted to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expense but includes other income.

Notes to the Financial Statements for the year ended March 31, 2016

2. Share capital

(₹)

	As at March 31, 2016	As at March 31, 2015
Authorised Shares		
160,925,000 (Previous Year 160,925,000) Equity Shares of ₹2 each	321,850,000	321,850,000
460,000 (Previous Year 460,000) 8% Cumulative Redeeemable Preference Shares of ₹10 each	4,600,000	4,600,000
	326,450,000	**326,450,000**
Issued, subscribed and fully paid-up shares		
155,551,795 (Previous Year 155,533,595) Equity Shares of ₹2 each, fully paid up	311,103,590	311,067,190
Total issued, subscribed and fully paid-up share capital	**311,103,590**	**311,067,190**

i) **Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Equity shares:	March 31, 2016		March 31, 2015	
	No. of Shares	(₹)	No. of Shares	(₹)
At the beginning of the year	155,533,595	311,067,190	155,533,595	311,067,190
Issued during the year - ESOP	18,200	36,400	-	-
Outstanding at the end of the year	155,551,795	311,103,590	155,533,595	311,067,190

ii) **Terms/ Rights attached to Equity Shares**

The Company has only one class of Equity Shares having par value of ₹2 per share . Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2016, the amount of dividend per share recognised as distribution to equity shareholders was ₹Nil (Previous year ₹Nil). In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) **Details of aggregate number of shares issued for consideration other than cash and bonus shares issued during the period of 5 years immediately preceeding the reporting date**

Equity Shares allotted as	March 31, 2016	March 31, 2015
Fully paid up to the shareholders of Westpoint Leisureparks Private Limited (WLPL) in accordance with the composite scheme of arrangement	28,994,852	28,994,852
Fully paid up to the shareholders of Triple A Foods Private Limited (TAF) in accordance with the composite scheme of arrangement	29,704,100	29,704,100
Fully paid Bonus Shares by capitalization of General Reserve, Reserve Fund, Securities Premium and Surplus in Statement of Profit & Loss	11,430,050	11,430,050

In addition, the Company has issued total 18,200 equity shares (Previous Year Nil) during the period of five years immediately preceeding the reporting date on excerise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

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

Equity Shares of ₹2 each fully paid up

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of shares held	No. of Shares held	% of shares held
Horizon Impex Private Limited	47,285,325	30.40%	47,285,325	30.40%
Subh Ashish Exim Private Limited	33,233,707	21.37%	33,233,707	21.37%
SBI Mutual Funds	13,717,531	8.82%	-	-
Arisaig Partners (Asia) Pte Ltd. A/c Arisaig India Fund Limited	12,296,550	7.91%	12,296,550	7.91%
Rajiv Himatsingka Beneficial owners AKSR Corporate Advisors Private Limited, Yuthika Properties Private Limited and Rajiv Himatsingka, Partners of M/s Decent Enterprises	12,095,071	7.78%	12,060,000	7.75%
Makino Holdings Limited	11,881,640	7.64%	11,881,640	7.64%

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

v) **Shares reserved for issue under options**

For details of shares reserved for issue under the Employee Stock Option Plan of the Company, Refer Note 24.

vi) Share application money pending allotment represents application money received on account of Employee Stock Option Scheme.The Company has received ₹100 each per share towards allotment of 4,000 equity share at excerise price of ₹100 each and is shown under Share application money pending allotment. The Company has made the allotment on April 21, 2016. The Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money.

3. Reserves and surplus

(₹)

		As at March 31, 2016	As at March 31, 2015
a)	**Capital Reserve**		
	Balance as per last financial statements	(2,519,607,727)	(2,519,607,727)
		(2,519,607,727)	**(2,519,607,727)**
b)	**Securities Premium Account**		
	Balance as per last financial statements	6,981,639,673	6,981,639,673
	Add: Additions on ESOP's excerised	2,223,600	-
	Add: Transferred from Employee stock option outstanding	4,709,691	-
		6,988,572,964	**6,981,639,673**
c)	**Employee Stock Options Outstanding**		
	Balance as per last financial statements	21,820,265	3,995,224
	Add: Amortisation of expense related to options granted	13,970,870	17,825,041
	Less: Transferred to General Reserve on account of expiration of options granted	2,786,740	-
	Less: Transferred to securities premium on account on excerise of stock options	4,709,691	-
		28,294,704	**21,820,265**
d)	**Surplus/ (deficit) in the statement of profit and loss**		
	Balance as per last financial statements	(23,331,448)	(22,025,562)
	Less: Adjustment to written down value of assets fully depreciated pursuant to Schedule II of the Companies Act, 2013 (net of tax ₹1594) (Refer Note 25)	-	(3,566)
	Profit /(Loss) for the year	(4,470,684)	(1,302,320)
	Net Deficit in Statement of Profit and Loss	**(27,802,132)**	**(23,331,448)**
e)	**General Reserve**		
	Balance as per last financial statements	-	-
	Add : Transferred from Employee Stock Option Outstanding on account of expiration of options granted	2,786,740	-
		2,786,740	**-**
	Total	**4,472,244,549**	**4,460,520,763**

Notes to the Financial Statements for the year ended March 31, 2016

4. Trade payables

(₹)

	As at March 31, 2016	As at March 31, 2015
Trade payables (Refer Note 23)	527,677	365,826
Total	**527,677**	**365,826**

5. Other current liabilities

(₹)

	As at March 31, 2016	As at March 31, 2015
Unpaid Dividend (Refer Note i below)	275	275
Statutory Dues	72,504	750
Total	**72,779**	**1,025**

i) There are no amount due and oustanding to be credited to Investor Education and Protection Fund as at March 31, 2016.

6. Fixed Assets

(₹)

	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2015	Additions / Adjustments	Deductions / Adjustments	As at 31-03-2016	As at 01-04-2015	For the year *	Deductions / Adjustments	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
TANGIBLE ASSETS										
Office Equipments	15,250	-	-	15,250	13,626	1,624	-	15,250	-	1,624
	15,250	*-*	*-*	*15,250*	*13,364*	*262*	*-*	*13,626*	*1,624*	*1,886*
Computers	73,000	-	-	73,000	73,000	-	-	73,000	-	-
	73,000	*-*	*-*	*73,000*	*67,840*	*5,160*	*-*	*73,000*	*-*	*5,160*
Sub Total	88,250	-	-	88,250	86,626	1,624	-	88,250	-	1,624
	88,250	*-*	*-*	*88,250*	*81,204*	*5,422*	*-*	*86,626*	*1,624*	*7,046*
INTANGIBLE ASSETS										
Computer Software	16,243	-	-	16,243	4,081	3,456	-	7,537	8,706	12,162
	16,243	*-*	*-*	*16,243*	*1,041*	*3,040*	*-*	*4,081*	*12,162*	*15,202*
Sub Total	16,243	-	-	16,243	4,081	3,456	-	7,537	8,706	12,162
	16,243	*-*	*-*	*16,243*	*1,041*	*3,040*	*-*	*4,081*	*12,162*	*15,202*
TOTAL	104,493	-	-	104,493	90,707	5,080	-	95,787	8,706	13,786
Previous Year	*104,493*	*-*	*-*	*104,493*	*82,245*	*8,462*	*-*	*90,707*	*13,786*	*-*

(figures in italics pertain to previous year)

* During the previous year, the Company had revised depreciation on certain fixed assets in accordance with the requirement of Schedule II of the Companies Act, 2013. Consequently ₹3,566 (net of tax ₹1,594) had been adjusted to opening balance of retained earnings on account of assets whose useful life is already exhausted as on April 01, 2014.

Notes to the Financial Statements for the year ended March 31, 2016

7. Investment

(₹)

	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(A) Trade Investments (valued at cost)				
Unquoted Equity Instruments				
Investments in Subsidiary Company				
13,45,000 (Previous year 13,45,000) Cumulative Redeemable Preference Shares (CRPS) of Hardcastle Restaurants Private Limited of ₹1000/- each fully paid	420,927,400	420,927,400	-	-
3,10,000 (Previous year 3,10,000) equity shares of Hardcastle Restaurants Private Limited of ₹1000/- each fully paid up	154,905,664	154,905,664	-	-
(B) Non Trade Investments				
Unquoted				
Investments in Equity Instruments (unquoted) (valued at cost)				
1 (Previous year 1) equity shares of Hawcoplast Investments & Trading Limited of ₹10/- each fully paid	20	20	-	-
Investments in Mutual Funds (valued at cost or fair value whichever is lower)				
44,197.736 (Previous year 41,90,517) Units of ₹1000 each (previous year ₹10) in HDFC Cash Management Fund-Savings Plan - Direct Plan-Daily Dividend Reinvestment Plan	-	-	47,010,480	44,572,015
Total	**575,833,084**	**575,833,084**	**47,010,480**	**44,572,015**

8. Deferred tax assets (Net)

(₹)

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Assets		
Expenditure debited in Statement of Profit and Loss but allowed for tax purpose in future years	-	2,573,908
Deferred Tax Liabilities		
Impact of difference between tax depreciation and depreciation charged for the financial reporting	-	(2,396)
Total	**-**	**2,571,512**

9. Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹)

	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Balances with Statutory/Government authorities	153,159	663,298	620,846	232,508
Advance income tax (net of provisions)	3,703,839	3,703,839	-	-
Inter Corporate Deposits to subsidiary (Interest free) (Refer Note 17)	4,125,000,000	4,125,000,000	-	-
Prepaid Expenses	-	-	90,174	20,868
Total	**4,128,856,998**	**4,129,367,137**	**711,020**	**253,376**

Notes to the Financial Statements for the year ended March 31, 2016

10. Cash and bank balances

(₹)

	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balances with banks:		
– On current accounts	2,265,368	572,794
– Unpaid dividend account	275	275
Cash on Hand	7,264	8,703
Total	**2,272,907**	**581,772**

11. Other current assets

(₹)

	As at March 31, 2016	As at March 31, 2015
Other receivables (Unsecured, considered good) (Refer Note 17)	29,655,400	18,762,122
Total	**29,655,400**	**18,762,122**

12. Revenue from operations

(₹)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Traded Goods (Refer Note 12.1)	3,097,725	511,700
Sale of Services (Refer Note 12.2)	-	2,420,000
Total	**3,097,725**	**2,931,700**
12.1 Details of sale of traded goods		
Textile Materials	3,097,725	511,700
Total	**3,097,725**	**511,700**
12.2 Details of sale of services		
Rent Received (Refer Note 21 (b))	-	2,420,000
Total	**-**	**2,420,000**

13. Other income

(₹)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend Income on Current Investment (Non Trade)	2,438,465	2,649,558
Total	**2,438,465**	**2,649,558**

14. Purchases of traded goods

(₹)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Purchases (Refer Note 14.1)	3,092,591	517,055
Total	**3,092,591**	**517,055**
14.1 Details of purchases of traded goods		
Textile Materials	3,092,591	517,055
Total	**3,092,591**	**517,055**

Notes to the Financial Statements for the year ended March 31, 2016

15. Other expenses

(₹)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent (Refer Note 21 (a))	-	2,348,000
Payment to auditor (Refer Note 15.1)	580,960	589,783
Legal and professional fees	697,991	385,508
Printing and Stationery	191,979	468,561
Director's Sitting Fees	1,350,000	1,115,000
Listing and Membership Fees	396,470	200,000
Communication costs	53,672	-
Advertisement Expenses	147,343	121,718
Insurance	124,824	91,670
Web Designing and Maintenance	84,417	67,229
Miscellaneous Expenses	710,035	90,842
Total	**4,337,691**	**5,478,311**

15.1 Payments to Auditors

As auditor:		
Statutory Audit fees	550,000	550,000
In other capacity:		
other services (certification fees)	25,000	25,000
reimbursement of expenses	5,960	14,783
Total	**580,960**	**589,783**

16. Finance cost

(₹)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest - others	-	23,135
Total	**-**	**23,135**

17. Related Party Disclosure

Category of related parties	Names of Parties
A Where control exists- Subsidiary Company	Hardcastle Restaurants Private Limited
B Others with whom transactions have taken place during the year	
1 Enterprises over which Key Management Personnel or their relatives is / are able to excerise control	Hardcastle & Waud Mfg Co. Limited Hardcastle Petrofer Private Limited Vishwas Investment & Trading Co. Private Limited Winmore Leasing and Holdings Limited
2 Key Management Personnel (KMP)	Mr. B L Jatia (Chairman) Mr. Amit Jatia (Vice Chairman) Mrs. Smita Jatia (Director)

Transactions with related parties during the year

(₹)

		Current Year	Previous Year
(A)	**Transaction with Subsidiary Company**		
(i)	Recovery of ESOP Compensation expenses		
	Hardcastle Restaurants Private Limited	15,951,015	20,522,026
(ii)	Inter Corporate Deposits as at end of the year		
	Hardcastle Restaurants Private Limited	4,12,50,00,000	4,12,50,00,000
(iii)	Outstanding Balance Included in Other Current Assets		
	Hardcastle Restaurants Private Limited	29,655,400	18,762,122

Notes to the Financial Statements for the year ended March 31, 2016

17. Related Party Disclosure *(contd.)*

Transactions with related parties during the year (₹)

		Current Year	Previous Year
(B)	**Transactions with enterprises under common control**		
(i)	Security deposit refunded		
	Hardcastle Petrofer Private Limited	-	2,000,000
(ii)	Security deposit refund received		
	Hardcastle & Waud Mfg. Co. Ltd.	-	1,000,000
	Winmore Leasing and Holdings Limited	-	1,500,000
(iii)	Purchase of Equity Shares		
	Vishwas Investment & Trading Co. Private Limited	-	20
(iv)	Rent Received		
	Hardcastle Petrofer Private Limited	-	2,420,000
(v)	Rent Paid		
	Hardcastle & Waud Mfg Co. Limited	-	2,160,000
	Winmore Leasing and Holdings Limited	-	188,000
(C)	**Transactions with KMP**		
(i)	Director's sitting fees		
	Mr. B. L. Jatia	100,000	50,000
	Mrs. Smita Jatia	125,000	115,000
	Mr. Amit Jatia	200,000	205,000

18. Segment Information

The Company has considered Business Segments as the primary segment for disclosure. Business Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

Management has identified two reportable segments namely Trading and Leasing.

Information about Primary Segment: (₹)

	Current Year	Previous Year
Segment Revenue		
a) Trading	3,097,725	511,700
b) Leasing	-	2,420,000
Total Revenue	**3,097,725**	**2,931,700**
Segment Results		
a) Trading	5,134	(5,355)
b) Leasing	-	72,000
Total Segment Results	**5,134**	**66,645**
Other un-allocable expenditure net of un-allocated income	(4,342,771)	(3,133,613)
Operating Profit / (Loss)	**(4,337,637)**	**(3,066,968)**
Interst and Dividend Income	2,438,465	2,649,558
Interest Expense	-	(23,135)
Income Taxes credit / (expense)	(2,571,512)	(861,775)
Profit / (Loss) after Tax	**(4,470,684)**	**(1,302,320)**
Segment Assets		
a) Leasing	-	-
b) Unallocated Corporate Assets	4,784,348,595	4,771,954,804
Total Assets	**4,784,348,595**	**4,771,954,804**
Segment Liabilities		
a) Leasing	-	-
b) Unallocated Corporate Liabilities	1,000,456	366,851
Total Liabilities	**1,000,456**	**366,851**
Depreciation	5,080	8,462
Capital expenditure	-	-

Secondary Segment Information - Geographical Segments

Entire Business Activities being in India, hence there is only one geographical segment

Trading

The Company is engaged in the business of trading of steel, textile and other materials

Leasing

The Company provides office premises on operating lease basis.

Notes to the Financial Statements for the year ended March 31, 2016

19. Earnings Per Share:

(₹)

Earnings Per Share	Current Year	Previous Year
Profit / (Loss) after tax	(4,470,684)	(1,302,320)
Weighted average number of equity shares for Computing EPS		
Shares for Basic Earnings per share	155,539,451	155,533,595
Add : Potential Diluted Equity shares on account of ESOP	159,229	199,577
No of shares for Diluted Earnings per share	155,698,680	155,733,172
Earnings per share		
Nominal Value per share	2	2
Basic	(0.03)	(0.01)
Diluted	(0.03)	(0.01)

20. Contingent Liabilities : Contingent liabilities as at March 31, 2016 ₹ Nil (Previous Year ₹ Nil).

21. Operating Leases :

a) Operating lease payments recognised in Statement of Profit and Loss is ₹Nil (Previous Year ₹2,348,000).

b) Payments received for sub-leases recognised as Income in Statement of Profit and Loss is ₹Nil (Previous Year ₹2,420,000).

c) General description of leasing arrangements:

(i) Leased Assets: Office premises taken on lease

(ii) At expiry of the lease term, the Company has an option either to return the asset or extend the term by renewing the contract.

(iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease arrangement.

22. Loans and advances in the nature of loans - (As required under Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) To Subsidiaries:

(₹)

Name of the Company	As at March 31 2016	Maximum Balance during the year	As at March 31 2015	Maximum Balance during the year
Hardcastle Restaurants Private Limited	4,125,000,000	4,125,000,000	4,125,000,000	4,125,000,000

Note: There is no repayment schedule in respect of the above loans

23. There are no Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues. This information has been determined on the basis of information available with the Company.

24. Employee Stock Option Plans

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

On September 18, 2013, the board of directors approved the Equity Settled ESOP Scheme 2013 (Scheme 2013) for issue of stock options to the key employees and directors of the Company and its subsidiary company. According to the Scheme 2013, the employee selected by the Nomination and Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 10.01 years. The other relevant terms of the grant are as below:

Vesting period	Grant vesting – 20% every year
Exercise period	10.01 years

Notes to the Financial Statements for the year ended March 31, 2016

24. Employee Stock Option Plans *(contd.)*

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

Particulars	2015-16		2014-15	
	No of Shares	Weighted average excerise price	No of Shares	Weighted average excerise price
Outstanding at the beginning of the year	333,000	149.62	362,000	153.87
Granted during the year	220,000	248.67	15,000	275.00
Forfeited during the year	61,200	203.92	44,000	227.27
Exercised during the year	18,200	124.18	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	473,600	189.59	333,000	149.62
Exercisable at the end of the year	93,400	140.36	63,600	143.71
Weighted average remaining contractual life (in years)	7.78		8.07	

For options exercised during the period, the weighted average share price at the exercise date was ₹249.40 per share (Previous Year: not applicable since no options exercised).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 7.78 years (Previous Year: 8.07 years). The range of exercise prices for options outstanding at the end of the year was ₹100 to ₹300 (Previous Year: ₹100 to ₹300).

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

(₹)

Particulars	2015-16	2014-15
Total Employee Compensation Cost pertaining to share option plans	-	-
Liability for Employee Stock Options Outstanding at year end	28,294,704	21,820,265

The Company has granted all of its options to the employees of its subsidiary company and the related expenses are recovered from the subsidiary company. Thus the cost included in the Statement of Profit and Loss account of the Company is ₹Nil.

d) The weighted average fair value of stock options granted during the year was ₹87.40 (previous year ₹124.04). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	0%	0%
Expected volatility	0%	0%
Risk-free interest rate	7.65%	8.72%
Weighted average share price (₹)	248	305.00
Exercise Price (₹)	Grant 5 - 290.00 Grant 6 - 246.70	275.00
Expected life of options granted in years	5.95	5.00

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

(₹)

Particulars	March 31, 2016	March 31, 2015
Profit / (Loss) after tax as reported	(4,470,684)	(1,302,320)
Add: ESOP cost using the intrinsic value method	13,970,870	17,825,041
Less: Recovered from subsidiary, Hardcastle Restaurants Private Limited	(13,970,870)	(17,825,041)
Less: ESOP cost using the fair value method	(16,381,725)	(21,372,009)
Add: Recovered from subsidiary, Hardcastle Restaurants Private Limited	16,381,725	21,372,009
Proforma Profit /(Loss) after tax	(4,470,684)	(1,302,320)
Earnings Per Share		
Basic		
- As reported	(0.03)	(0.01)
- Proforma	(0.04)	(0.01)
Diluted		
- As reported	(0.03)	(0.01)
- Proforma	(0.04)	(0.01)

Notes to the Financial Statements for the year ended March 31, 2016

25. During the previous year, the Company had revised depreciation rate on certain fixed assets in accordance with the requirements of Schedule II of the Companies Act, 2013. Consequently ₹3,566 (net of tax ₹1,594) had been adjusted to opening balance of retained earnings on account of assets whose useful life is already exhausted as on April 01, 2014.

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

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

(₹ in Millions)

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	As at March 31, 2016	As at March 31, 2015
Hardcastle Restaurants Private Limited	Interest free	29/12/2018	Unsecured	2,375	2,375
		17/10/2017	Unsecured	1,750	1,750
Total				**4,125**	**4,125**

27. Promoter Group

Mr. Banwari Lal Jatia is the promoter of the Company. The persons constituting the promoter group include individuals, HUF and corporate entities. The names of these persons are:
Achal Exim Private Limited, Akshay Ayush Impex Private Limited, Acacia Impex Private Limited, Anand Veena Twisters Private Limited, Concept Highland Business Private Limited, Hardcastle & Waud Mfg Co. Limited, Hardcastle Petrofer Private Limited, Hawcoplast Investments & Trading Limited, Horizon Impex Private Limited, Houghton Hardcastle (India) Limited, Hawco Lubricants Limited, Saubhagya Impex Private Limited, Shri Ambika Trading Co. Private Limited, Subh Ashish Exim Private Limited, Vandeep Tradelinks Private Limited, Vishwas Investment & Trading Co. Private Limited, Winmore Leasing & Holdings Limited, West Pioneer (India) Private Limited, West Leisure Resorts Limited, Amit BL Properties Private Limited, Ridhhika Properties Private Limited, Hardcastle Restaturants Private Limited, Makino Holdings Limited, J K Speciality Chemicals LLP, Hawco Petrofer LLP, Smt. Lalita Devi Jatia, Smt. Usha Devi Jatia, Shri. Amit Jatia, Smt. Smita Jatia, Shri. Akshay Jatia, Shri. Ayush Jatia, Shri. Anurag Jatia, Smt. Shalini Jatia, Miss Ridhika Jatia, Banwarilal Jatia – HUF, Amit Jatia – HUF and Anurag Jatia - HUF.

28. Previous year's figures have been regrouped /reclassified wherever necessary to make them comparable with current year's figures.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924

Place :- Mumbai
Date :- May 06,2016

For and on behalf of the Board of Directors of
Westlife Development Limited

Amit Jatia
Vice-Chairman

Smita Jatia
Director

Dr. Shatadru Sengupta
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
Date :- May 06,2016

Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

OUR JOURNEY TOGETHER.
FOR GOOD.

FOOD SOURCING PLANET PEOPLE COMMUNITY

Westlife Development Ltd
1001, Tower-3, 10th Floor,
Indiabulls Finance Centre, Senapati Bapat Marg,
Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | **Fax :** 022-4913 5001

westlife™

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593

Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of Westlife Development Limited will be held at, Fantasy Banquet Room, 1st floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400018 on Thursday, the 29th day of September, 2016 at 2.30 p.m. to transact the following business:

Ordinary Business:

1. To consider and adopt:

   (a) the audited financial statements of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and the Auditors thereon.

   (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2016.

2. To appoint a Director in place of Ms. Smita Jatia (DIN: 03165703), who retires by rotation and being eligible, offers herself for re-appointment.

3. To ratify the appointment of statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), pursuant to the recommendation of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the Annual General Meeting held on 26th September, 2014 the appointment of M/s. S R B C & CO LLP, Chartered Accountants (ICAI Registration No.- 324982E) as the Statutory Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company at a remuneration for the financial year ending 31st March,2017 as may be agreed between the auditors and the Board of Directors of the Company, be and is hereby ratified."

Special Business:

4. To consider requiring payment for service of documents and to pass the following resolution as an ordinary resolution:

   "RESOLVED THAT any member asking for delivery of any document from the Company through a particular mode (Registered Post / Speed Post / Courier Service) or any other mode as may be prescribed by the Ministry of Corporate Affairs, Government of India under Section 20 (2) of the Companies Act, 2013 ('the Act') and other applicable provisions of the Act be required to pay in advance the following amounts as fees for complying with such request:

   I. Actual Charges at applicable rates at the relevant time; and

   II. Rs 100/- (or such other amount as may be determined by the Board of Directors of the Company from time to time)."

5. To consider and if thought fit, to pass the following resolution as a special resolution:

   "RESOLVED THAT pursuant to the provisions of Section 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of all earlier resolutions passed in this regard, the approval of the members be and is hereby accorded to shift and maintain the Registers and Index of Members, as required to be maintained under Section 88 and copies of Annual Return filed under Section 92 of the Companies Act, 2013, at the office of Link Intime India Private Limited, Registrar and Transfer Agent of the Company, situated at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 or at such other places where the Registrar and Transfer Agent may shift from time to time, effective from 28th June, 2016.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to the aforesaid resolution."

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting i.e. by 2.30 p.m. on Tuesday, 27th September, 2016. Proxies submitted on behalf of companies, societies, etc., must be accompanied with appropriate supporting resolutions/ authority, etc., as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company, provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2016 to 29th September, 2016, both days inclusive.

3. In case of joint holders, only the member whose name appears as the first holder in order of names as per the Register of Members of the Company will be entitled to vote.

4. This Notice is being sent to all members of the Company whose names appear in the Register of Members/lists of beneficiaries received from the depositories as on 26th August, 2016.

5. The entry to the meeting venue will be regulated by means of Attendance Slips. For attending the meeting, members, proxies and authorized representatives of members, as the case may be, are requested to bring the enclosed Attendance Slip completed in all respects, including Client ID and DP ID, and signed. Duplicate Attendance Slips will not be issued.

6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and participate on their behalf at the Meeting.

7. This Notice along with the relevant financial statements and annexures thereto are being sent in electronic mode to those members whose email addresses are registered with the depositories, unless any member has requested a physical copy of the same. Physical copies are being sent to other members. All members are requested to support the Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses as aforesaid to receive all these documents electronically from the Company, in accordance with Rule 18 of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014. All the aforesaid documents have also been uploaded on and are available for download from the Company's website, being www.westlife.co.in. Kindly bring your copy of the Annual Report to the meeting.

8. Rule 3 of the Companies (Management & Administration) Rules, 2014 mandates that the Register of Members of all companies should include details pertaining to e-mail address, Permanent Account Number or CIN, Unique Identification Number, if any, Father's/Mother's/Spouse's name, Occupation, Status, Nationality, in case member is a minor, name of the guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository participant.

9. Members are requested to notify any change of address and update bank account details to their respective depository participant directly.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.

Members holding shares in physical form should submit their PAN to Unit: Westlife Development Ltd, Link Intime India Pvt Ltd, C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078.

11. Members may, pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, file nomination in the prescribed Form SH-13 with the respective depository participant.

12. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 and Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 24th September, 2015 (the date of the last Annual General Meeting) on the website of the Company (www.westlife.co.in), as also on the website of the Ministry of Corporate Affairs.

13. No gifts shall be provided to members before, during or after the Annual General Meeting.

14. The Company provides its members the electronic facility to exercise their right to vote at the Annual General Meeting (AGM). The business at the AGM may be transacted through remote e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the remote e-voting facility, and a member may avail of the facility at his/her/its discretion, subject to compliance with the instructions appearing below.

A. Instructions for members using remote e-voting are as under:-

i. The remote e-voting period begins on 26th September, 2016 at 9.00 a.m. and ends on 28th September, 2016 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2016, may cast their vote electronically. The right of voting of the members shall be reckoned as on the cut-off date i.e. 22nd September, 2016. Remote e-voting shall not be allowed beyond the said date and time.

ii. Log on to the e-voting website www.evotingindia.com

iii. Click on "Shareholders" tab.

iv. 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) Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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.
	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 as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.

x. For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii. 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.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. 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.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non-Individual Shareholders and custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

They should email a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a compliance user using the admin login and password who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding remote e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

xxi. Members may alternatively cast their votes using the Ballot Form which is enclosed with this Notice, which is also available on the website of the Company. Please refer to instructions under the heading "B" below for more details.

B. Members who wish to vote using Ballot Form:

Members may fill in the Ballot Form and submit the same in a sealed envelope to the Scrutinizer, Mr Shailesh Kachalia, Practising Company Secretary, Unit: Westlife Development Ltd C/o Link Intime India Pvt Ltd, C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078, so as to reach there by 5.00 p.m. on 28th September, 2016. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event a member casts his votes through both the processes i.e. remote e-voting and Ballot Form, the votes in the remote e-voting system would be considered, and the Ballot Form would be disregarded.

Other Instructions:

a. Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

b. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 22nd September, 2016, may obtain the User ID and password in the manner as mentioned on the CDSL'S website i.e. www.cdslindia.com.

c. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29th September, 2016.

d. Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.westlife.co.in and on the website of CDSL www.cdslindia.com within two days of the passing of the Resolutions at the 33rd AGM of the Company and communicated to BSE Limited where the shares of the Company are listed.

e. Details of the person responsible to address the grievances connected with the remote e-voting are:

i)	Name	Mr. Rakesh Dalvi
ii)	Designation	Dy Manager
iii)	Address	Central Depository Services (India) Limited 16th floor, P J Towers, Dalal Street, Fort, Mumbai – 400001
iv)	Email Id	helpdesk.evoting@cdslindia.com
v)	Phone No.	1800 200 5533

15. Details of Director seeking re-appointment at the forthcoming Annual General Meeting are furnished below:

Name of Director	Ms Smita Jatia
Date of Birth	20/05/1970
Date of Appointment	18/09/2013
Expertise in Specific Functional areas	General Management
Qualifications	B.Com, Mumbai University, Management Development Program, Harvard University, Boston, USA; Marketing and Restaurant Leadership Program, Hamburger University, USA
Other Public Limited Companies in which Directorship held	Hardcastle And Waud Manufacturing Company Limited
Chairman/ Member of Committees of Boards of other Companies	Nil
Shares held in the Company	18,75,250 shares (1.21%)
Relationship with other directors	Mr Amit Jatia (Spouse); Mr B.L. Jatia (Father-In- Law) and Mr Achal Jatia (Brother- In-Law)

By Order of the Board of Directors

Sd/-
Dr Shatadru Sengupta
Company Secretary

Mumbai
5th August, 2016

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Explanatory Statement

Item No. 4

Pursuant to the provisions of Section 20 (2) of the Act, a document may be served by the Company on any member by sending it to him either by post or by registered post or by speed post or by courier or by delivering it at his office address. The said Section also provides that a member may request the Company for delivery of any document through a particular mode for which the Company may charge fees from such member, however such fees must be pre-determined by the Company through its general meeting.

It is proposed to fix the amount of fee, for administrative convenience, which shall be paid by members to the Company, for delivering of any document(s) by a particular mode upon any such request which may be considered by the Company.

In view of the above, the Board commends the resolution as set out at item no. 4 for the approval of the members.

Item No. 5

Sharepro Services (India) Private Limited ("Sharepro") was acting as Registrar and Transfer Agent of the Company.

Recently, an investigation carried out by the Securities and Exchange Board of India (SEBI) revealed irregularities by Sharepro and its senior management. Subsequently, SEBI passed an ad interim order against Sharepro and others on 22nd March, 2016 as mentioned in the said order.

In the said order, SEBI also advised the clients of Sharepro to change their Registrar and Transfer Agent and to conduct thorough audit of the records and systems of Sharepro for past several years with respect to dividends paid and securities transferred. The Company has duly complied with the requirements of SEBI.

The Board of Directors terminated the arrangement entered into with Sharepro and appointed Link Intime India Private Limited ("Link Intime"), who are duly registered under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as Registrar and Share Transfer Agent of the Company effective 28th June, 2016.

In accordance with Section 94 of the Companies Act, 2016 and the Companies (Management and Administration) Rules, 2014, the Register and Index of Members under Section 88 and copies of Annual Return filed under Section 92 shall be kept and maintained at the Registered Office of the Company unless a Special Resolution is passed in a general meeting authorizing keeping the registers at any other place in which more than one- tenth of the total number of members resides.

The Board recommends keeping of the Register and Index of Members and copies of Annual Return of the Company at the office of Link Intime, Registrar & Transfer Agent of the Company, such office being situated at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 or at such other places where the Registrar and Transfer Agent may shift from time to time, effective from 28th June, 2016.

The Board recommends the passing of the resolution as set out at Item no. 5 as a special resolution.

By Order of the Board of Directors

Sd/-

Dr Shatadru Sengupta

Company Secretary

Mumbai

5th August, 2016

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593

Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

FORM NO. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : ....

Registered address : ....

Email Id : ....

Folio No. / Client Id : ....

DP ID : ....

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name:.. Address:..

   E-mail Id:.. Signature:.., or failing him

2. Name:.. Address:..

   E-mail Id:.. Signature:.., or failing him

3. Name:.. Address:..

   E-mail Id:.. Signature:..,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Thursday, the 29th day of September, 2016 at 2.30 p.m. at Fantasy Banquet Room, 1st floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Item
1	Adopting Accounts and Reports
2	Reappointment of Ms Smita Jatia as Director
3	Ratification of appointment of Statutory Auditors and fixing their remuneration
4	Payment for service of documents
5	Shift and maintain Register and Index of members

Signed this.. day of..2016

Signature of shareholder(member)..

Affix
Revenue
Stamp

Signature of Proxy holder(s)..

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593
Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

FORM NO. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER / BALLOT FORM

S No	Particulars	
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adopting Accounts and Reports			
2.	Reappointment of Ms Smita Jatia as Director			
3.	Ratification of appointment of Statutory Auditors and fixing their remuneration			
4	Payment for service of documents			
5.	Shift and maintain Register and Index of members			

Place:..

Date:.. (Signature of the shareholder)

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593
Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

Attendance Slip

DP ID.. Client ID .... No. of Shares held...

Name of the Member (in BLOCK LETTERS):...

I hereby record my presence at the 33rd ANNUAL GENERAL MEETING of the Company held at Fantasy Banquet Room 1st floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400018 on Thursday, 29th September, 2016 at 2.30 p.m.

I am : A Member / A Proxy (tick as appropriate)

....

Signature of the Proxy (Not required if the Member is attending in person)

....

Signature of the Member

NOTE:

1. Members / Proxy holders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over to the representatives of the Company's Registrars and Transfer Agent for verification at the entrance of the meeting hall after completing the details of DP ID, Client ID, number of shares held and Member's name, and signing the same.

2. Members / Proxy holders attending the meeting are requested to bring their copies of the Notice of the Annual General Meeting (AGM) and Annual Report with them.

3. The electronic copy of the AGM Notice and Annual Report along with Ballot Form, Proxy Form and Attendance Slip have been sent to all members whose email address is registered with the Depository Participant except to those members who have requested physical copies of the same. Physical copies of the AGM Notice and the Annual Report have been sent to all other members in the permitted mode.

4. Members receiving the electronic copy and attending the AGM in person or by proxy are requested to print this Attendance Slip and follow the instructions at Note 1 above.

Complete particulars of the venue of the meeting are provided as follows:

Venue address:

Fantasy Banquet Room, 1st floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400018.

Prominent Landmarks:

1. Near Poonam Chambers.

A route map for the venue is provided along with this notice and on the Company's website, being www.westlife.co.in.