



## WESTLIFE DEVELOPMENT LTD.

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REF : SS:BSE:217

21<sup>st</sup> September, 2017

**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 the Annual Report of the Company for the year 2016-17 as had been duly approved and adopted in the 34<sup>th</sup> Annual General Meeting of the Company held on 20<sup>th</sup> September, 2017.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For Westlife Development Ltd.

A handwritten signature in blue ink, appearing to read "Shatadru Sengupta".

**Dr Shatadru Sengupta**  
**Company Secretary**

Encl : a/a



Westlife Development Limited



# Experience of the future!



Annual Report  
2016-17

 westlife

**Forward looking statement** This document contains statements about expected future events and financial and operating results of Westlife Development Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Westlife Development Limited annual report 2016-17.

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## Who we are and what we do

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 latter's subsidiary.

Westlife, through its subsidiary, serves millions of customers annually across 258 company-owned McDonald's restaurants located in the states of Andhra Pradesh, Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala, Goa and Madhya Pradesh in south and west India. The Company had 111 McCafés and 148 McDelivery hubs at the end of 2016-17.

The Company's 7,805 member strong workforce ensures world-class customer service, giving consumers enough reasons to visit time and again.

McDonald's offers various restaurant formats which include high-streets, drive-thrus, malls, food courts and transit and brand extensions that comprise McCafé, McDelivery, McBreakfast, Dessert Kiosks and 24x7 restaurants.

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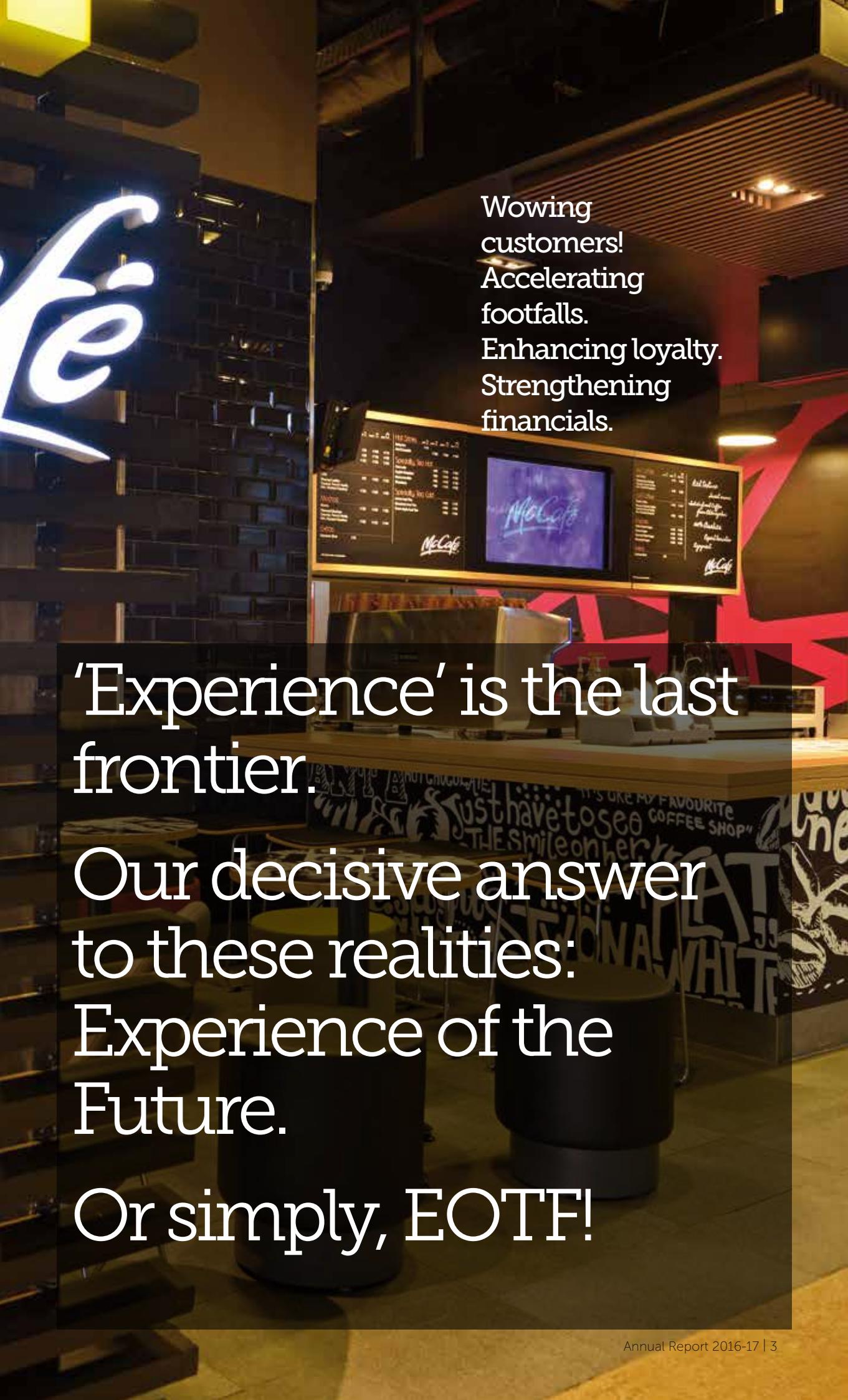
Standalone financial segment

When is the last time you stepped out of a quick service restaurant and said to yourself, “I feel like coming back to this place as soon as I can!”



And that brings us to what is happening across the Quick Service Restaurant space in India.

Stores jading.  
Preferences evolving.  
Loyalty declining.



Wowing  
customers!  
Accelerating  
footfalls.  
Enhancing loyalty.  
Strengthening  
financials.

'Experience' is the last  
frontier.

Our decisive answer  
to these realities:  
Experience of the  
Future.

Or simply, EOTF!

# EOTF is about listening to customers. *Harder.*



Customers asked 'What's different about your brand?'

Customers asked 'What is that one reason that would make me want to come again?'

Customers said, 'We need variety; we need a diverse food menu.'

Customers said, 'It is a pain standing in a queue to order food.'

Customers said, 'We would like to be served.'

Customers said, 'We feel good in restaurants that are ecologically responsible.'

Customers said, 'We would love going back to places where people are friendly.'

# EOTF is acting on what we hear. Quicker.



We moved standards 'one notch up' across everything that we did – the good just got better.

We made our stores the friendliest across the QSR sector – smiles, style and service.

We diversified our menu, adding greater variety – catering to every taste.

We curated our menu around wholesomeness – lower salt and oil – while remaining delicious.

We made it possible for customers to punch their orders into an electronic kiosk – all in a few seconds.

We provided a fast and convenient table service – no standing to get food across the counter.

We replaced ordinary menus with electronic displays; we moderated our carbon footprint.

We served with a smile, speed and sensitivity.

# At Westlife, we believe that EOTF is good for the customer and shareholder.



**4.0**

% growth in same store sales, 2016-17

**11**

% growth in restaurants, 2016-17

**11.7**

% growth in revenues, 2016-17

**27.9**

% growth in cash profit, 2016-17

# EOTF. More than just another initiative. A unique game-changer in India's QSR sector.



We are the first to introduce self-operating kiosks to place orders

We are the first in India to fuse fine-dining experience into the QSR format

We are democratizing a superior dining experience and maintaining our value-for-money proposition

We are the first to offer air chargers and tablets for gaming

We are adding to the overall QSR value proposition

# EOTF is built on four pillars to increase footfalls, revenues and profits

## Distinctive food menu



### Commitment

We are committed to being a QSR brand for people of all preferences, ages and backgrounds—with an extensive menu

### Initiatives

We extended our menu from carbonated to a wide range of non-carbonated beverages

We moved from the use of processed flour in our wraps to the healthy whole-wheat alternative

We moderated salt content in our menu by up to 20 per cent

We reduced the oil and fat content in our mayonnaise by up to 40 per cent

### Savings

We moderated costs following a reduction of salt and oil

### Impact

The addressable market has widened; footfalls have increased; repeat footfalls have strengthened

## Service



### Commitment

We promise to serve our customers with speed, smiles and sensitivity, positioning our stores as the friendliest – making our customers want to come again and again

### Initiatives

We institutionalised the Shift Management Excellence (SMEX) training program for the entire crew

We trained over 750 managers; we invested over 7500 person-hours in training during FY17

We strengthened our culture around passion, execution agility, culture of urgency, dreaming the future, delighting the customer.

### Savings

We saw improved employee productivity metrics across our restaurants

### Impact

This customer-centric approach is driving superior footfalls, revenues and profitability

## Moderated carbon footprint



### Commitment

We are committed to reduce our carbon footprint and related costs, reinforcing our role as a environmentally responsible organisation

### Initiatives

We introduced smart AC systems to regulate temperature in line with footfalls and ambient heat

We used environment-friendly products including bio-degradable cutlery and reusable cups

We implemented the use of LED lighting

We introduced a smart hand-wash system

that dispenses water in specific quantities

We have set a goal of reducing landfill waste

### Savings

We reduced electricity consumption up to 10% in restaurants, using smart AC systems

We saved 2% electricity units by use of LED lamps

We moderated per restaurant water use by 25,000 litres a year, using waterless urinals

### Impact

We have lowered costs and enhanced margins



## ROP 2.0 (Restaurant Operating Platform)



### Commitment

We are committed to launching new stores and making them profitable in the shortest time, which will help enhance cash flows

### Initiatives

We achieved economies of scale through the consolidation of suppliers as well as right-sizing our equipment with the aim to optimise capacity

We revamped the delivery app to ease the ordering and delivery tracking process

### Savings

We rationalised the cost for opening a store by 20-25%

We moderated our store break-even point to 12-18 months

We launched new restaurants in FY17 that began to contribute to cash flows

We enhanced the delivery business by more than 25%

### Impact

We strengthened cash flows available for reinvestment in existing restaurants and new restaurant rollouts



## EOTF is not a one-off phenomenon; it marks the start of an exciting and profitable long-term journey

Dear Shareholders,  
The year 2016-17 was one of the most challenging years we have encountered and yet it was one of the most exciting.

The eating-out segment was affected extensively by the currency demonetisation, the sustained slowdown in the QSR sector and increased competition.

Besides, new consumption trends have begun to emerge. Customers are looking for a variety of options that includes everything from a tasty snack to a wholesome and nutritious meal.

There is an even bigger challenge affecting the QSR industry. Customers are evolving their preferences with speed; the flavour of the evening is inevitably the need to 'try out' a new restaurant, irrespective of the fact that the previous restaurant may have completely matched their taste.

The result is that, even as more investments are possibly going to décor and ambience, the returns are not adequate. Clearly, the message of the day is that consumer loyalty is declining in the Indian QSR space.

Against this backdrop, I am pleased to report that Westlife Development Limited delivered an improved financial performance in 2016-17. We reported 4.0% same-store sales growth and overall sales growth of 11.7%. Our Gross margins improved to 60.7% from 60.0% and cash profits increased to Rs. 56.0 Crores (growth of 27.9% Y-o-Y) during the year under review. The fact that we strengthened our foundation during a year of unusual churn and stress must be seen as a creditable achievement.

### Enhancing our consumer relevance

At Westlife, this outperformance was achieved through a singular focus: enhancing our consumer relevance.

What makes this priority particularly challenging is that the customer is looking for holistically enhanced restaurant experience, in addition to a value-for-money meal.

The word 'experience' cannot be over-emphasised. Experience has extended beyond the conventional understanding of good food, served hot, in an air-conditioned environment. 'Experience' is about virtually everything that can potentially dissuade customers from coming again, to everything that can compel them to visit us – with more friends and relatives as the case may be. Clearly, 'experience' is indeed the last frontier.

So what is this 'experience'? At Westlife, we believe that this superior experience encapsulates everything that consumers 'feel' from the time they enter a restaurant. It is influenced by how customers are received at the entrance, how long they are made to wait before a table vacates, how can they be engaged during this waiting period, how wide are the menu options and matched to their diverse preference, how fast can they order and get to their table, how quickly they are served at the table, how delicious the food tastes, how good they feel about the moderated use of plastic and carbon

footprint and how comfortable they feel through their meal – without getting the feeling that they are being hurried to leave so that someone else can come and occupy their table.

McDonald's is now seen as a place where the customer can choose their pace, whether it be a quick bite or a sit-down experience. McDonald's has long since evolved from its fast-food identity to a restaurant that provides diverse food choices relevant to customer needs. It is a restaurant which incorporates technology to offer a one-of-a-kind experience to consumers.

### Transformation combination

At Westlife, we have been reading the tea-leaves of our sector across the last few years. I am pleased to report that as a responsive organisation, we restructured, rewired and rejuvenated our back-end operations with the objective to moderate costs and enhance store viability. However, we recognised that this would have only been one half of our transformation story; concurrently, we rejuvenated the customer-facing part of our business with the objective to draw, retain and enhance footfalls.

I am pleased to state that the first signs of the integration – from the back end to the front end – were visible during the second half of the last financial year. Even as the model is yet to be scaled, the first signs are that the combination is effective, with increased footfalls translating into higher margins and profits.

At Westlife, it would be relevant to communicate that this combination is one of the first such holistic instances in India's QSR sector. It would have been easy to implement conventional sales-boost initiatives like lowering prices; instead, the company responded with an overall experience increment that became the trigger for enhanced footfalls, which is the lowest common denominator for success in India's QSR industry.

### Drivers of change

**Firstly**, over the last couple of years, Westlife launched and strengthened its foundation through Restaurant Operating Platform 2.0 (ROP 2.0). This engagement explored the mechanics of our business: the nitty-gritty of store operations, costs, technologies and break-even points. I am pleased to report that a deeper dissection of our cost structure,

our ability to work closer with vendors and our ability to innovate with suitable replacement without compromising quality translated into some attractive implications: our cost of opening a store was rationalised by 20-25%, accelerating the break-even point to 12-18 months, one of the lowest in our existence.

**Secondly**, we launched the SMEX (Shift Management Excellence) project that was aimed at improving customer interaction and overall experience. We realised that our store managers were central to the success of our business - the principal anchors of our stores. Our SMEX project empowered store managers with tools and resources to perform optimally, inspire loyalty and enhance full-time engagement. This strengthened customer fulfillment through quicker order servicing, smoother deliveries and just the right amount of human engagement that prompted a number of our customers to revisit. The SMEX effectiveness was best showcased by the results in restaurants in south India; from being laggard, the region achieved the best sales target across markets.

**Thirdly**, our 'Experience of The Future' (EOTF) focus was directed at making our restaurant environments more modern, exciting and engaging. By redefining all customer experience touch-points, we enhanced format relevance. EOTF leveraged technologies to enhance in-restaurant capabilities, accelerating service, quality, convenience and value. As a result, our customers do not need to queue at the ordering counter but can use an electronic self-ordering kiosk; they can select to pay digitally or by cash; they can get food delivered to their table. I am pleased to state that customers have provided positive feedback on high-speed Wi-Fi, air chargers and electronic tablets. Our expanded food selection now offers farm-fresh salads and whole grain wraps to cater to the growing demand for healthy and nutritious food.

Sustainability is a core component of EOTF; our restaurants are becoming more eco-friendly through water and electricity-saving initiatives, bio-degradable cutlery, reusable cups and the vision of sending minimum waste to landfills. I am pleased to state that this is strengthening our recall as a QSR brand that has re-imagined service comprehensively from a customer's perspective.

We reported a

**4.0%**

same store sales growth and overall sales growth of

**11.7%**

**I am pleased to report that a deeper dissection of our cost structure, our ability to work closer with vendors and our ability to innovate with suitable replacement without compromising quality translated into some attractive implications**

The impact is in the numbers: even during the challenging demonetisation quarter, our same store sales strengthened 5.1%, while the company clocked a growth of 4.0% for the full year.

### EOTF journey

The big message that I wish to communicate is that EOTF is not a time-bound programme; it represents the beginning of a continuous journey.

The Company will keep reinventing its store dynamics in line with evolving customer needs; it will keep raising standards of delight and customer engagement; it will endeavour to be the leading brand in the QSR space.

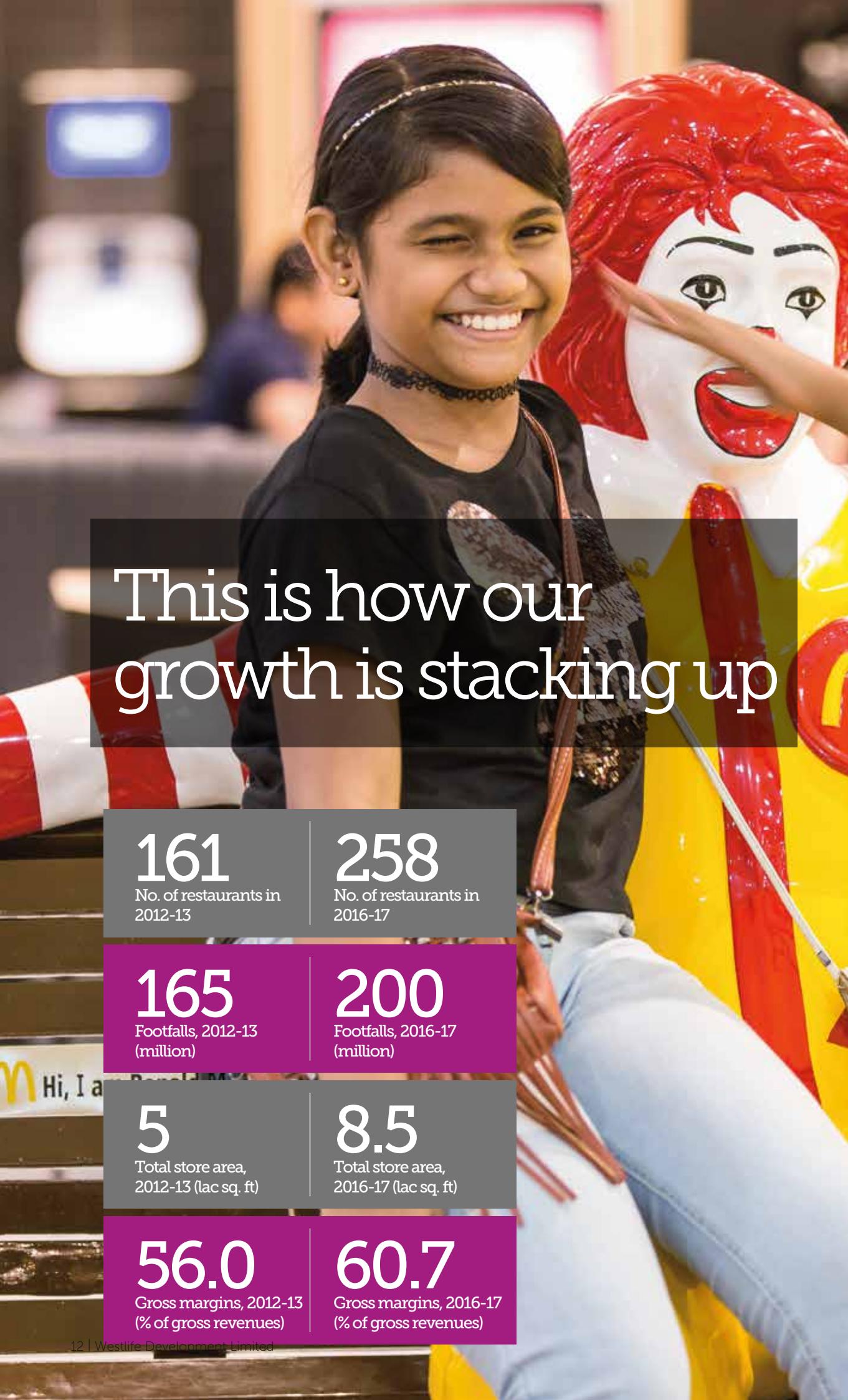
We are optimistic about our prospects. Our ROP 2.0 platform is creating profitable stores; we intend to increase margins by opening more profitable restaurants that attract a larger footfall throughput – a virtuous cycle.

We expect 65-70% of our growth to be generated from key cities; we plan to increase the number of McCafés by 25-30%. We also intend to sustain community development at each store and strengthen our work with the Ronald McDonald House Charities.

I am optimistic that Westlife will continue to outperform its sector, enhancing value for all our stakeholders; employees, customers, shareholders and the community.

With my best wishes,

**Amit Jatia**  
Vice Chairman



# This is how our growth is stacking up

**161**

No. of restaurants in  
2012-13

**258**

No. of restaurants in  
2016-17

**165**

Footfalls, 2012-13  
(million)

**200**

Footfalls, 2016-17  
(million)

**5**

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

**8.5**

Total store area,  
2016-17 (lac sq. ft)

**56.0**

Gross margins, 2012-13  
(% of gross revenues)

**60.7**

Gross margins, 2016-17  
(% of gross revenues)



**7,586**

Total workforce,  
2012-13

**7,805**

Total workforce,  
2016-17

**16**

Cities we are present  
in, 2012-13

**34**

Cities we are present  
in, 2016-17

**2,500+**

Birthday parties  
celebrated, 2012-13

**8,000+**

Birthday parties  
celebrated, 2016-17

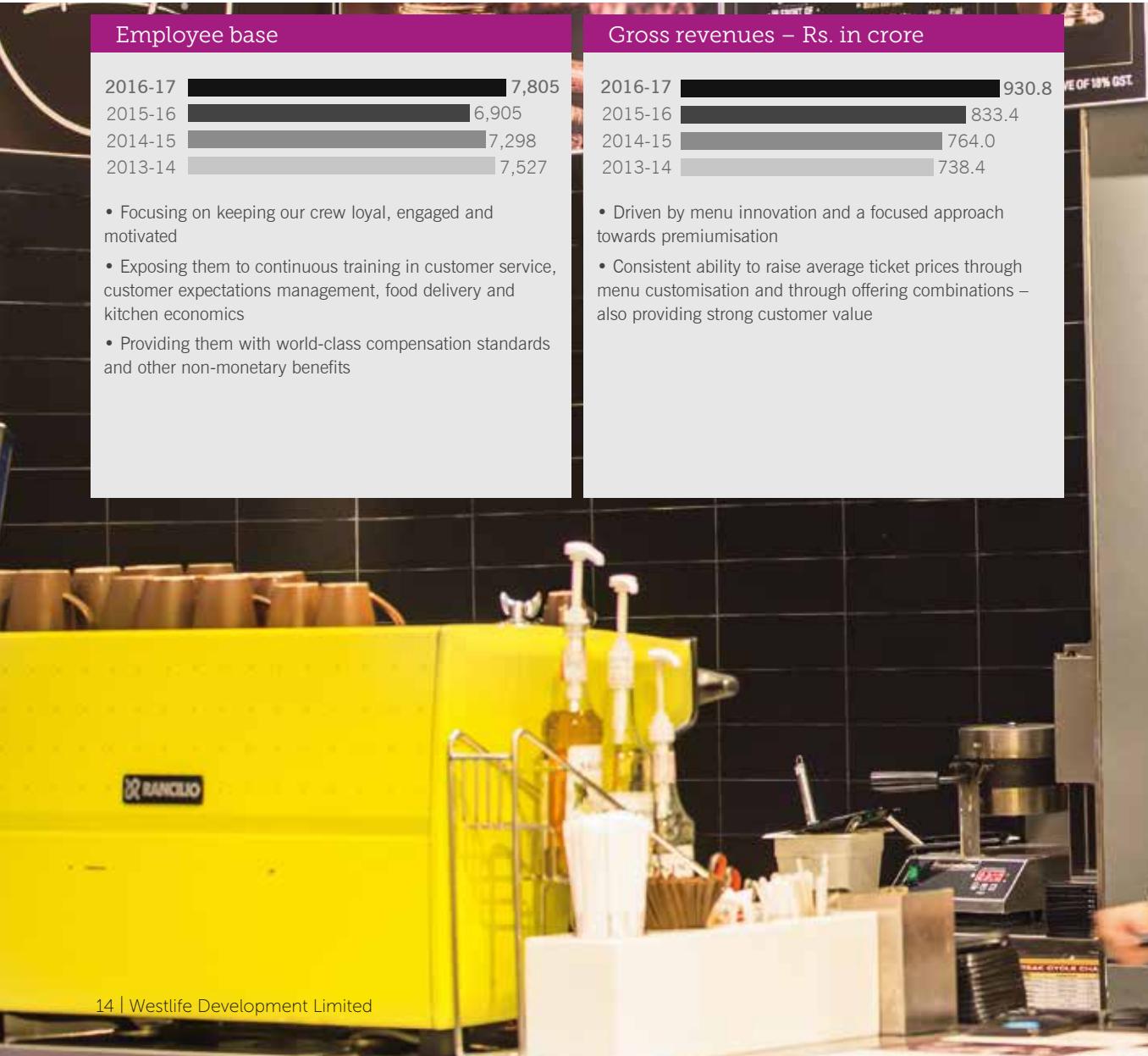
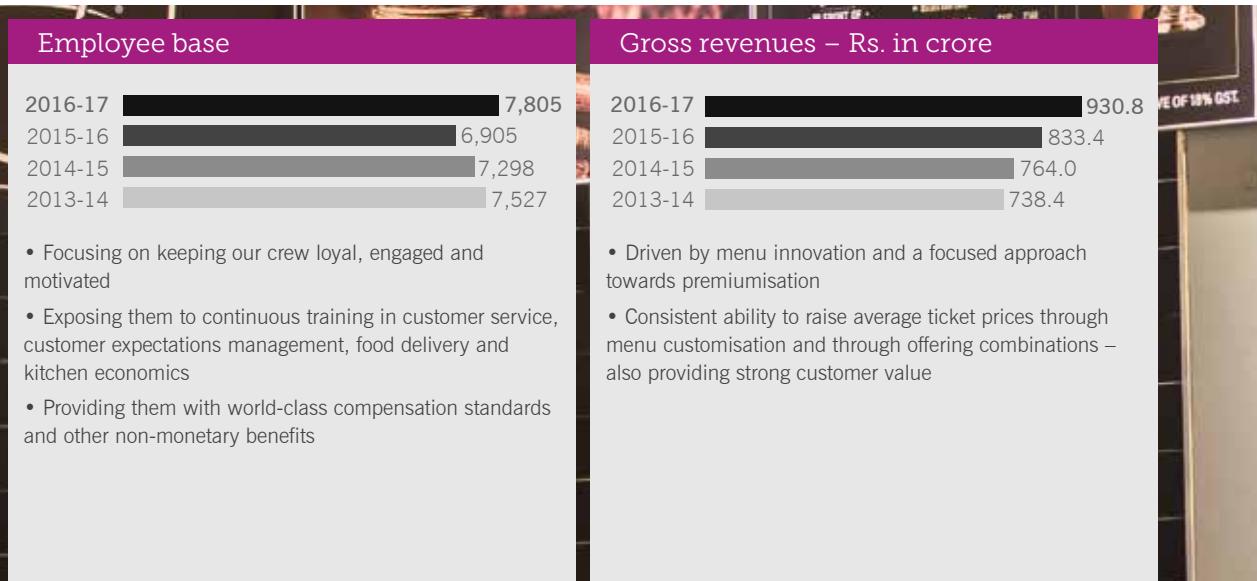
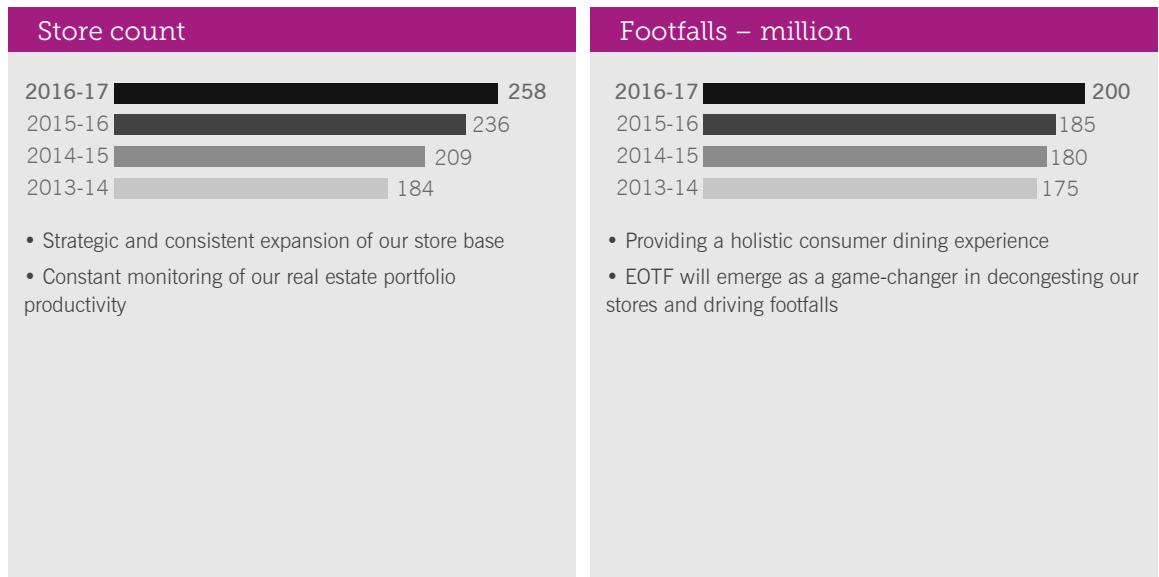
**2.5-3**

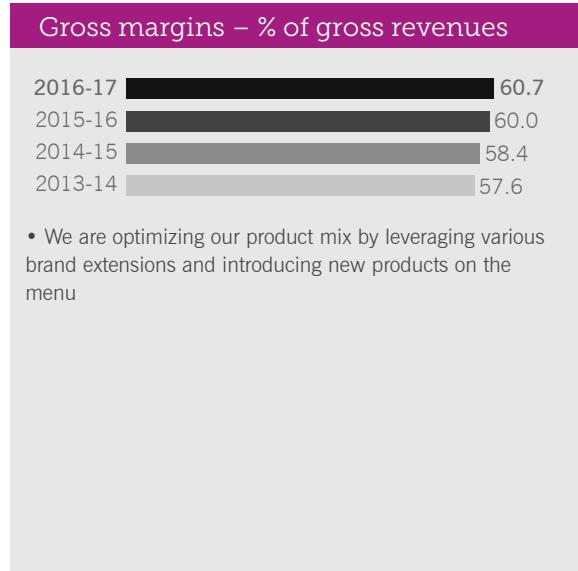
Average capex per  
store, 2012-13 (Rs cr)

**2.3-2.5**

Average capex per store,  
2016-17 (Rs cr)

# Creditable performance in sluggish times

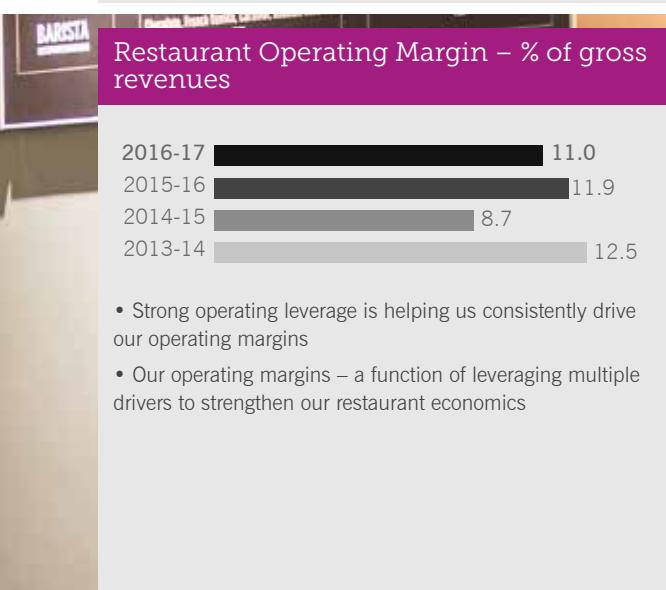




- We are optimizing our product mix by leveraging various brand extensions and introducing new products on the menu



- We are optimizing our cost structures to continually evolve as leaner and fitter
- With scale and fixed cost coverage, topline growth is enabling us to leverage a sharper bottomline growth



- Strong operating leverage is helping us consistently drive our operating margins
- Our operating margins – a function of leveraging multiple drivers to strengthen our restaurant economics



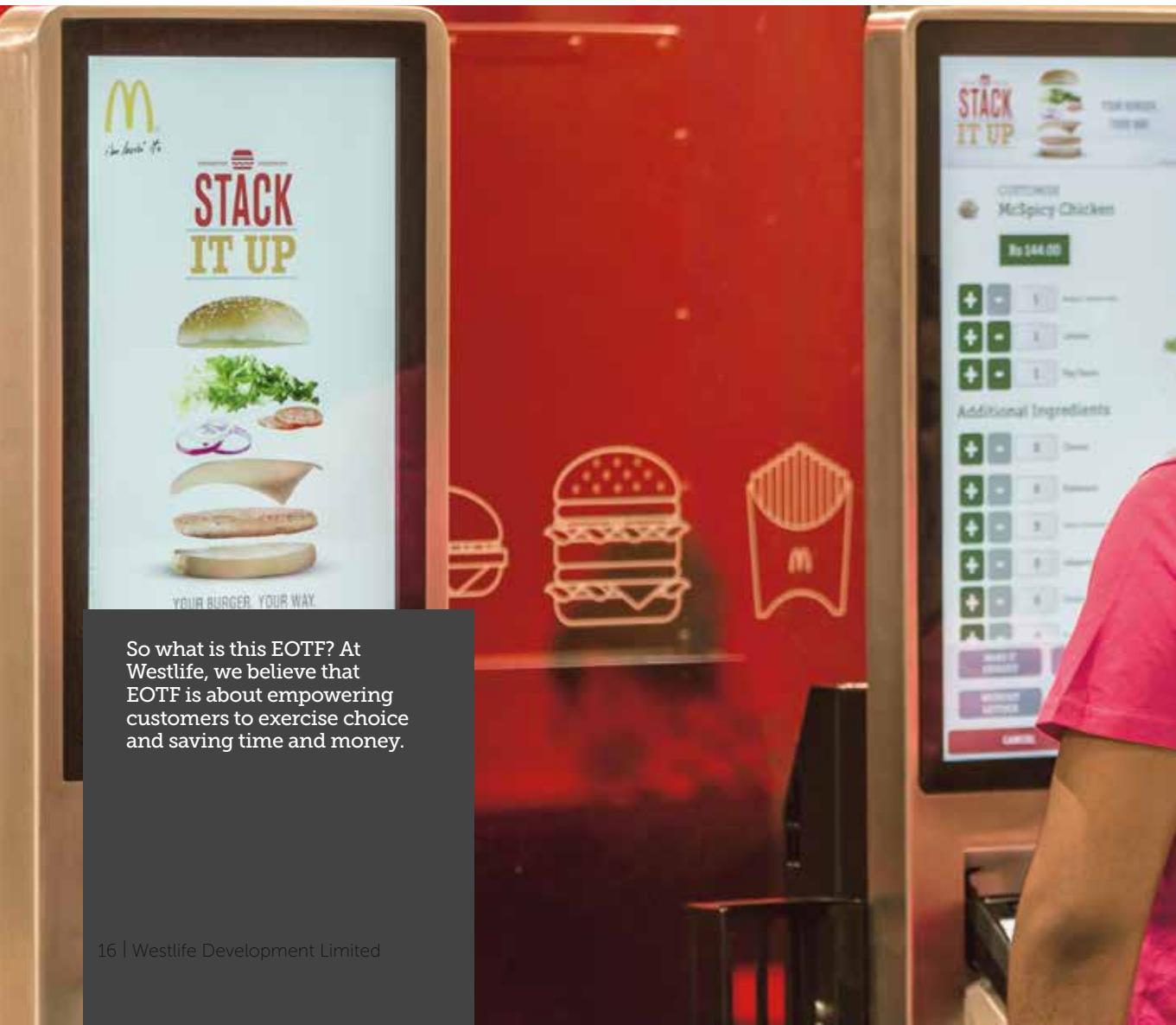
- We are increasingly emerging as a profitability focused enterprise



EOTF – Experience of the Future

# This is the story of Raj and Twinkle...

Their future of lifelong love was, curiously, decided by a McDonald's touchscreen self-ordering kiosk.



So what is this EOTF? At Westlife, we believe that EOTF is about empowering customers to exercise choice and saving time and money.

As Twinkle was exploring the permutations and combinations of her menu, Raj was also doing the same.

They exchanged shy glances.

After four minutes, they drew out the same order – and shared a hearty laugh and meal together.

They both ordered a McChicken sandwich, a strawberry smoothie and Piri Piri fries each!

Today, they choose McDonald's as their preferred 'date' destination!

And we hope they will live happily ever after.

The touchscreen self-ordering kiosk at McDonald's allows customers to order exactly what they want with a large spread of choices.

**Experience of the future!**



# In both pockets, they had a combined Rs 20.

After giving up standing in ATM queues, Ravi and Sheetal decided to chill out at McDonald's.



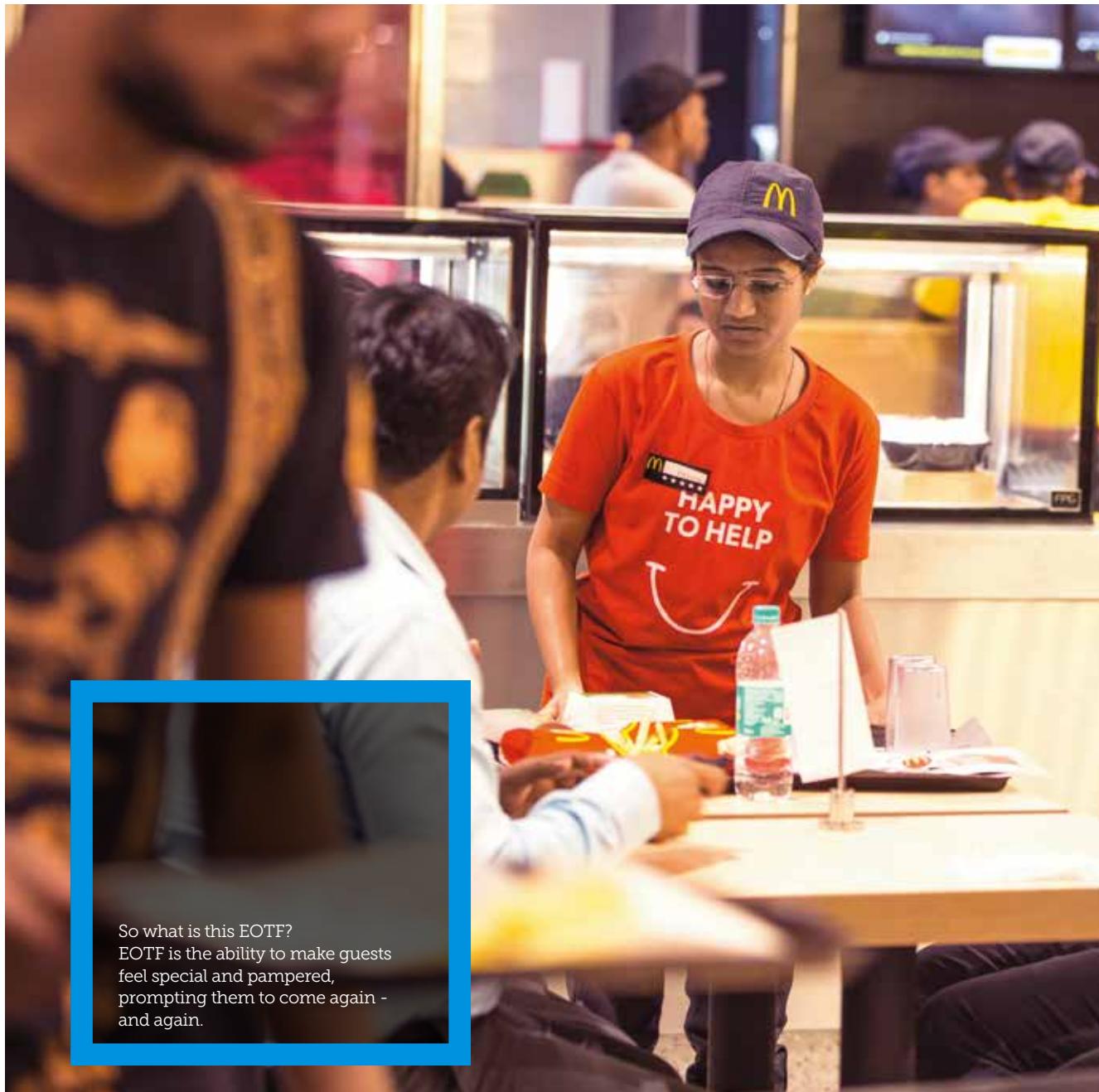


When they discovered that McDonald's accepted debit and credit cards, they whooped with joy, ate a hearty meal, shared a high-five and shrugged-off demonetisation blues.

McDonald's offers ease of payment through multiple payment options – through debit/credit card at the kiosk or e-wallets or cash.

**Experience of the future!**

So what is this EOTF?  
EOTF is providing the choice to customers to pay whichever way they want, enhancing convenience.



So what is this EOTF?  
EOTF is the ability to make guests  
feel special and pampered,  
prompting them to come again -  
and again.

EOTF – Experience of the Future

A nudge and a fight  
erupted in the group of five.

Because no one was willing to leave  
her place at the table at McDonald's.

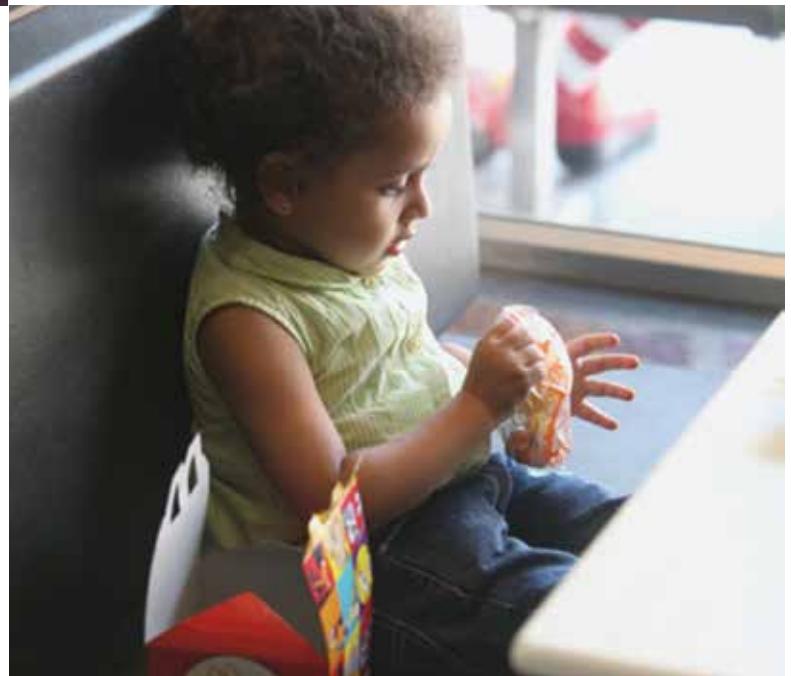


Everyone was nudging the other to go to the counter to receive the food and bring it to the table. Call it sheer lethargy or friendly one-upmanship amidst friends.

And then, surprise! One of the McDonald's floor crew brought the tray to their table.

McDonald's now offers table service to make the dine-in experience of its guests more comfortable, relaxed, convenient and hassle-free.

**Experience of the future!**



EOTF – Experience of the Future

# Oh wow! Is this a Sci-fi studio?

Futuristic.



That's how the McDonald's décor can be best described.

The in-store décor has been revamped to make interiors more contemporary with modern colours, bold graphics and easy-to-read digital menu boards.

McDonald's fresh new décor reflects modern customer tastes, serves as a cool and classy backdrop for moments that can be shared on social media. Experience of the future!



So what is this EOTF?

It is a happy state of mind that one experiences as one walks into one of our restaurants.

The upgraded ambience at McDonald's perfectly fuses futuristic elements along with the comforting hues of traditional restaurants.

# Our human resource ambassadors

At Westlife Development, we believe that people are the backbone of our organisation. Our growth and success can be attributed to their dedication, commitment and attitude.



All the effort that we have put into developing our employees and providing them with world-class training tools that empower them to work effectively and efficiently has borne fruit, reflected in Great Place to Work Institute ranking us among the 30 best organisations to work for in India.

After undergoing SMEX training, crew members emerged more hospitable, providing customers with a pleasant restaurant experience.

We believe that the core of a business which drives it forward will always be the people of the organisation. Our responsibility? To provide the best work environment to our people and build pride in their association with the Company.

At Westlife, we are conscious of the fact that people are our greatest resource and work toward nurturing and developing this resource. We identified key target areas where an active effort was required: arresting attrition, building capability and equipping our people to deliver experiences of the future. We realised that the way a consumer interacts with a brand is changing. We needed the customer touch points to be a reaffirmation of the brand value and ethos.

We hire young people, who are new to the country's workforce and our goal is to train and develop them systemically all the way to the top. The proudest moment comes when an 18 year old joins our organisation to ultimately grow and become a manager within 4 years. Our skilling initiatives are aimed at enabling growth for everyone, from personality development programmes to business leadership programmes. Westlife is one of the very few Companies which conduct training programmes abroad, for the best management practices. The Company built a platform called SMEX (Shift Management Excellence) which aims to make the three shifts over 24 hours profitable for the Company, enjoyable for our employees and provide the best service to our customers.

SMEX aimed at improving pride, trust & perception and hospitality. Attrition was an issue which had its basis in low

morale and pride at the workplace. We chose to propagate pride stories about every employee across all the stores and also about senior management instilling pride in their employees. 'Did you know' mailers were created and distributed which circulated interesting stories of our employees throughout the organisation. Additionally, we incorporated Workplace by Facebook to have social media within the organisation for people to connect and share stories.

Hospitality was another aspect which we actively worked on. We felt speed of work was a criteria which affected hospitality as employees would then seem robotic. We incorporated an extensive training curriculum which not only enhances the soft skills, but also demonstrates good customer service. A foreign trainer assisted us in demonstrating the same through 45 sessions across 9 cities.

Perception around the store and its employees was improved through surprise restaurant tour programmes. We invited 10 random customers every day to tour the restaurant and witness first hand everything that McDonald's does to ensure fresh servings of wholesome food. This goes a long way to break negative perceptions about the way our stores operate and issues about hygiene.

Going forward, our vision is to be the best place to work at for the coming years. We have partnered with the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and the 'Skill India' initiative to recruit, train and develop India's workforce. We are also on the verge of launching a 'learn and grow' model, where personal development goes hand-in-hand with career growth. Westlife offers credit for its employees who pursue Masters in Retail Management and also subsidises management training programmes.

We have a conviction that McDonald's will be one of the best workplaces to learn, earn and grow for the years to come.

# Principal competitive advantages

**Location:** While opening restaurants, the Company scouts for optimum locations based on store size, catchment area and footfalls. The Company embraces a portfolio approach to its real estate, enabling it to tie in locations at the best rentals/revenue-sharing agreements.

**Rental strategy:** The strength of the McDonald's brand enables it to tie in attractive rental agreements as most property owners seek to associate with the brand. These agreements go a long way in helping our stores break even faster since rentals constitute one of the largest fixed cost components.

**Quality:** The Company maintains international quality standards benchmarked against the processes and practices of the parent, across each and every restaurant. The Company sources as much as 99% of its ingredients directly from

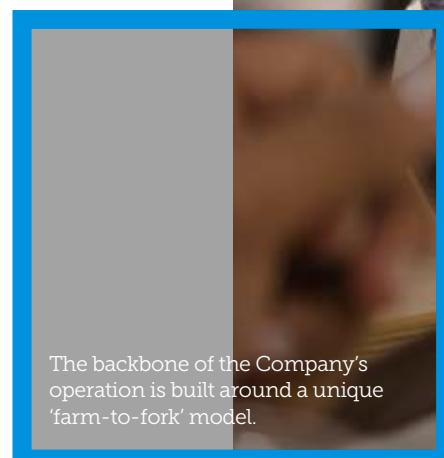
farmers under close supervision, ensuring that every ingredient is of the highest quality. The Company also conducts food audits twice every day at each of its restaurants to ensure that our products are always fresh and hygienic.

**Service:** At McDonald's, customer service is one of the most important key focus areas. We strive to offer the best-in-class customer service. In line with this philosophy, the Company introduced the EOTF concept, aimed to enhance the restaurant experience with amenities such as air chargers, electronic tablets at tables with games for children, digital ordering through kiosks, table service and a diverse food menu covering every taste and palate.

**Hygiene and cleanliness:** The Company adheres to a strict

code of conduct and cleanliness, ensuring that hygiene plays a significant role in the way the food is served. Extensive precautions and stringent rules apply to the entire staff in terms of wearing caps and gloves while preparing food.

**Supply chain management:** The backbone of the Company's operation is built around a unique 'farm-to-fork' model. This works on a 100% assured supply promise, guaranteeing that we are always fully-stocked at all





of the Company's restaurants. Temperature-controlled logistics (cold chains) ensure zero wastages and farm fresh food. With the implementation of the GST, the Company expects optimised taxation rates for some of its core consumables as well as faster delivery through a more efficient movement of logistics.

**Forecasting:** The Company possesses a dedicated forecasting team that engages in a three-month rolling forecast, monthly forecast and a fifteen-day sales

trend forecast (almost real-time), enabling its supply chain to effectively manage demand and supply.

**Menu and pricing:** The Company has an extensive menu that has something for everyone. The menu starts with products priced at Rs. 17 and a full fledged meal like the McAloo Tikki Meal priced at Rs. 100.

# Profile of the Board



## 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 Managing Director of Hardcastle & Waud Mfg. Co. Ltd. The Company is engaged in trading 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 and Sells. He has served various groups such as Reliance, Lupin, Jet Airways, Tech Mahindra and Bridgestone etc. He was actively involved in reformatting the accounts to US GAAP/IFRS for major domestic and multinational companies and some Indian Banks. He is a Fellow Member 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 55 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 Achal Jatia *Director*

Mr. Achal Jatia is the Executive 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 Organisation (EO) and the Young Presidents' Association (YPO).



06 **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 organisation. 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 20 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 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.



07 **Manish Chokhani**  
*Director*

A Chartered Accountant and MBA from the London Business School, Manish is one of India's most respected investors and financial experts.

From 2006 to 2011, he was MD & CEO of Enam Securities, India's leading investment bank and led its \$400 million merger in 2011 with Axis Bank to create Axis Capital Ltd., which he led as MD & CEO until end of 2013. During his leadership tenure, Enam & Axis mobilised ~ 25% of all equity funds raised in India.

From 2014 to 2016, he served as Chairman of TPG Growth - India and is currently a Senior Advisor to TPG Group, one of the world's largest PE firms. He additionally serves as independent director on the boards of Zee Entertainment, Shoppers Stop, Axis Capital, and Laxmi Organic. He also serves on the Governing Board of Flame University.

He is deeply involved in building a number of new businesses including GIH AG/ Livinguard, a disinfectant technology company based in Switzerland. He is a key investor in and mentor to Athena Life Sciences, Landmark Group, and Lenskart among others.

Mr. Chokhani is a member of SEBI's Alternative Investment Policy Advisory Committee. He is also an active member of the Young Presidents' Organisation, a



Fellow of the All India Management Association and has served three terms as Co-Chairman of the Capital Markets Committee at the IMC. He has been a visiting faculty member at IIM-Kozhikode and has served on the International Alumni Board and scholarship panels of the London Business School.

He practices Vipassana meditation, is a trained singer and enjoys travel, painting, reading, cricket and tennis.

08 **Tarun Kataria**  
*Independent Director*

Mr. Tarun Kataria is Singapore based and is currently Executive Advisor to Graymatics Pte Ltd., an artificial intelligence company. He is currently Independent Director of Mapletree Logistics Trust Ltd, an SGX-listed REIT and HSBC Bank (Singapore) Ltd where he is also Chairman of the Audit Committee. He is an Independent Director at Sterlite Investment Management Ltd, where he also Chairs the Audit Committee. In a career spanning the US, Asia and India, Mr. Kataria was until September 2013 CEO India of Religare Capital Markets. Prior to that Mr. Kataria held a number of senior roles across HSBC including Chief Executive of Global Banking and Markets, HSBC India. Mr. Kataria has an MBA in Finance from The Wharton School of the University of Pennsylvania. He is a Chartered Accountant. His charitable work is directed at educating women and girl children in India.

# Management discussion and analysis

## Indian economic overview

India's economic growth was pegged at 7.2% for FY 2016-17, down from 8.0% recorded in FY 2015-16. The growth rate of the industrial sector was estimated at 5.2% in FY 2016-17, down from 7.4% in FY 2015-16, while the country's IIP registered a growth of 2.7% during FY17. The agricultural sector witnessed a surge in growth as it expanded by 4.9% during 2016-17, as compared to the dismal growth of 0.7% in the previous fiscal. Going forward, growth is expected to remain steady at 7.2% in 2018 and to 7.7% in 2019 owing to the dissipation of cash shortages caused by demonetisation and a gradual rebalancing of the economy. Experts predict that India will likely retain its title as the world's fastest growing emerging economy. (Source: CRISIL, HT, IMF)

## GDP overview

	2013	2014	2015	2016	2017 (estimated)
GDP (US\$ trillion)	1.92	2.04	2.11	2.26	2.30
Real GDP growth (%)	6.6	7.2	7.6	7.6	7.2
Inflation (%)	10.9	6.4	5.9	5.0	4.9
Exchange rate against the dollar	58.6	61.0	64.1	67.2	64.6

(Source: Euromonitor and IMF)

## Sectoral overview

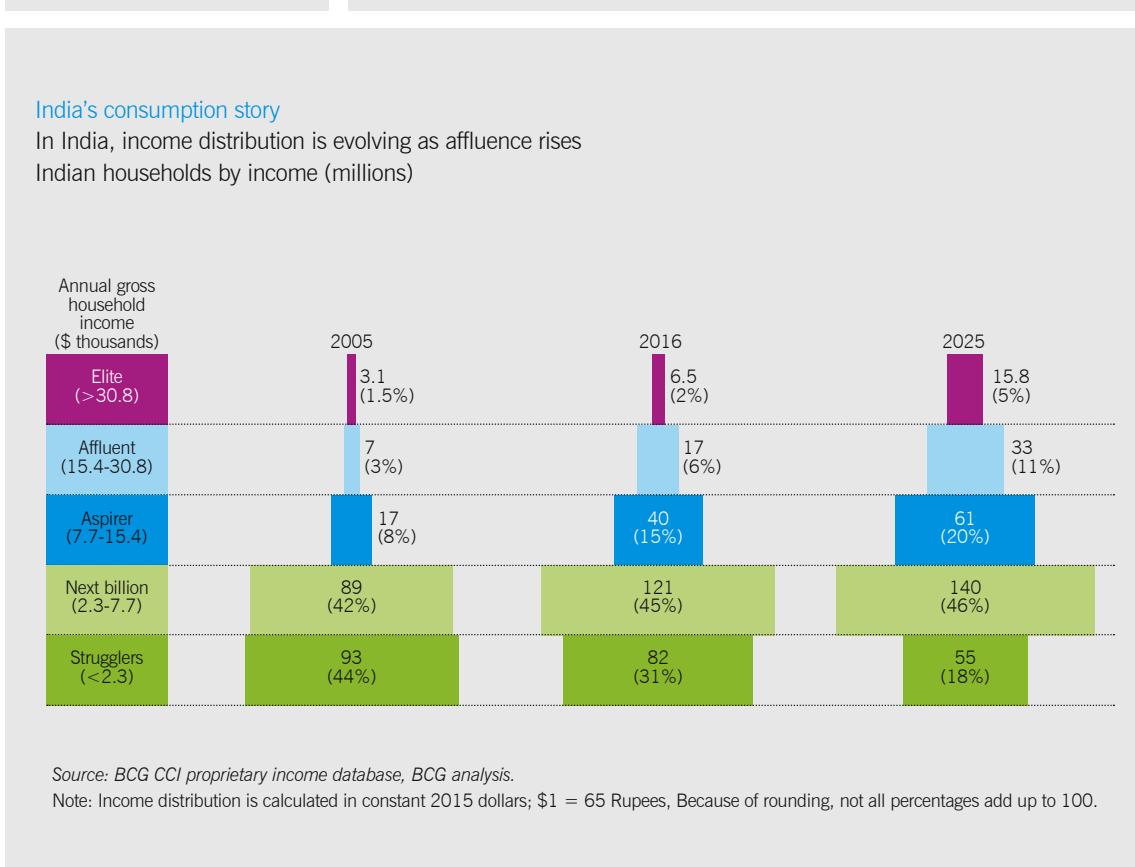
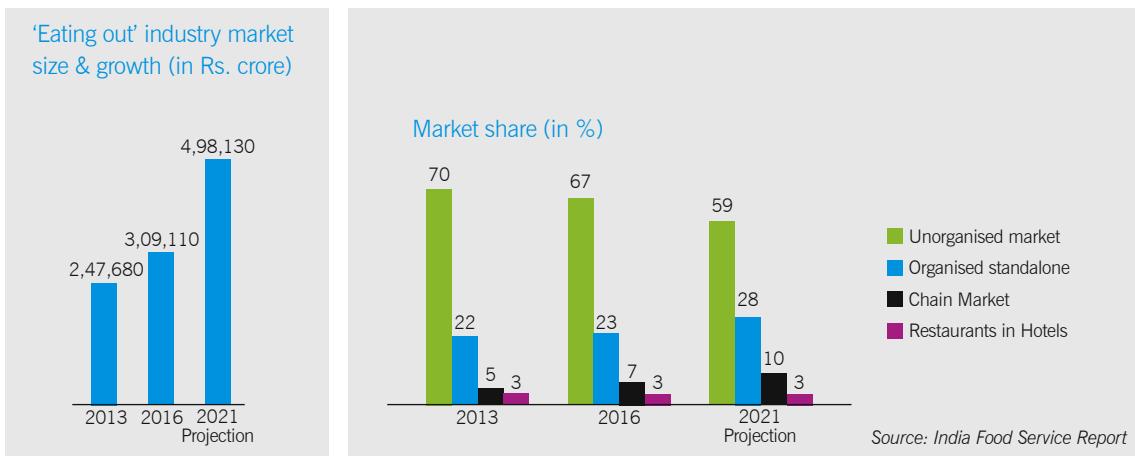
### Market size

The Indian food retail market is the sixth largest in the world. The market value stood at Rs. 25.1 trillion in 2014 and estimated to grow to Rs. 35.6 trillion by 2017 and Rs. 61 trillion by 2020, growing at a CAGR of more than 15 per cent over a six-year period. The food services industry is dominated by physical sales, with people preferring to eat out than order in. Offline sales account for 98% of the total retail sales value, while online sales contribute the remaining 2%. However, the trend of purchasing food online is rising through increasing internet penetration and availability of food delivery aggregators.

### Sales split by segments



(Source: KPMG India's food service report)



## Three aspects of India's changing shape of consumption

Share of household consumption expenditure



Source: BCG CCI proprietary income database, BCG analysis.

Note: Because of rounding, not all percentages add up to 100.

<sup>1</sup>Population segments: metropolitan >4 million; tier 1 = 1 million to 4 million, tier 2 = 0.5 million to 1 million, tier 3 = 0.01 million to 0.5 million, tier 4 = 10,000 to 100,000, rural < 10,000

India is a robust consumption growth story. The key factor driving consumption is rising income. India's households are divided into five categories viz. elite, affluent, aspirers, next billion and strugglers. The top two categories are the fastest growing, with the share of elite and affluent households expected to rise from 8% to 16% of the total share. The share of strugglers could drop from 31% to 18% from 2016 through 2025.

Behind the growth headlines is an even more important story: consumer behaviour and spending patterns are shifting as incomes rise and Indian society evolves. Changing patterns such as frequent eating out and changing food habits have big implications on how companies position themselves.

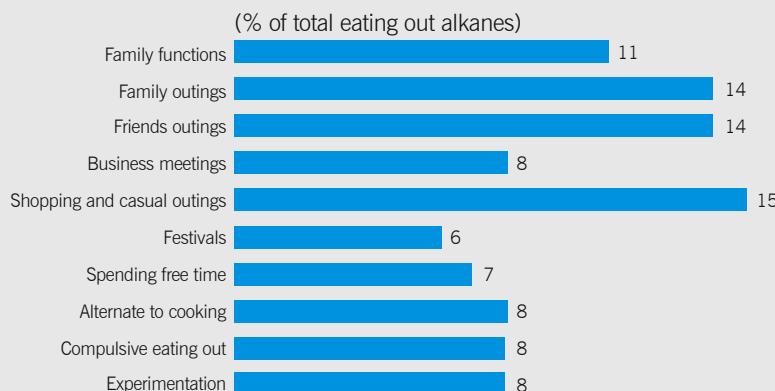
Besides rising income, ever-increasing urbanisation is another factor driving consumption. Unlike countries such as Indonesia and Thailand, migration to urban cities is not concentrated on a select few cities, but widespread across the country. Early estimates indicate that 40% of India's population will be living in urban areas by 2025, and accounting for 60% of the total consumption. (Source: BCG)

## India's food service industry

India's food service sector is witnessing steady growth as household incomes grow, dual-income households emerge and consumer preference towards eating out increases. The food services sector comprises QSRs, casual dining, fast casual, smart casual and fine dining. Store formats have also evolved to keep pace: dine in, drive-through, take-away, delivery, kiosks, food courts, pop-up and store-in-store are some of the more popular formats in the category.

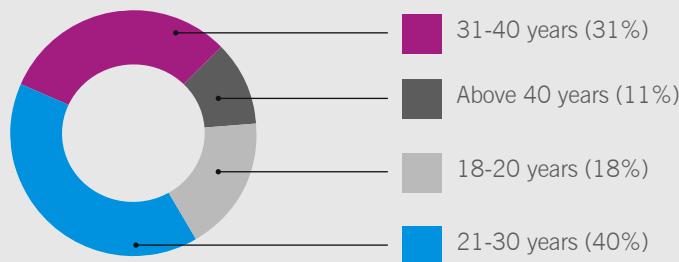
The unorganised sector dominates India's foodservice industry, accounting for 67% market share, with organised players accounting for the remaining 33%. This presents a significant growth opportunity to organised players, as average incomes rise and more consumers prefer to eat out. In terms of restaurant type, full service restaurants constitute 56.6% of sales, QSRs constitute 16.3%, kiosks and stalls constitute 14.6% while cafés and bars account for 12.5% of total sales. (Source: KPMG)

## Why Indians eat out



Source: India Food services 2016

Age profile of people eating out



### Technology as an enabler

Technology has impacted all aspects of the food service industry – from sourcing to table booking to delivery. It has led to emergence of new business models. Big data analytics and cloud computing assist restaurant owners to derive value out of data. Due to increase in digitalisation online food service sales have been growing at a CAGR of 35%. Consumers have also started relying on technology to compare restaurant ratings, menu items and user reviews and make decisions on their eating out choices. (Source: KPMG)

### 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:** Consumer expenditure in the Tier-II and Tier-III cities is rising at a rate of ~14% and in the metros at a rate of ~12% per annum. Moreover, improved health consciousness has contributed to a visible increase in the demand of higher quality products and services. The result: the Indian QSR industry is anticipated to reach a market size of US\$4.1 billion in 2020. (Source: *Financial Express*; *Economic Survey*)

**Demographic dividend:** India is one of the youngest markets, with more than 45% of the population under the age of 25, and a median age of 29.7 years. Youngsters are eager to try diverse food menus over sticking to traditional options. Eating out is often seen as a habit among youngsters rather than being an occasion-driven activity. The youth population of India is expected to reach 465 million by 2021. (Source: KPMG)

**Increasing urbanisation:** In India, population is booming in scores of small cities. About 40% of India's population could be living in urban areas by 2025, and these city dwellers will account for more than 60% of consumption. Much of this growth could take place in

small towns. The Rs. 48,000 crore 'Smart City' project is also expected to modernise cities, spurring new urban locations. (Source: *BCG*)

**Growing female workforce:** Women formed nearly 25% of the workforce during FY2015-16. With more women spending a substantial number of hours at work, there is little or no time to prepare elaborate meals at home, as generations before them did. More working women are spending their disposable incomes on eating out or serving ready-to-eat or prepared foods picked up on the way home from work. (Source: *Grant Thornton*)

**Middle-class boom:** The middle-class population in India is estimated at around 300-350 million. This segment is gradually shifting up the social ladder with growing aspirations, higher disposable incomes and increased spending ability. Moreover, the share of low-income population could drop from 31% to 18% from 2016 through 2025, adding to the booming middle class. (Source: *BCG*, *Press Reader*)

**Nuclear living:** Family structures in India are undergoing transition as new age families are rapidly shifting to a nuclear family set-up. Households are getting fragmented into smaller ones leading to separate accommodation with new set of belongings. The proportion of nuclear households, which has been on a rise since the past two decades, has reached 70% and is projected to increase to 74% by 2025. (Source: *BCG report*)

**Rising affluence:** The two top consumer categories – elite and affluent taken together – are expected to become the largest segment by 2025, and could account for 40% of consumption compared with 27% in 2016. Within this segment, the urban elite and affluent are expected to fuel most of the growth. By 2025, wealthy urbanites will be responsible for one-third of total consumption. The share of the next billion and strugglers could shrink from 49% in 2016 to 36% in 2025. (Source: *BCG report*)

## Company overview

WDL (Westlife Development Limited) 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 HRPL (Hardcastle Restaurants Private Limited), 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 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 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 pricing strategies. This is done in a manner such 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, remodelling, 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 over 36,000 locations in over 100 countries. More than 80% of McDonald's restaurants worldwide are owned and operated by independent local business men and women

Over the last 20 years, McDonald's India has led the Western fast food sector in India with a network of more than 400 restaurants across the country. Every year, over 325-350 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 serves approximately 200 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, sustaining 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 the 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 separate at all stages – from the processing centres to the kitchens.

Value-for-money has always been a McDonald's USP.

**H**RPL serves approximately 200 million customers annually with a consistent focus on QSC&V (quality, service, cleanliness and value).

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 makes constant efforts to provide 'more' to the customer through various offers and menu introductions. For instance, the 'Happy Price Menu' and the 'Value Meals' provide the most affordable food options to customers every day.

The Company's efforts to offer affordable value to customers are complemented by a focus on driving operating efficiencies, leveraging proprietary scale come 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 suppliers, invested six years to develop an internal cold chain network. Several McDonald's global vendors partnered 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 optimizing 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, increasing farm productivity and enhancing supplier facilities to help control food inflation. Over the course of a two-decade journey, the Company, along with its suppliers, has invested over USD 200 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 ~70 bps during 2016-17. HRPL continued to advance its efforts around augmenting the eating out experience, offering the best food and beverage options and delivering exceptional service.

During 2016-17, 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. In an environment with improved consumer spending, the Company continued to focus on its core areas of growth, convinced of the long-term prospects of the business.

- **Broadening accessibility** of the brand by opening new restaurants with efficient business unit economics. HRPL continues to bring global cuisines to the average Indian consumer at affordable prices.
- **Growing baseline sales** through product innovations, providing value to the customers and offering various conveniences.
- **Expanding margins** by leveraging scale and further improving supply chain management.
- **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 industry with a relatively flat or declining informal eating out (IEO) segment, in 2016-17, we maintained our market

share amid a competitive environment.

Initiatives supporting these growth priorities resonated with customers and drove total revenue growth by 11.7% while system-wide comparable sales for the fiscal stood at 4.0%, in an improving consumer sentiment environment.

Subsequently, restaurant operating margins<sup>1</sup> stood at 11.0% in 2016-17 as a percentage of total revenues, compared with 11.9% in 2015-16, largely on account of the impact of minimum wages and conscious investments in advertising during the year which was offset by efficient restaurant unit economics along with improvement in gross margins. The Company implemented new restaurant unit economics (ROP 2.0) from January 2016, where it reduced the capex and opex in every new restaurant by ~20-25%. We are encouraged by the progress of these new restaurants

<sup>1</sup>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.

Over the years, HRPL has worked directly with farmers, eliminating middlemen, dealing only in the best quality ingredients, thereby optimizing costs.

in 2016-17 and as a basket, these new restaurants contributed positive cash-flows within 12 months of operations. This marks a significant turnaround, driving higher cash flows to the company, as we keep opening restaurants on this new platform.

In 2016-17, net cash flow from operating activities stood at Rs. 656.7 million. WDL's substantial cash flow infused an inherent sense of flexibility when it came to funding capital expenditure initiatives. A capex of Rs. 946.4 million was invested in the business primarily to open new restaurants and enhance accessibility.

As on March 31, 2017, HRPL's restaurant footprint stood at 258, registering a growth of ~11% over the previous year.

### **Broadening accessibility**

The Company broadened accessibility by adding new restaurants and expanding McCafé® and McDelivery™ across restaurants. Furthermore, HRPL increased accessibility and convenience by increasing the utilisation of day-parts at 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 its 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 allows 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 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 2016-17 as HRPL added 25 new restaurants, representing a ~11% growth over the previous year. During the year, the Company entered the cities of Nellore, Vijayawada and Raipur and the state of Goa. 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**

During 2016-17, 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 the year, 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 review, McAloo Tikki was re-engineered with the incorporation of new buns and reconfiguration of the sauces to provide Mexican and Lebanese variants 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 new product. Also, we introduced Mexican cheesy fries with a combination of Mexican and salsa sauce. These products were well-accepted in the market. We also invested in building various categories by introducing a variety of desserts and beverage options (including shakes), 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, serving as an important growth driver for HRPL.

In 2016-17, the Company focused on advertising 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 to this, we refrained from adopting the short-term deep discounting strategy that was aggressively adopted by most of our competitors because we believed that this will impact our brand in the long-term.

Tapping into the Rs 6,700 crore organised Indian café market, HRPL launched McCafé in Mumbai in 2013, representing a brand extension that serves specialty coffees and desserts, typically located in a separate area

inside our restaurants. This brand extension is bringing 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, smoothies and share shakes, thereby providing the Company with an alternative product range to draw new customers. The introduction of McCafé also increased the sales of other products sold at the restaurants, that house a McCafé. Besides, we 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. By 31st March, 2017, we brought 111 restaurants under the McCafé banner to capture additional footfalls and in 2017-18, the Company intends to aggressively add to the base of McCafé's, taking the total count to 140-150.

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 optimizing the delivery business and augmenting digital engagement capabilities with the revamp of online website and mobile ordering application under McDelivery.

Extending convenience into the McDelivery platform through web and mobile apps proved to be a success as now more than 50% of the delivery orders come from mobile and web ordering while the rest come through our call centre. During 2016-17, McDelivery and its app continued to boost sales as more Indian consumers began to avail online delivery services. The Company also collaborated with food aggregators such as FoodPanda, Swiggy and Zomato to create a more efficient delivery network and address a larger consumer base and their growing demands. As on 31st March 2017, 148 out of the 258 stores delivered food to customer's homes.

The breakfast 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 entire revamp of the breakfast menu and introduction of new products like dosa masala brioche, scrambled eggs, waffles etc. 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 customers.

During FY2016-17, 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, more than 8,000 birthday parties were celebrated during FY2016-17 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 Transformers, Little Pony, The Secret Life of Pets, ChoroQ, Trolls, Super Mario and Sings

### Margin expansion

HRPL continued to expand margins by driving operating efficiencies and leveraging economies-of-scale via effective supply chain management. Gross margins were enhanced through a consistent 4-5% 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 strengthen brand extensions like breakfast service, McDelivery, dessert kiosks and McCafé to enhance day-part utilisation and unit economics. As a result, overall gross margin improved by ~70 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 McDonald's by opening new restaurants and continuous investment in people to drive business growth. All these initiatives will help drive operating leverage coupled with efficiencies through restaurants opened on ROP 2.0.

### Investing in people

At Westlife Development, we believe that people are the backbone of our organisation. Our growth and success can be attributed to their dedication, commitment and attitude. As a consumer-facing business, our employees are direct representatives of the company and its values. Therefore, it is important for us to foster a work environment that instils our employees with a sense of pride in their work.

The Shift Management Excellence (SMEX) Project was created with the aim to be more customer centric, which meant Going the Extra Mile to put a Smile (GEMS) on the customer's face. After an internal study, we analysed that we needed to work on three areas to improve the overall perception of the brand primarily in the minds of our employees that would subsequently reflect in better service that they provide our patrons. The three areas were Hospitality, Pride/Trust and Perception.

After undergoing the SMEX training, crew members delivered an improved store performance.

All the effort that we have put into developing our

employees and providing them with world-class training tools that empower them to work effectively and efficiently has borne fruit and is reflected in the fact the Great Place to Work Institute has ranked us among the 30 best organisations to work for in India.

We are also proud to have partnered the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and participated in the 'Skill India' initiative to recruit, train and develop India's workforce. Our goal is to provide people with the opportunity to learn, earn and grow through their career at Westlife.

At HRPL, we continuously develop strategies and operating procedures to maximise benefits and deliver the best possible customer experience, which, in turn, drives profitable growth. Customers are our key focus and we strive to enhance customer delight through marketing, limited period offers, revamping our menus and managing operations locally. Regular customer satisfaction surveys ensure we track and receive feedback on our operations. The Company also conducts performance and financial monitoring over a set of parameters including comparable sales and system-wide growth, ensuring adequate oversight.

### Emerging challenges

**Perception regarding unhealthy menus:** Fast food has been traditionally equated with unhealthy food and consumer tastes around the world have continued to drift towards healthier options.

**Innovation in the unorganised sector:** Various small food vendors are providing quality fresh food at relatively low prices compared to organised QSRs who have price their products higher because of sizeable operational costs.

### Comments on financial performance, 2016-17

#### Results from the year

- Revenue growth of 11.7% year-over-year to Rs 9,307.9 million, riding on the strong performance of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL)
- Operating EBIDTA stood at Rs 495.0 million; margins at 5.3% (as % of total revenues)
- Profit/(loss) after tax stood at Rs (121.2) million as against Rs (205.7) million in the previous year
- Cash profit stood at Rs 559.9 million as against Rs 437.8 in the previous year
- Total restaurant network at 258, y-o-y gross additions at 25; Total McCafé count at 111

### Consolidated Financial Performance

(Rs. in million)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>REVENUES</b>		
Sales	9,186.7	8,234.4
Other Operating Income	119.2	96.8 <sup>1</sup>
Other Trading Revenues	2.0	3.1
<b>Total Revenues</b>	<b>9,307.9</b>	<b>8,334.3</b>
<b>Operating Costs And Expenses</b>		
Store Operating Cost and Expenses		
Food & Paper	3,661.2	3,329.9
Payroll and Employee Benefits	1,089.4	912.8
Royalty	365.4	289.5
Occupancy and Other Operating Expenses	3,169.7	2,807.6
<b>Total Operating Costs And Expenses</b>	<b>8285.7</b>	<b>7,339.8</b>
<b>Restaurant Operating Margin</b>	<b>1,022.2</b>	<b>994.5</b>
General & Administrative Expenses	525.2	503.7
Other Trading Operating Cost and Expenses	2.0	3.1
<b>Operating EBITDA</b>	<b>495.0</b>	<b>487.7</b>
Other (Income)/Expenses, (net)	(200.1)	(84.7)
Extra-ordinary Expenses <sup>2</sup>	25.3	49.1
Financial Expense (Interest & Bank Charges)	153.8	149.9
Depreciation	637.2	576.5
<b>Profit Before Tax</b>	<b>(121.2)</b>	<b>(203.1)</b>
Taxes	-	2.6
<b>Profit After Tax</b>	<b>(121.2)</b>	<b>(205.7)</b>
<b>Cash Profit</b>	<b>559.9</b>	<b>437.8</b>

<sup>1</sup> Excludes the recognition of additional credit in respect of indirect taxes paid on inputs up to March 31, 2015, amounting to Rs 234.0 million.

<sup>2</sup> 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 FY17, Company recorded a revenue growth of 11.7% to Rs. 9,307.9 million compared to Rs. 8,334.3<sup>3</sup> million last year, riding on the restaurant operations of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL), a master franchisee for west and south India operations of McDonald's Restaurants. The increase in revenue was primarily driven by the opening of new restaurants; the Company added 25 restaurants taking the total restaurant count to 258 restaurants across west and south India. In FY17, comparable sales (same-store sales growth) was 4.0% compared to 1.8% in the previous year; largely driven by the significant work during the year conducted around our menu and brand extensions through McCafé and McDelivery.

### Gross Margins

During the review period, food, paper and distribution costs (FPD) increased to Rs 3,661.1 million, compared to Rs 3,329.9 million in 2015-16. The increase in costs was primarily led by an increase in overall restaurant sales during the year. During the year under review, the Company delivered improvement in gross margins by ~70 bps Y-o-Y to 60.7%, driven by efficiencies in supply chain through sourcing network optimisation, logistics efficiency through improved utilisations 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 111 restaurants and McDelivery in 148 restaurants. The Company has expanded gross margins by ~510 bps over the last five years (FY12-FY17). The 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 Junior Maharaja Mac (veg and chicken), Mexican and Lebanese McAlloo Tikki, Mexican Cheesy Fries and few limited-time offers like Iced-splash, at multiple price levels, catering to different customer needs.

### Restaurant Operating Margin (RoM)

Restaurant operating margin represents total revenues from company-operated restaurants less operating cost of these restaurants (including royalty etc.) before depreciation and corporate overheads. In FY17, the Company reported Restaurant Operating Margin of Rs. 1,022.2 million compared to Rs. 994.5 million in the previous year. RoM amounted to 11.0% compared to 11.9% in fiscal 2016. The decrease in restaurant operating margins was largely impacted by increase

in minimum wages across one of the states coupled with increased investments pertaining to marketing, advertisement and promotions necessary for building and maintaining the brand image. This increase in expenses was slightly offset by gross margins expansion and efficiencies in utility consumption and occupancy & cost-conducting expenses at the restaurant-level.

### General & Administration (G&A) Expenses

Despite a volatile market environment, the company continued to invest in a talent pipeline to ensure smooth management and operations of its business both present and future. In FY17, General & administrative expenses remained stable at Rs. 525.2 million compared to Rs. 503.7 million in FY16.

General and administrative expenses as a percent of total revenues were lower, 5.6% in FY17 compared to 6.0% in FY16. The management believes that analyzing general and administrative expenses as a percent of total revenues is meaningful because these costs are incurred to support overall McDonald's business and there could be significant operating leverage as the business momentum continues over the coming years.

### Operating EBITDA

Operating EBITDA was INR 495.0 million in fiscal 2017 compared to INR 487.7 million in fiscal 2016.

Operating EBITDA margin is defined as operating EBITDA as a percent of total revenues. Operating EBITDA margin was 5.3% in fiscal 2017 compared to 5.9% in fiscal 2016.

## 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 a variety of sources, including short & long-term lines of credit arrangements and issuance of share capital.

As of March 31, 2017, at a consolidated level, WDL had cash and cash equivalents of Rs. 1,770.8 million. This primarily represented cash and balances with banks in India and investments in liquid funds/Fixed Maturity Plans (FMPs).

### Restaurant Development and Capital Expenditure

In FY 2017, the Company expanded its footprint with gross addition of 25 new restaurants and also invested in re-imaging activities relating to building the interiors

<sup>3</sup> All the comparisons (as a % of sales) are done while excluding the additional credit realised in FY16, amounting to Rs 234.0 million

and exteriors to enhance the overall dining experience at its restaurants. For purposes of the same the Company invested Rs. 946.4 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 three restaurants across various locations in west and south India. The Company closed/relocated 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

The Rs. 3.09 trillion Indian food services market is dominated by unorganised players, with 67% of market share. This is estimated to decline to 59% by 2021, while the organised market (including chain outlets, standalone eateries, restaurants and cafés) is estimated to grow 15% to reach Rs. 2.04 trillion by 2021. Growth is likely to be driven by an evolution of the country's demographic landscape and changing spending patterns. In the urban market, Delhi and Mumbai constitute 22% of the total food services market while the remaining six mini-metros account for 19%.

(Source: *National Restaurant Association of India*)

HRPL is attractively placed to capitalise on the growing consumption in the country and provide an all-round experience to our customers with a strong presence in urban and semi-urban markets. In line with the changing consumption trends, we are leveraging technology to bring high-quality food at affordable prices and provide cutting-edge experiences. Our EOTF concept is aligned to the same ideology, wherein technology is woven into the regular store and retail arrangement.

We have always been customer-centric in our approach and aim to foster better relationships with our consumers while keeping an honest and open feedback loop, which provides valuable insights on how our service can be tailored to suit today's needs.

At HRPL, we look forward to engaging our customers, broaden our accessibility, grow our baseline sales, expand margins and enable long term growth in the

QSR industry, while enabling growth for our people.

## Risks and concerns

**Economic risk:** Economic fluctuations can affect the services sector, lowering consumer spending and causing a decline in sales.

**Inflation risk:** Rise in inflation can have an adverse impact on pricing and lower margins.

**Logistics risk:** Disruptions in the supply of raw materials and ingredients can affect quality and freshness of products.

**Competition risk:** Newer players in the QSR industry can adversely affect margins. Foreign investments and restaurant chains could lead to increased competition.

**Market risk:** Expansion into newer markets might not meet with the desired response. Low demand may adversely affect profitability in new markets.

**Regulatory risk:** Regulations and changes in regulation may impact operations.

## Internal control systems and their adequacy

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, authorisation and approval procedures, including audit. Intrinsic to the overall governance process, a well-established internal audit framework 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.

The Internal Audit (IA) team consists of senior members across various functions some of whom are also key managerial personnel 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 specialised in the domain of internal audit.

# STATUTORY SECTION

# Report of The Board of Directors to Members

Your Directors are pleased to present their Thirty-Fourth Annual Report and Audited Statement of Accounts for the year ended March 31, 2017.

## I FINANCIAL DETAILS

### Consolidated Financial Highlights

(₹ in Millions)

Particulars	2016-2017	2015-2016
Revenue from Operations (Net)	9,307.86	8,334.27
Total Expenses excluding Depreciation, Interest and Tax	8,838.35	7,908.00
EBITDA	669.79	523.34
Profit / (loss) before tax	(121.20)	30.90
Less : Tax Expenses	-	2.57
Profit / (loss) after tax	(121.20)	28.33

### Standalone Financial Highlights

(₹)

Particulars	2016-2017	2015-2016
EBITDA	(3,027,624)	(1,894,092)
Less : Depreciation	3,249	5,080
Profit/ (Loss) before Tax	(3,030,873)	(1,899,172)
Less : Tax Expenses	-	
Deferred Tax		2,571,512
Profit/ (Loss) for the year	(3,030,873)	(4,470,684)
Add : Balance brought forward	(27,802,132)	(23,331,448)
Balance Carried forward	(30,833,005)	(27,802,132)

## II PERFORMANCE

### Standalone Operating Performance

During the financial year 2016-17, the Company has reported a reduced loss after tax of Rs.30.31 lakhs as against a loss of Rs 44.71 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

The highlights of the Subsidiary performance for FY 2016-17 and their contribution to the overall performance of the Company is provided (Rs. in millions)

Particulars	2016-2017	2015-2016
Revenue from Operations (Net)	9305.90	8331.17
Total Expenses excluding Depreciation, Interest and Tax	8831.90	7900.57
EBITDA	672.82	525.23
Profit / (loss) before tax	(118.17)	32.80
Less : Tax Expenses	-	-
Profit / (loss) after tax	(118.17)	32.80

### Dividend

Considering the present financial position as on 31st March, 2017, 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, 2017 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 8 to the Standalone Financial Statements.

## III DIRECTORS AND MANAGEMENT

### Re-appointment of Director

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the office of Mr Achal Jatia (DIN : 03587681) is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, he offers himself for re-appointment. The Board recommends his re-appointment.

### Number of meetings of the Board

Five 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, 2017, 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, 2017 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, 2017 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 were operating efficiently; and

(f) the Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were 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) current statutory auditors of the Company expressed their unwillingness to continue as statutory auditors from the conclusion of the ensuing Annual General Meeting (AGM). Members of the Company in their AGM held on 26th September 2014 had appointed S R B C & CO LLP as statutory auditors of the company for a period of five years until the conclusion of 36th AGM.

Further, the audit committee and the Board of Directors of the Company subject to the approval of members of the Company have recommended the appointment of B S R & Associates LLP (Registration No.: 116231W/W-100024), Chartered Accountants, as statutory auditors of the Company for a period of five years to hold the office from the conclusion of ensuing 34th AGM until the conclusion of 39th AGM subject to ratification of their appointment at every AGM on yearly basis.

The Company has received a written consent from B S R & Associates 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. Your Directors proposed the said appointment for your approval.

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 the 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**

Related Party Transactions that were entered into during the year by your Company have been disclosed in Form AOC-2 pursuant to Section 134(3) (h) of the Companies Act, 2013, which has been appended as 'Annexure II'.

#### **Disclosures on Employee Stock Option Scheme**

In compliance with Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the 'Regulations') read with SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16th June,

2015, your Board of Directors report that during the year under review, no material changes in the Westlife Development Limited Employees Stock Option Scheme 2013 (the 'Scheme') had taken place and that the Scheme is in compliance with the Regulations. Further, the details mentioned in the above Regulation have been disclosed on the Company's website at web link: <http://www.westlife.co.in/web/compliance.aspx>.

#### **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.

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

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 III' 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 of Managerial Personnel) Rules, 2014**

In accordance with the rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) 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 Control Systems**

The Company has a proper and adequate internal audit and control system commensurate with its size and the nature of its business. No instance of any fraud or misdemeanor has been noticed during the year.

#### **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'.

### **Investor Education and Protection Fund (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF Rules, details of which are provided on our website, at <http://www.westlife.co.in/investors-compliance-and-policies.php>.

### **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, 2017 forms part of this Report and is appended herewith as 'Annexure IV'.

### **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

However, the Company's subsidiary, Hardcastle Restaurants Pvt. Ltd, has taken significant measures for conservation of energy and saving the environment, as set out more particularly in the Business Responsibility Report forming part of this Annual Report.

#### **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.

#### **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' to the Board's Report and also available on the Company's website at <http://www.westlife.co.in/investors-compliance-and-policies.php>

#### **V BUSINESS RESPONSIBILITY REPORT (BRR)**

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for top 500 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosures annexed as 'Annexure-VI' to the Board's Report.

#### **VI 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/-

**Amit Jatia**

*Director*

DIN:00016871

Place: Mumbai

Date: 1st August, 2017

Sd/-

**Smita Jatia**

*Director*

DIN: 03165703

**Annexure I**

## **FORM MR-3**

### **SECRETARIAL AUDIT REPORT**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

For the financial year ended 31st March 2017

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 31st March 2017 ('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 31st March 2017 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (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.

Sd/-

**SHAILESH KACHALIA**

*Practising Company Secretary*

*Proprietor*

Membership No. 1391 / CP No. 3888

Place: Mumbai

Date : 1st August, 2017

**Annexure II**

## FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis: N.A.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/ arrangements/ transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis:

**Transaction 1:**

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Hardcastle Restaurants Private Limited – Wholly owned subsidiary company
b)	Nature of contracts/arrangements/transaction	Recovery of Employee Stock Option Plan Compensation Expenses
c)	Duration of the contracts/ arrangements/ transaction	5 years from the date of vesting of stock options
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 1,61,14,060/-
e)	Date(s) of approval by the Board, if any	-
f)	Amount paid as advance, if any	-

**Transaction 2:**

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Hardcastle Restaurants Private Limited – Wholly owned subsidiary company.
b)	Nature of contracts/arrangements/transaction	Investment in equity shares issued on rights basis.
c)	Duration of the contracts/ arrangements/ transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 4,125,002,724/-
e)	Date(s) of approval by the Board, if any	24th March, 2017
f)	Amount paid as advance, if any	-

For and on behalf of the Board of Directors

Sd/- <b>Amit Jatia</b> <i>Director</i> Date : 1st August, 2017 Place : Mumbai	Sd/- <b>Smita Jatia</b> <i>Director</i> DIN: 00016871
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### Annexure III

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

(As framed 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	<ul style="list-style-type: none"> <li>a. Professional approach</li> <li>b. Good team work</li> <li>c. Good communication skills</li> <li>d. Good knowledge of specific domains related to the business activities of the Company.</li> </ul>
3	Independence	Meets the criteria laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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 criteria 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 IV

# FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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	Company limited by shares
	Sub-Category of the Company	Indian Non-Government Company
v)	Address of the Registered office	1001, Tower-3, 10th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013
	Contact details	022 - 4913 5000
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer	Link Intime India Private Limited 247 Park, C-101 1st Floor, LBS Marg, Vikhroli (W), Mumbai-400083 Tel No: 022-49186000

### 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	Trading in goods	46411	100%

### 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**

Category of Shareholders	No. of Shares held at the beginning of the year. As on 1st April, 2016				No. of Shares held at the end of the year. As at 31st March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual /HUF	2506538	-	2506538	1.61	2364486	-	2364486	1.69	0.08
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	80799729	-	80799729	51.95	80799729	-	80799729	51.95	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>83306267</b>	<b>-</b>	<b>83306267</b>	<b>53.56</b>	<b>83434215</b>	<b>-</b>	<b>83434215</b>	<b>53.63</b>	<b>-0.08</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	1539569	-	1539569	0.99	1411621	-	1411621	0.91	0.08
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	11881640	-	11881640	7.64	11881640	-	11881640	7.64	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>13421209</b>	<b>-</b>	<b>13421209</b>	<b>8.63</b>	<b>13293261</b>	<b>-</b>	<b>13293261</b>	<b>8.54</b>	<b>0.09</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>96727476</b>	<b>-</b>	<b>96727476</b>	<b>62.19</b>	<b>96727476</b>	<b>-</b>	<b>96727476</b>	<b>62.19</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	13735111	-	13735111	8.83	13743042	-	13743042	8.83	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	19300127	-	19300127	12.41	20750291	-	20750291	13.34	-0.93
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>33035238</b>	<b>-</b>	<b>33035238</b>	<b>21.24</b>	<b>34493333</b>	<b>-</b>	<b>34493333</b>	<b>22.17</b>	<b>-0.93</b>

Category of Shareholders	No. of Shares held at the beginning of the year. As on 1st April, 2016				No. of Shares held at the end of the year. As at 31st March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	11468331	-	11468331	7.37	12229841	-	12161275	7.82	-0.45
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	656602	-	656602	0.42	1455102	200	1455302	0.935	-0.52
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13648786	-	13648786	8.77	10251150	-	10251150	6.59	2.18
c) Others (specify)									
i) Non- Resident (Non-repatriation)	5262	-	5262	0.00	178247	-	178247	0.11	-0.11
ii) Non- Resident (repatriation)	10100	-	10100	0.00	234156	-	234156	0.15	-0.15
<b>Sub-total (B)(2):-</b>	<b>25789081</b>	<b>-</b>	<b>25789081</b>	<b>16.58</b>	<b>24348496</b>	<b>200</b>	<b>24348696</b>	<b>15.65</b>	<b>0.93</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>58824319</b>	<b>-</b>	<b>58824319</b>	<b>37.81</b>	<b>58841829</b>		<b>58842029</b>	<b>37.82</b>	<b>-0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>155551795</b>	<b>-</b>	<b>155551795</b>	<b>100</b>	<b>155569305</b>		<b>155569505</b>	<b>100</b>	

## 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	1875250	1.20	0.00	1875250	1.21	0.00	0.00
5	Amit Jatia	630000	0.41	0.00	630000	0.41	0.00	0.00
6	Anurag Jatia	1411621	0.10	0.00	1411621	0.91	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

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	
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
<b>Total</b>		<b>96727476</b>	<b>62.19</b>		<b>96727476</b>	<b>62.19</b>	<b>0.00</b>	<b>0.00</b>

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

Sl No.	Shareholder's Name	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
NO CHANGE								

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

Sl No.	Shareholder's Name	Shareholding		Date of change in Shareholding	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	SBI MAGNUM BALANCED FUND	13717531	8.82	01.04.2016			13717531	8.82
		13743042	8.83	08.07.2016	25511	Transfer	13743042	8.83
		13743042	8.83	31.03.2017			13743042	8.83
2	ARISAIG PARTNERS (ASIA) PTE LTD. A/C ARISAIG INDIA FUND LIMITED	12296550	7.90	01.04.2016			No Movement During The Year	
		12296550	7.90	31.03.2017				
3	RAJIV HIMATSINGKA	12095071	7.77	01.04.2016			12095071	7.77
				10.03.2017	-210000	Transfer	11885071	7.64
				17.03.2017	-2501147	Transfer	9383924	6.03
				24.03.2017	-2197397	Transfer	7186527	4.62
				31.03.2017	-7151527	Transfer	35000	0.02

Sl No.	Shareholder's Name	Shareholding		Date of change in Shareholding	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	
For Each of the Top 10 Shareholders									
4	BAY CAPITAL INVESTMENTS LTD	7565630	4.82	01.04.2016			7565630	4.82	
		7080730	4.55	08.07.2016	-484900	Transfer	7080730	4.55	
		7080730	4.24	07.10.2016	-484895	Transfer	6595835	4.24	
		6595835	4.24	24.02.2017	-501	Transfer	6595334	4.24	
		6595334	4.17	03.03.2017	-105090	Transfer	6490244	4.17	
		6490244	4.16	10.03.2017	-9295	Transfer	6480949	4.16	
		6480949	4.16	17.03.2017	-12610	Transfer	6468339	4.16	
		6468339	4.12	24.03.2017	-50769	Transfer	6417570	4.12	
		6417570	2.95	31.03.2017	-1823729	Transfer	4593841	2.95	
5	TREE LINE ASIA MASTER FUND (SINGAPORE) PTE LTD	3282296	2.10	01.04.2016	No Movement During The Year				
		3282296	2.10	31.03.2017					
6	NEW LEAINA INVESTMENTS LIMITED	3225648	2.07	01.04.2016	No Movement During The Year				
		3225648	2.07	31.03.2017					
7	RASHI EQUISEARCH PVT. LTD.	0	0	01.04.2016			0	0	
		210000	0.13	10.03.2017	210000	Transfer	210000	0.13	
		2501147	1.61	17.03.2017	2291147	Transfer	2501147	1.61	
		4537154	2.91	24.03.2017	2036007	Transfer	4537154	2.91	
		3095849	1.99	31.03.2017	-1441305	Transfer	3095849	1.99	
8	VIMLADEVI RAVIKUMAR MOHATTA	1500150	0.96	01.04.2016	No Movement During The Year				
		1500150	0.96	31.03.2017					
9	PRERANA LP	0	0	01.04.2016	1436215	Transfer	0	0	
		1436215	0.92	31.03.2017			1436215	0.92	
10	STICHTING DEPOSITORY APG EMERGING MARKETS EQUITY POOL	1067940	0.69	01.04.2016	No Movement During The Year				
		1067940	0.69	31.03.2017					

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Shareholder's Name	Shareholding		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	Banwarilal Jatia Director	11	0.00	01.04.2016			No Movement During The Year	
		11	0.00	31.03.2017				
2	Amit Jatia Director	630000	0.41	01.04.2016			No Movement During The Year	
		630000	0.41	31.03.2017				
3	Smita Jatia Director	1875250	1.21	01.04.2016			No Movement During The Year	
		1875250	1.21	31.03.2017				
4	Dilip Thakkar Director	--	0.00	01.04.2016			No Movement During The Year	
		--	0.00	31.03.2017				
5	Padmanabh Barpande Director	--	0.00	01.04.2016			No Movement During The Year	
		--	0.00	31.03.2017				
6	Manish Chokhani Director	--	0.00	01.04.2016			No Movement During The Year	
		--	0.00	31.03.2017				
7	Tarun Kataria Director	--	0.00	01.04.2016			No Movement During The Year	
		--	0.00	31.03.2017				
8	Achal Jatia Director	--	0.00	01.04.2016			No Movement During The Year	
		--	0.00	31.03.2017				
9	Suresh Lakshminarayanan CFO	1012	0.00	01.04.2016			1012	0.00
		2012	0.00	01.07.2016	1000	ESOP Exercise	2012	0.00
		2012	0.00	31.03.2017			2012	0.00
10	Shatadru Sengupta CS	-	0.00	01.04.2016			-	0.00
		7860	0.00	01.07.2016	7860	ESOP Exercise	7860	0.00
		7860	0.005	31.03.2017			7860	0.00

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
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				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## 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	<b>Independent Directors</b>	Mr. P.R. Barpande	Mr. Dilip Thakkar	Mr. Tarun Kataria	Mr. Manish Chokani	
	• Fee for attending board/ committee meetings	2,75,000	2,25,000	1,00,000	2,00,000	8,00,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	2,75,000	2,25,000	1,00,000	2,00,000	8,00,000
2.	<b>Other Non-Executive Directors</b>	Mr. B.L.Jatia	Mr. Amit Jatia	Ms. Smita Jatia	Mr. Achal Jatia	
	• Fee for attending board/ committee meetings	1,00,000	2,25,000	1,50,000	75,000	5,50,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	1,00,000	2,25,000	1,50,000	75,000	5,50,000
	Total (B)=(1+2)	3,75,000	4,50,000	2,50,000	2,75,000	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 Amit Jatia	Company Secretary Shatadru Sengupta	CFO 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 (A)	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)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

## 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.

## Annexure VI

# SUGGESTED FORMAT FOR 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	01-04-2016 to 31-03-2017
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	One Head office and 256 Restaurants (subsidiary-Hardcastle Restaurants Private Limited)
10.	Markets served by the Company – Local/ State/National/International	Local

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	31,11,39,010/-
2.	Total Turnover (INR)	19,55,820/-
3.	Total profit/(loss) after taxes (INR)	(30,30,873/-)
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/polices

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 5055
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	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8
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 suppliers' cup making processes, our converter is committed to delivering wastage reduction in materials usage and utilities consumption used in their operations. 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:

ELECTRICITY SAVINGS		
YEAR	TOTAL ELECTRICITY CONSUMPTION YEAR WISE	% ENERGY SAVED
Apr'15- Mar'16	1,70,08,656	
Apr'16-Mar'17	1,55,34,680	
TOTAL ENERGY SAVED IN UNITS	14,73,976	6.85%

DETAIL:-

1. Operating of lights is optimized
2. M/C energy saving :
  - a. Equipments are kept operational for the required time only and a schedule is maintained to switch them off when not required
  - b. Compressors are switched off when not required
3. Switch off the fan, coolers ac when not in use
4. Electrical preventive maintenance is carried out on time

#### WATER SAVINGS

Total water saved in liters in a year across all restaurants : 2,80,000 liters

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
4. Waterless urinals have been introduced and made a standard feature

Our suppliers' folding carton converter is FSC/COC-certified and sources its fiber-based materials from FSC-COC-certified mills. 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. Reduction in power consumption
2. Efforts are also under way to reduce water consumption in its operations and this is being monitored on an on-going basis
3. Waste generated from process is sent to a government-authorized body for disposal. Reduction in process wastage.
4. An Environmental Management Protection (EMP) program on Green belt development is in place, and as part of the same, plantation is being carried out every year.

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

**Electricity Saving due to LEDs –**

- 10 old stores for 9 months – 27,000 units
- 5 old stores for 2 months – 3,000 units
- 7 New stores for 9 months – 18,500 units
- 12 New stores for 6 months – 21,600 units

**System wide total saving – 70,100 units**

**Electricity Saving due to air coolers -**

Cumulative Savings with air coolers running in old stores is around 6.95 lakh units

**Water Saving due to Waterless Urinals -**

- 5 New stores for 9 months – 87,850 Ltrs
- 9 New stores for 6 months – 1,05,400 Ltrs
- 5 Old stores for 9 months – 87,850 Ltrs

**System-wide total saving – 2,80,800 Ltrs**

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

**Yes**

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
  - (a) McDonald's India has designed 100 % contingency and assured supply plan for all its raw materials sourced locally or from outside country.
  - (b) Amongst all the raw materials, two of the products are critical for sustainability governance to protect environmental impact aspects which are RBD Palmolein Oil and Fish.
  - (c) This contributes to around 10 % of raw material input.
  - (d) RBD Palmolein Oil used in McDonald's India restaurants is purchased only from RSPO certified sustainable sources.

McDonald's India sources only sustainable fish species i.e. Alaskan Pollock for making their Filet –O- Fish burger patty

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?

McDonald's 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 agriculture practices, weather related information, crop protection information, water conservation information and

good practices of drip irrigation etc and thus the local farming community's capability and knowledge base has been enhanced. These initiatives help increase farm yield, crop quality and ultimately the farmers' income.

McDonald's Global GAP program is initiated for the farms which would improve bio security and help farmers to adopt global best practices.

Mechanical harvesters are implemented for potato farms and are now under trial for pea farming which would improve the harvesting efficiency and also the product quality.

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. 7805
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. 1955 - 1445 Part Time, 510 Full Time
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 - N.A.
  - (d) Employees with Disabilities - N.A.

### **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 Company and are also suppliers. All our suppliers are governed by Social Accountability standards for these compliances.

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. -

This policy extends to our suppliers.

Suppliers have initiated activities of Water conservation such as Water recycling and rain water harvesting.

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: (PFNDI)
- (d) All India Food Processors' Association.

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 point 2 below.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The company has worked with in-house (Ronald McDonald House Charities Foundation India (RMHC India)) as well as external NGOs in the financial year to support the well-being of children. Projects such as blood donation drives, tree planting initiatives and various other community service activities were also taken up by the company in the said period.

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 - N.A.
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. - N.A.

**Principle 9**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. – Only one consumer complaint pending.
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.

Nil

4. 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.

- i. Fast Track (Key Imagery Statements, Awareness, Usage, Barriers, Last Visit Satisfaction and Market Share,
- ii. My Voice – Surveys done by customers (Customer Satisfaction Score, Quality, Service and Cleanliness).
- iii. My Feedback – online portal for customer to give direct feedback.

# Corporate Governance Report

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

## 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, 2017. 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 31st March, 2017, unrelated to each other and not holding any shares in the Company. The Board met five times during the year, on May 6, 2016; August 5, 2016; October 28, 2016; February 3, 2017 and 24th March, 2017.

## 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	1
Mr Amit Jatia (DIN: 00016871)	Promoter Executive	5	Yes	3	10	4	-
Mr Dilip J Thakkar (DIN: 00007339)	Independent Non-Executive	4	No	7	9	4	2
Mr Padmanabh Ramchandra Barpande (DIN: 00016214)	Independent Non-Executive	5	Yes	6	6	9	5

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
Ms Smita Jatia (DIN: 03165703)	Promoter Non-Executive	5	Yes	2	2	-	-
Mr Manish Chokhani (DIN: 00204011)	Independent Non-Executive	3	No	3	6	3	-
Mr Tarun Kataria (DIN: 00710096) (appointed on 1st August, 2014)	Independent Non-Executive	4	No	2	1	-	1
Mr Achal Jatia (DIN: 03587681) (appointed on 1st August, 2014)	Non-Executive	3	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 has been signed by the Chief Executive officer (CEO) to this effect, is enclosed at the end of this Report as 'Annexure-I'.

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 consists 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			
	6th May, 2016	5th August, 2016	28th October, 2016	3rd February, 2017
Mr P R Barpande	Yes	Yes	Yes	Yes
Mr Dilip J Thakkar	No	Yes	Yes	Yes
Mr Manish Chokhani	Yes	No	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 Ms Smita 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 once during the year, on February 3, 2017. All the members and chairperson had attended the Committee meetings.

The remuneration policy formed by this Committee is annexed as 'Annexure III' to the Board's Report. Also the details of remuneration to all the directors have been mentioned in Clause VI of 'Annexure IV' 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](mailto: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 the programme 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 3, 2017.

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 III' 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 IV' 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, 2017. The Certificate is annexed as 'Annexure II' 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 Listing Regulations is annexed to this Report as 'Annexure III'.

### **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	Tower-1, 5th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai-400 013	September 26, 2014	2.00 p.m.	One
2	Tower-1, 5th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai-400 013	September 24, 2015	3.00 p.m.	Nil
3	Fantasy Banquet Room, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai-400018	September 29, 2016	2.30 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**

- 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. 15 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 34th 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](http://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	20th September, 2017
Time	2.30 p.m.
Venue	Imperial Hall, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai-400018

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

##### **(iii) Dividend Payment Date** : No dividend is being recommended,

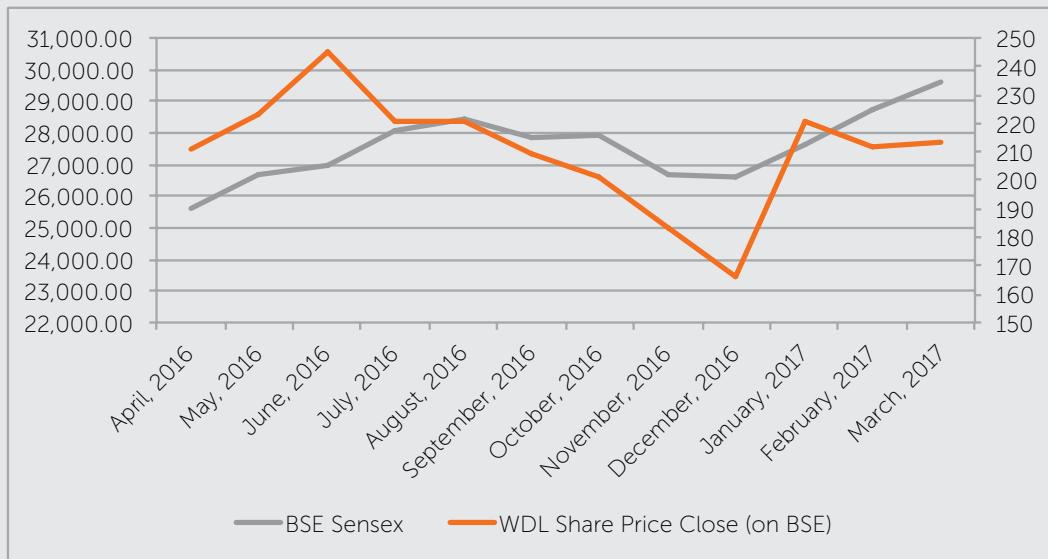
##### **(iv) The Company's shares are listed on the BSE Ltd.**

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.

**(v) Stock Performance**

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



**(i) 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 2016-17 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, 2016	214.90	184.00	211.30	26100.54	24523.20
May, 2016	248.50	190/10	222.95	26837.20	25057.93
June, 2016	249.00	205.20	245.05	27105.41	25911.33
July, 2016	259.90	208.00	220.35	28240.20	27034.14
August, 2016	227.60	201.00	220.30	28532.25	27627.97
September, 2016	229.85	201.00	208.95	29077.28	27716.78
October, 2016	218.00	189.15	201.05	28477.65	27488.30
November, 2016	203.00	165.00	183.05	28029.80	25717.93
December, 2016	183.35	152.00	165.95	26803.76	25753.74
January, 2017	225.00	160.05	221.00	27980.39	26447.06
February, 2017	238.00	201.05	211.90	29065.31	27590.10
March, 2017	238.00	201.55	213.55	29824.62	28716.21

**(i) Registrars & Transfer Agent:**

Link Intime India Pvt Ltd  
 C 101, 247 Park,  
 L B S Marg, Vikhroli West,  
 Mumbai 400 083  
 Tel: 91-022-4918 6000 Fax: 91-022-4918 6060  
 Email: rnt.helpdesk@linkintime.co.in

**(ii) Share Transfer System:**

As on 31st March, 2017, 100% paid-up capital of the Company (excluding 200 shares which are held in physical form) is in dematerialised form.

For dematerialized shares the Company's Registrar and Share Transfer Agent (RTA) i.e. Link Intime India Pvt. Ltd. handles the transfer, transmission and issue of duplicate share certificate and other related matters from the lodgment of the documents. And in case of physical shares the Board of Directors handles the said process.

**(ix) Shareholding Pattern as on 31st March, 2017:**

	No. of Holders	No. of Shares held	Percentage of holding
<b>Promoter Group :</b>			
Individuals/ HUF	10	40,46,107	2.60
Bodies Corporate	7	9,26,81,369	59.58
<b>Non-Promoters :</b>			
Individuals/ HUF	3,364	1,21,87,421	7.82
Bodies Corporate	232	1,21,61,275	7.83
Foreign Institutional Investors	13	2,07,50,291	13.34
Mutual Fund	6	13,74,30,42	8.83
	<b>3,632</b>	<b>15,55,69,505</b>	<b>100.00</b>

**Distribution of shareholding as at March 31, 2017:**

Shareholding	No. of Shareholders	No. of Equity Shares	Shareholding Percentage
1-500	3,062	3,54,836	0.2281
501 to 1000	228	1,87,847	0.1207
1001 to 2000	116	1,78,807	0.1149
2001 to 3000	54	1,38,157	0.0888
3001 to 4000	22	80,008	0.0514
4001 to 5000	18	84,971	0.0546
5001 to 10000	39	3,01,653	0.1939
10001 and above	93	15,42,43,226	99.1475
	<b>3,632</b>	<b>15,55,69,505</b>	<b>100.00</b>

**(x) Dematerialisation of shares:**

As on 31st March, 2017, shares comprising 100% of the Company's paid-up capital are held in dematerialized form under ISIN INE 274F01020 (excluding 200 shares which are held in physical form).

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

**(xii) Plant Location:**

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

**(xiii) Addresses for correspondence:**

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

1. C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai 400 083  
Tel: 91-022-4918 6000 Fax: 91-022-4918 6060  
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.

**(xiv) Compliance with discretionary requirements:**

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

**(xv) 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.**

**Annexure I**

# CEO Declaration

[Regulation 34 read with point D of Schedule V, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I, Amit Jatia, Chief Executive Officer of the Company, in compliance with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereby declare that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management Personnel during the financial year ended 31st March, 2017.

**For Westlife Development Limited**

Date: 1st August, 2017  
Place: Mumbai

Sd/-

**Amit Jatia**

*Chief Executive Officer*

**Annexure II**

# 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/-

Date: 1st August, 2017

Place: Mumbai

**Amit Jatia**

*Chief Executive Officer*

Sd/-

**Suresh Lakshminarayanan**

*Chief Financial Officer*

**Annexure III**

# 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, 2017.

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: 1st August, 2017

# 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"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2017, 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 of 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 and Companies (Accounting Standards) Amendment Rules, 2016. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the 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 aforesaid 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 2017, their consolidated loss, 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 in respect of pending approval from the Central Government for managerial remuneration paid by the subsidiary company for the period April 2013 to March 2015 in excess of the limit specified under applicable Companies Act by ₹23.59 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;
- (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 account maintained 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 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory 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 2017 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 during the year ended 31 March 2017.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2017.
  - iv. The Holding Company and subsidiary company incorporated in India; have provided requisite disclosures in Note 37 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts and other records maintained by the Group and as produced to us by the Management of the Holding Company.

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

per **Jayesh Gandhi**  
 Partner  
 Membership Number: 37924

Place of Signature: Mumbai  
 Date: 11 May 2017

# 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 2017, 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 Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 2017, 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 of Signature: Mumbai  
Date: 11 May 2017

## Consolidated Balance Sheet as at March 31, 2017

(₹ in Millions)

	Note No.	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	311.14	311.10
Reserves and surplus	3	4,964.09	5,069.54
		<b>5,275.23</b>	<b>5,380.64</b>
<b>Share application money pending allotment</b>	2(a)	-	0.40
<b>Non-current liabilities</b>			
Long-term borrowings	4	-	75.00
		-	<b>75.00</b>
<b>Current liabilities</b>			
Short-term borrowings	5	1,829.02	1,232.54
Trade payables	6		
· Total outstanding dues of micro enterprises and small enterprises		-	-
· Total outstanding dues of creditors other than micro enterprises and small enterprises		783.21	677.36
Other current liabilities	7	846.95	939.20
Short-term provisions	8	68.46	73.26
		<b>3,527.64</b>	<b>2,922.36</b>
<b>TOTAL</b>		<b>8,802.87</b>	<b>8,378.40</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Property, plant and equipment		4,400.26	4,150.03
Intangible assets		907.17	874.58
Capital work-in-progress		171.57	184.31
Non-current investments	10	595.96	250.00
Loans and advances	11	947.56	878.00
Other non-current assets	12	0.77	0.09
		<b>7,023.29</b>	<b>6,337.01</b>
<b>Current assets</b>			
Current investments	10	1,104.23	1,311.51
Inventories	13	302.39	278.23
Trade receivables	14	49.22	42.04
Cash and bank balances	15	70.64	69.50
Loans and advances	11	199.94	328.88
Other current assets	16	53.16	11.23
		<b>1,779.58</b>	<b>2,041.39</b>
<b>TOTAL</b>		<b>8,802.87</b>	<b>8,378.40</b>
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

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

per Jayesh Gandhi  
Partner  
Membership No. 37924

Amit Jatia  
Vice-Chairman  
Smita Jatia  
Director  
Dr. Shatadru Sengupta  
Company Secretary

Suresh Lakshminarayanan  
Chief Financial Officer

Place : Mumbai  
Date : May 11, 2017

Place : Mumbai  
Date : May 11, 2017

## Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Millions)

	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>INCOME</b>			
Revenue from operations (Net)	17	9,307.86	8,334.27
Other income	18	200.28	97.07
<b>Total Revenue (I)</b>		<b>9,508.14</b>	<b>8,431.34</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	3,661.13	3,329.88
Purchase of traded goods	20	1.95	3.09
Employee benefits expense	21	1,407.34	1,240.23
Other expenses	22	3,767.93	3,334.80
<b>Total (II)</b>		<b>8,838.35</b>	<b>7,908.00</b>
<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I) – (II)</b>		<b>669.79</b>	<b>523.34</b>
Depreciation and amortisation expense	9	637.24	576.54
Finance costs	23	153.75	149.91
<b>Profit / (Loss) before tax and exceptional items</b>		<b>(121.20)</b>	<b>(203.11)</b>
Exceptional Items ( Refer Note 36)		-	234.01
<b>Profit / (Loss) before tax</b>		<b>(121.20)</b>	<b>30.90</b>
<b>Less : Tax expenses</b>			
Current Tax		-	6.69
MAT credit entitlement		-	(6.69)
Deferred tax		-	2.57
<b>Total tax expenses</b>		<b>-</b>	<b>2.57</b>
<b>Profit / (Loss) for the year</b>		<b>(121.20)</b>	<b>28.33</b>
Earning per equity share	29		
[Face value of ₹2 each (March 31, 2016 ₹2 each)]			
Basic Earning per Share (₹)		(0.78)	0.18
Diluted Earning per share (₹)		(0.78)	0.18
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

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

**per Jayesh Gandhi**  
**Partner**  
Membership No. 37924

**Amit Jatia** **Smita Jatia** **Dr. Shatadru Sengupta**  
**Vice-Chairman** **Director** **Company Secretary**

**Suresh Lakshminarayanan**  
**Chief Financial Officer**

Place : Mumbai  
Date : May 11, 2017

Place : Mumbai  
Date : May 11, 2017

## Consolidated Cash flow Statement for the year ended March 31, 2017

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		(₹ in Millions)
Profit / (Loss) before taxation	(121.20)	30.90
Adjustments for :		
Depreciation and amortisation expense	637.24	576.54
Employee stock option compensation expense	14.01	13.97
Loss on sale / write off of property, plant and equipment	29.65	50.28
Finance cost	153.75	149.91
Interest income	(6.22)	(4.60)
Gain on sale of current investment	(172.37)	(80.17)
Dividend Income	(0.94)	(2.44)
<b>Operating profit before working capital changes</b>	<b>533.92</b>	<b>734.39</b>
<b>Movements in Working Capital</b>		
Decrease/(Increase) in inventories	(24.16)	(37.40)
Decrease/ (Increase) in trade receivables	(7.18)	0.33
Decrease/ (Increase) in loans and advances	102.40	(142.87)
Decrease/ (Increase) in other current assets	(41.85)	4.97
(Decrease)/Increase in trade payables	105.84	109.48
(Decrease)/Increase in other liabilities	(10.04)	125.20
(Decrease)/Increase in provisions	(4.80)	8.70
<b>Cash generated from operations</b>	<b>654.13</b>	<b>802.79</b>
Taxes refund received / (Taxes Paid)	2.55	(4.14)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>656.68</b>	<b>798.65</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets & capital work-in-progress	(917.41)	(770.14)
Proceeds from sale of fixed assets	9.93	1.41
Interest Income	3.78	4.67
Dividend Income	0.94	2.44
Purchase of current investments	(6,200.17)	(3,909.93)
Proceeds from sale of current investments	6,233.86	3,909.27
(Investment in) / Maturity of fixed deposits (With original maturity of three months or more)	0.20	(0.25)
(Increase)/Decrease in long term deposits	(45.75)	(38.86)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(914.62)</b>	<b>(801.39)</b>

## Consolidated Cash flow Statement for the year ended March 31, 2017

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	16,814.02	2,160.00
Repayments of short term borrowings	(16,217.54)	(1,485.15)
Proceeds from long term borrowings	-	100.00
Repayments of long term borrowings	(187.50)	(450.42)
Proceeds from inter corporate deposits	-	18.00
Repayment of inter corporate deposits	-	(18.00)
Repayments of loan from director	-	(171.70)
Proceeds from issue of equity shares	1.37	2.66
Interest paid	(150.39)	(157.84)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>259.96</b>	<b>(2.45)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2.02</b>	<b>(5.18)</b>
Cash and cash equivalents at the beginning of the year	67.45	72.63
Cash and cash equivalents at the end of the year	69.47	67.45
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2.02</b>	<b>(5.18)</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances	70.64	69.50
Less: Not considered as cash and cash equivalents		
Fixed deposit with original maturity of more than three months	1.17	2.05
<b>Total cash and cash equivalents (Refer note - 15.1)</b>	<b>69.47</b>	<b>67.45</b>

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

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

per Jayesh Gandhi  
**Partner**  
 Membership No. 37924

Amit Jatia  
**Vice-Chairman**  
 Smita Jatia  
**Director**  
 Dr. Shatadru Sengupta  
**Company Secretary**

Suresh Lakshminarayanan  
**Chief Financial Officer**

Place : Mumbai  
 Date : May 11, 2017

Place : Mumbai  
 Date : May 11, 2017

# Notes to the Consolidated Financial Statements for the year ended March 31, 2017

## 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 and Companies (Accounting Standards) Amendment Rules, 2016. 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.

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 31-03-17	Percentage Holding 31-03-16
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, 2017.
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 financial 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 and Companies (Accounting Standards) Amendment Rules, 2016.
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 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### c) Property, plant and equipment and Depreciation

- (i) Property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment.

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
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 i.e. 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 Property, plant and equipment 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### **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.

### **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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### **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 the 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.

#### **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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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 property, plant and equipment. 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

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, 2017

### Note 2. Share Capital

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Authorised shares</b>		
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
	<b>326.45</b>	<b>326.45</b>
<b>Issued, Subscribed and fully Paid-up Shares</b>		
155,569,005 (Previous Year 155,551,795) Equity Shares of ₹2 each, fully paid up	311.14	311.10
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>311.14</b>	<b>311.10</b>

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

##### Equity shares

	March 31, 2017		March 31, 2016	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
At the beginning of the year	15,55,51,795	311.10	15,55,33,595	311.07
Issued during the year - ESOP	17,210	0.04	18,200	0.03
Outstanding at end of the year	<b>15,55,69,005</b>	<b>311.14</b>	<b>15,55,51,795</b>	<b>311.10</b>

#### 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. Dividend 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, 2017, the amount of dividend per share recognized 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, 2017	March 31, 2016
Fully paid up to the shareholders of Westpoint Leisureparks Private Limited (WLPL) in accordance with the scheme of arrangement	2,89,94,852	2,89,94,852
Fully paid up to the shareholders of Triple A Foods Private Limited (TAF) in accordance with the scheme of arrangement	2,97,04,100	2,97,04,100
Equity Shares allotted as fully paid Bonus Shares by capitalization of General Reserve, Reserve Fund, Securities Premium and Surplus in Statement of Profit & Loss	1,14,30,050	1,14,30,050

In addition, the Company has issued total 35,910 equity shares (Previous Year 18,200 equity shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 2. Share Capital (contd.)

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

Equity Shares of ₹2 each fully paid up

Particulars	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
Horizon Impex Private Limited	4,72,85,325	30.39%	4,72,85,325	30.40%
Subh Ashish Exim Private Limited	3,32,33,707	21.36%	3,32,33,707	21.36%
SBI Mutual Funds	1,37,43,042	8.83%	1,37,17,531	8.82%
Arisaig Partners (Asia) Pte Ltd. A/c Arisaig India Fund Limited	1,22,96,550	7.90%	1,22,96,550	7.91%
Makino Holdings Limited	1,18,81,640	7.64%	1,18,81,640	7.64%
Rajiv Himatsingka Beneficial owners AKSR Corporate Advisors Private Limited, Yuthika Properties Private Limited and Rajiv Himatsingka Partners of M/s Decent Enterprises	84,85,000	5.45%	1,20,95,071	7.78%

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 35

### Note 2(a) - Share application money pending allotment

i) As at March 31, 2016, share application money pending allotment represents application money received on account of Employee Stock Option Scheme. During the previous year, the Company had received ₹100 per share towards allotment of 4,000 equity share at exercise price of ₹100 each and was shown under Share application money pending allotment. During the year the Company has made the allotment on April 21, 2016.

### Note 3. Reserve and Surplus

(₹ in Millions)

	As at March 31, 2017	As at March 31, 2016
<b>a) Capital Reserve</b>		
Balance as per last Financial Statements	1,110.25	1,110.25
	1,110.25	1,110.25
<b>b) Securities Premium Account</b>		
Balance as per last financial statements	3,927.67	3,920.74
Add: Additions on ESOP's exercised	1.74	2.22
Add: Transferred from Employee stock option outstanding	5.01	4.71
	3,934.42	3,927.67
<b>c) Employee Stock Option Outstanding</b>		
Balance as per last financial statements	28.30	21.83
Add: Amortisation of expense related to options granted	14.01	13.97
Less: Transferred to General Reserve on account of expiration of options granted	-	2.79
Less : Transferred to securities premium on exercise of stock options	5.01	4.71
	37.30	28.30
<b>d) Surplus/ (deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	0.53	(27.80)
Add: Profit/ (Loss) for the year	(121.20)	28.33
Net surplus / (deficit) in the Statement of Profit and Loss	(120.67)	0.53
<b>e) General Reserve</b>		
Balance as per last financial statements	2.79	-
Add : Transferred from Employee stock option outstanding on account of expiration of options granted	-	2.79
	2.79	2.79
<b>Total</b>	<b>4,964.09</b>	<b>5,069.54</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 4. Long Term Borrowings

	(₹ in Millions)			
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Long-term		Current Maturity of Long term Borrowings*	
<b>Secured Loan</b>				
Loan from Bank ( Refer note i below)	-	75.00	75.00	187.50
<b>Total</b>	<b>-</b>	<b>75.00</b>	<b>75.00</b>	<b>187.50</b>

\*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 9.45% p.a.-9.75 % p.a (Previous Year 9.75% p.a- 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, 2017 the amount outstanding in respect of the said arrangement is ₹75 million (Previous Year ₹262.50 million).

### Note 5. Short term borrowings

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Secured</b>		
Loan from Bank ( Refer note i and ii below)	1,075.00	1,080.00
Bank overdrafts ( Refer note ii below)	6.79	-
<b>Unsecured</b>		
Loan from Bank ( Refer note iii and iv below)	580.00	-
Bank overdrafts ( Refer note v and vi below)	167.23	152.54
<b>Total</b>	<b>1,829.02</b>	<b>1,232.54</b>

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 facility, 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 7.85% p.a.- 8.90% p.a. (Previous Year 9.45 % 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, 2017 the amount outstanding in respect of the said facility is ₹100 million (Previous Year ₹50 million).

ii) The Company has availed a revolving short term loan facility of ₹1776 million (previous year ₹1265 million) from Australia and New Zealand Banking Group Ltd.(ANZ Bank) for the purpose of financing working capital requirements. Interest is charged at 7.90% p.a.- 9.35% p.a ( previous year 9.35% p.a.- 9.85% p.a.). The loan is repayable within 30 days from the date of drawdown. As at March 31, 2017 the amount outstanding in respect of the said facility is ₹975 million (Previous Year ₹1030 million). The Company has also availed an overdraft facility from ANZ Bank and the amount outstanding in respect of the said facility is ₹6.79 million (Previous year ₹Nil) and carried an interest rate of 8.50% p.a.(Previous Year Nil).To avail those short term loan and overdraft facility, the Company has created a first pari passu charge on the movable assets.

iii) The Company has availed a revolving short term loan facility of ₹300 million (previous year ₹Nil) from Development Bank of Singapore for the purpose of financing working capital requirements. Interest is charged at 7.85% p.a.- 7.90% p.a (Previous year Nil). The loan is repayable on demand. As at March 31, 2017 the amount outstanding in respect of the said facility is ₹280 million (Previous Year ₹Nil).

iv) During the year, the Company has availed an short term loan facility of ₹300 million (previous year Nil) with Kotak Mahindra Bank Ltd. at an interest rate of 7.85% p.a.- 9% p.a. (Previous Year Nil). This short term loan facility is for financing the working capital requirement and is repayable on demand. As at March 31, 2017 the amount outstanding in respect of the said facility is ₹300 million (Previous year ₹Nil).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 5. Short term borrowings (contd.)

- v) The Company has availed an overdraft facility of ₹200 million (previous year ₹200 million) with Kotak Mahindra Bank Ltd at an interest rate of 10.30% p.a.- 10.50% p.a. (Previous Year 9.50% p.a.- 10.75% p.a.). This overdraft facility is for financing the working capital requirement and is repayable on demand. As at March 31, 2017 the Company has utilised ₹167.23 million (Previous Year ₹Nil) under this facility.
- vi) The Company has availed an overdraft facility of ₹200 million (Previous Year ₹200 million) with Royal Bank of Scotland with an interest rate of 10.15% p.a. (Previous Year 9.35% p.a.-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, 2017 the Company has utilised ₹Nil (Previous Year ₹152.54 million) under this facility.

### Note 6. Trade Payables

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
Trade payables	783.21	677.36
<b>Total</b>	<b>783.21</b>	<b>677.36</b>

### Note 7. Other Current Liabilities

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
Current Maturity of long term borrowings ( Refer note 4)	75.00	187.50
Security deposits	6.03	5.27
Book overdrafts	41.44	144.19
Statutory dues	106.61	80.12
Liability for capital expenditure	330.39	316.69
Interest accrued but not due on borrowings	8.55	5.18
Employee related liabilities	232.65	154.11
Other payables	46.28	46.14
<b>Total</b>	<b>846.95</b>	<b>939.20</b>

### Note 8. Short Term Provisions

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer Note - 27)	59.02	50.30
Provision for leave benefits	6.51	20.03
<b>Other Provisions</b>		
Provision for taxation	2.93	2.93
<b>Total</b>	<b>68.46</b>	<b>73.26</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 9. Property, plant and equipment and Intangible assets

(₹ in Millions)

	Gross Block (At cost)			Depreciation / Amortisation			Net Block			
	As at 01-04-2016	Additions / Adjustments	Deductions/ Adjustments	As at 31-03-2017	As at 01-04-2016	For the year	Deductions / Adjustments	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
<b>Property, plant and equipment</b>										
Lease hold Land	10.50	-	-	10.50	2.36	0.17	-	2.53	7.97	8.14
	<i>10.50</i>	<i>-</i>	<i>-</i>	<i>10.50</i>	<i>2.18</i>	<i>0.18</i>	<i>-</i>	<i>2.36</i>	<i>8.14</i>	<i>8.32</i>
Buildings	142.33	-	-	142.33	85.66	5.24	-	90.90	51.43	56.67
	<i>142.36</i>	<i>-</i>	<i>(0.03)</i>	<i>142.33</i>	<i>80.39</i>	<i>5.27</i>	<i>-</i>	<i>85.66</i>	<i>56.67</i>	<i>61.97</i>
Leasehold Improvements	2,899.67	379.44	(62.43)	3,216.68	778.65	210.80	(45.34)	944.11	2,272.57	2,121.02
	<i>2,495.47</i>	<i>422.55</i>	<i>(18.35)</i>	<i>2,899.67</i>	<i>600.34</i>	<i>189.96</i>	<i>(11.65)</i>	<i>778.65</i>	<i>2,121.02</i>	<i>1,895.13</i>
Restaurant Equipments	2,783.07	396.12	(34.45)	3,144.74	1,167.26	302.74	(28.72)	1,441.28	1,703.46	1,615.81
	<i>2,426.01</i>	<i>432.92</i>	<i>(75.86)</i>	<i>2,783.07</i>	<i>939.98</i>	<i>262.73</i>	<i>(35.45)</i>	<i>1,167.26</i>	<i>1,615.81</i>	<i>1,486.03</i>
Furniture and Fixtures	592.40	90.19	(20.52)	662.07	274.35	56.19	(17.45)	313.09	348.98	318.05
	<i>520.23</i>	<i>79.21</i>	<i>(7.04)</i>	<i>592.40</i>	<i>227.03</i>	<i>53.49</i>	<i>(6.17)</i>	<i>274.35</i>	<i>318.05</i>	<i>293.20</i>
Office Equipments	28.01	0.47	-	28.48	16.52	5.10	-	21.62	6.86	11.49
	<i>23.06</i>	<i>5.98</i>	<i>(1.03)</i>	<i>28.01</i>	<i>12.59</i>	<i>4.90</i>	<i>(0.97)</i>	<i>16.52</i>	<i>11.49</i>	<i>10.47</i>
Computers	48.51	2.73	(1.17)	50.07	46.78	2.71	(1.17)	48.32	1.75	1.73
	<i>45.85</i>	<i>4.50</i>	<i>(1.84)</i>	<i>48.51</i>	<i>36.47</i>	<i>12.15</i>	<i>(1.84)</i>	<i>46.78</i>	<i>1.73</i>	<i>9.38</i>
Motor Vehicles	61.20	-	(19.31)	41.89	44.08	9.43	(18.86)	34.65	7.24	17.12
	<i>61.62</i>	<i>1.24</i>	<i>(1.66)</i>	<i>61.20</i>	<i>35.97</i>	<i>9.77</i>	<i>(1.66)</i>	<i>44.08</i>	<i>17.12</i>	<i>25.65</i>
<b>Sub Total</b>	<b>6,565.69</b>	<b>868.95</b>	<b>(137.88)</b>	<b>7,296.76</b>	<b>2,415.66</b>	<b>592.38</b>	<b>(111.54)</b>	<b>2,896.50</b>	<b>4,400.26</b>	<b>4,150.03</b>
	<i>5,725.10</i>	<i>946.40</i>	<i>(105.81)</i>	<i>6,565.69</i>	<i>1,934.95</i>	<i>538.45</i>	<i>(57.74)</i>	<i>2,415.66</i>	<i>4,150.03</i>	<i>3,790.15</i>
<b>Intangible assets</b>										
Goodwill on consolidation	465.97	-	-	465.97	-	-	-	-	465.97	465.97
	<i>465.97</i>	<i>-</i>	<i>-</i>	<i>465.97</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>465.97</i>	<i>465.97</i>
Initial Location & License Fee	512.54	49.81	-	562.35	134.55	30.55	-	165.10	397.25	377.99
	<i>464.66</i>	<i>47.88</i>	<i>-</i>	<i>512.54</i>	<i>107.51</i>	<i>27.04</i>	<i>-</i>	<i>134.55</i>	<i>377.99</i>	<i>357.15</i>
Computer Software	97.16	27.64	-	124.80	66.54	14.31	-	80.85	43.95	30.62
	<i>84.13</i>	<i>13.03</i>	<i>-</i>	<i>97.16</i>	<i>55.49</i>	<i>11.05</i>	<i>-</i>	<i>66.54</i>	<i>30.62</i>	<i>28.64</i>
<b>Sub Total</b>	<b>1,075.67</b>	<b>77.45</b>	<b>-</b>	<b>1,153.12</b>	<b>201.09</b>	<b>44.86</b>	<b>-</b>	<b>245.95</b>	<b>907.17</b>	<b>874.58</b>
	<i>1,014.76</i>	<i>60.91</i>	<i>-</i>	<i>1,075.67</i>	<i>163.00</i>	<i>38.09</i>	<i>-</i>	<i>201.09</i>	<i>874.58</i>	<i>851.76</i>
<b>Total</b>	<b>7,641.36</b>	<b>946.40</b>	<b>(137.88)</b>	<b>8,449.88</b>	<b>2,616.75</b>	<b>637.24</b>	<b>(111.54)</b>	<b>3,142.45</b>	<b>5,307.43</b>	<b>5,024.61</b>
Previous Year	6,739.86	1,007.31	(105.81)	7,641.36	2,097.95	576.54	(57.74)	2,616.75	5,024.61	

(figures in italics pertain to previous year)

### Note 10. Investments

(₹ in Millions)

		Non-current		Current		
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	
<b>Non-Trade Investments</b>						
a) Investments in Mutual Funds (unquoted) (valued at cost or fair value whichever is lower)						
Face Value of ₹100 each						
90,765.829 (Previous year 48,725.625) units of Birla Sunlife Floating Rate Fund Short Term plan- Growth-Regular Plan	-	-	-	19.62	9.62	
1,14,473.321 ( Previous year Nil) units of Birla Sun Life Cash Plus-Growth-Regular Plan	-	-	-	29.81	-	
24,622.558 (Previous year Nil) units of ICICI Prudential - Liquid Plan- Growth	-	-	-	5.91	-	
Nil (Previous year 13,503) units of HDFC liquid fund- Growth	-	-	-	-	39.57	
38,624.457 (Previous year Nil) units of Reliance Liquid Fund- Treasury Plan-Growth Plan- Growth Option	-	-	-	152.67	-	

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 10. Investments (contd.)

(₹ in Millions)

	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
6,296,341.071 (Previous year Nil) units of BSL Medium Term Plan Growth Regular Plan	-	-	125.00	-
<b>Face Value ₹10 each</b>				
Nil ( Previous year 44,197.736 ) units of ₹1000 each (previous year ₹10) in HDFC Cash Management Fund-Savings Plan - Direct Plan-Daily Dividend Reinvestment Plan	-	-	-	47.00
15,633.235 (Previous year Nil) units of ₹3,259.11 each in HDFC Cash Management Fund- Savings Plan - Direct Plan - Growth Option	-	-	50.95	-
50,00,000 (Previous year 50,00,000) units of Reliance Fixed Horizon Fund XXIV Series-22-Growth Plan	-	50.00	66.63	-
50,00,000 units ( Previous year Nil) HDFC FMP 1309D September 2016 (1) Series 37 Regular Plan Growth	52.53	-	-	-
Nil (Previous year 81,88,000) units of L & T Mutual Fund FMP VII (April 1124 D A) Growth	-	-	-	97.23
2,00,00,000 ( Previous year 2,00,00,000 ) units of HDFC FMP 1161 Days Feb 2016 (1) Growth	226.01	200.00	-	-
1,26,50,585 (Previous year Nil) units of ICICI Prudential FMP series 79-1218 days Plan A- Cumulative	137.42	-	-	-
1,00,00,000 (Previous year Nil) units of HDFC FMP 1188 D March-2017- Series 38- Regular Plan-Growth	100.00	-	-	-
Nil (Previous year 1,93,85,910.15) units of IIFL Cash Opportunities Fund	-	-	-	199.46
Nil ( Previous year 43,38,560.83 ) units of IDFC Dynamic Bond Fund - Growth Regular Plan.	-	-	-	73.64
Nil ( Previous year 3156.67) units of ICICI Prudential Money Market Fund Growth	-	-	-	0.65
Nil (Previous year 45,475.77) units of L & T Cash Fund- Growth	-	-	-	53.85
Nil (Previous year 27,47,678.634) units of Kotak Treasury Advantage Fund Growth (Regular Plan)	-	-	-	65.05
Nil (Previous year 1,31,30,000) units of Kotak Mahindra Mutual Fund FMP Series 131-1061 days Non Direct Growth	-	-	-	164.16
63,21,472.14 ( Previous year Nil) units of ICICI Prudential Regular Plan- Income Fund- Growth	-	-	100.00	-
35,69,367.69 (Previous year Nil) units of ICICI Prudential Regular Plan Savings Fund- Growth	-	-	60.00	-
Nil ( Previous year 35,51,347.53) units of ICICI Prudential Short term Plan-Regular Plan Growth	-	-	-	107.50
Nil ( Previous year 19,04,168.97) units of IDFC - Super Saver Income Fund - Short Term - Growth- ( Regular Plan)	-	-	-	57.50
1,00,00,000 ( Previous year Nil) units of IIFL Income Opportunities Series-Debt Advantage ( Category II)	-	-	100.00	-
Nil ( Previous year 37,24,568.32) units of HDFC Gilt Fund- Long term Growth	-	-	-	105.38

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 10. Investments (contd.)

	(₹ in Millions)			
	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
98,16,906.905 ( Previous year 1,35,81,967.15) units of Edelweiss Government Securities(erstwhile J.P. Morgan India Government Securities Fund) - Regular Plan Growth	-	-	108.46	150.00
<b>b) Investment in structured products (unquoted) (valued at cost or fair value whichever is lower)</b>				
<b>Debt</b>				
1,000 (Previous year Nil) units of IIFL Wealth Finance Ltd. SR-EWFEC1072	-	-	107.64	-
800 (Previous year Nil) units of IIFL Wealth Finance Ltd. SR-IFPD-4A	80.00	-	-	-
335 ( Previous year Nil) units of ECL Finance Limited SR-G7H502A	-	-	39.35	-
289 ( Previous year Nil) units of Edelweiss Finance & Investments Ltd	-	-	33.83	-
1,000 ( Previous year Nil) units of ECL Finance Limited SR-K8I601B	-	-	104.36	-
Nil ( Previous year 1,005) units of Reliance Capital Limited	-	-	-	121.09
<b>Equity</b>				
Nil (Previous year 200) units of Reliance Capital Ltd	-	-	-	19.81
<b>c) Investments in Equity instruments (unquoted) (valued at cost)</b>				
1 (Previous year 1) equity shares of Hawcoplast Investments and Trading Private Limited of ₹10/- each fully paid	-*	-*	-	-
<b>Total</b>	<b>595.96</b>	<b>250.00</b>	<b>1,104.23</b>	<b>1,311.51</b>
* Denotes amount less than ₹1000/-				
Aggregate amount of Unquoted Investments	595.96	250.00	1,104.23	1,311.51

### Note 11. Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹ in Millions)

	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Security deposits to lessors	612.32	566.57	16.24	5.00
Security deposits to others	38.64	40.14	-	0.40
Employee advances	-	-	3.89	4.82
Lease hold improvement contributions receivable	-	-	30.76	38.33
Capital advances	7.94	10.49	-	-
Balances with Statutory/Government authorities	169.76	121.86	44.65	205.60
Advances to suppliers	-	-	69.51	48.52
Advance income tax (net of provisions)	21.14	21.33	-	-
MAT credit entitlement	35.25	35.25	-	-
Loans to others	56.48	75.12	18.60	10.69
Prepaid Expenses	6.03	7.24	16.29	15.52
<b>Total</b>	<b>947.56</b>	<b>878.00</b>	<b>199.94</b>	<b>328.88</b>

Security deposits to lessors include ₹15.50 million (Previous Year ₹9.50 million) deposit given to related party.

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

Advances to suppliers includes ₹5.95 million ( Previous Year Nil) advance given to related party.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 12. Other Non Current Assets

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
Deposit with Bank with remaining maturity for more than 12 months*	0.77	0.09
<b>Total</b>	<b>0.77</b>	<b>0.09</b>

### Note 13. Inventories (Valued at lower of cost and net realisable value)

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
Food items (includes goods in transit ₹6.22 million (Previous Year ₹1.36 million))	150.22	138.81
Paper Products (includes goods in transit ₹0.72 million (Previous Year ₹0.52 million))	47.63	46.12
Toys & premiums	50.94	34.40
Stores, spares & consumables ( includes goods in transit ₹Nil (Previous Year ₹0.03 million))	53.60	58.90
<b>Total</b>	<b>302.39</b>	<b>278.23</b>

### Note 14. Trade Receivables (Unsecured, considered good unless otherwise stated)

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
Other receivables	49.22	42.04
<b>Total</b>	<b>49.22</b>	<b>42.04</b>

### Note 15. Cash and bank balances

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
<b>15.1 Cash and cash equivalents</b>		
Balances with banks:		
– On Current Accounts	20.75	11.34
– On Unpaid Dividend Account	–	–*
Cash on Hand	48.72	56.11
	<b>69.47</b>	<b>67.45</b>
<b>15.2 Other bank balances</b>		
– Deposits with remaining maturity for less than 12 months**	1.17	2.05
	<b>1.17</b>	<b>2.05</b>
<b>Total</b>	<b>70.64</b>	<b>69.50</b>

\*Denotes amount less than ₹1,000

\*\*includes fixed deposits with lien in favour of statutory authorities ₹0.15 million ( previous year ₹1.63 million)

### Note 16. Other current Assets

	(₹ in Millions)	
	As at March 31, 2017	As at March 31, 2016
Other receivables (Unsecured, considered good)	53.01	11.16
Interest accrued on fixed deposits	0.15	0.07
<b>Total</b>	<b>53.16</b>	<b>11.23</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 17. Revenue from operations (Net)

	(₹ in Millions)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Products ( Refer note i)	9,188.67	8,237.49
Other Operating Revenue ( Refer note ii)	119.19	96.78
<b>Total</b>	<b>9,307.86</b>	<b>8,334.27</b>
<b>i) Sale of Products</b>		
Food	6,539.98	6,570.20
Beverages, Desserts, Others	2,646.73	1,664.19
Traded goods	1.96	3.10
<b>Total</b>	<b>9,188.67</b>	<b>8,237.49</b>
<b>ii) Other Operating Revenue</b>		
Conducting Fees	1.65	1.88
Franchising Income	5.00	5.52
Scrap Sales	9.20	10.07
Space Rentals & Alliances Income	88.74	58.33
Miscellaneous Provisions written back	14.60	20.98
<b>Total</b>	<b>119.19</b>	<b>96.78</b>

### Note 18. Other income

	(₹ in Millions)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income		
- on Bank Deposits	0.16	0.21
- Others	6.06	4.39
Dividend Income on Current Investment	0.94	2.44
Gain on Sale of Current Investment	172.37	80.17
Exchange Differences (net)	0.15	-
Insurance claim received	18.87	-
Other Non-operating Income	1.73	9.86
<b>Total</b>	<b>200.28</b>	<b>97.07</b>

### Note 19. Cost of materials consumed

	(₹ in Millions)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventory at beginning of the year	219.33	184.14
Add: Purchases during the year	3,690.59	3,365.07
	3,909.92	3,549.21
Less: Inventory at end of the year	248.79	219.33
<b>Total</b>	<b>3,661.13</b>	<b>3,329.88</b>

#### 19.1 Details of materials consumed

Food	3,187.77	2,876.48
Paper	378.11	361.92
Toys & Premiums	95.25	91.48
<b>Total</b>	<b>3,661.13</b>	<b>3,329.88</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### 19.2 Value of imported and indigenous materials consumed:

(₹ in Millions)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Imported	82.04	2.24%	79.91	2.40%
Indigenous	3,579.09	97.76%	3,249.97	97.60%
<b>Total</b>	<b>3,661.13</b>	<b>100.00%</b>	<b>3,329.88</b>	<b>100.00%</b>

### Note 20. Purchase of Traded Goods

(₹ in Millions)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Purchases (textile materials)		1.95		3.09
<b>Total</b>		<b>1.95</b>		<b>3.09</b>

### Note 21. Employee Benefit Expenses

(₹ in Millions)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Salaries, wages and bonus		1,147.95		1,016.16
Contribution to provident and other funds		116.52		95.76
Employee stock option scheme		14.01		13.97
Gratuity expense (Refer Note - 27)		12.72		10.56
Staff welfare expenses		116.14		103.78
<b>Total</b>		<b>1,407.34</b>		<b>1,240.23</b>

### Note 22. Other Expenses

(₹ in Millions)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Electricity utilities		751.56		722.21
Gas utilities		100.05		115.47
Other utilities		50.59		66.61
Conducting Charges		815.31		712.78
Advertising & sales promotion		546.59		466.90
Royalty Fee		365.42		289.50
Repairs & Maintenance - Restaurant Equipments		174.52		159.07
Repairs & Maintenance - Others		116.07		99.88
Operating Supplies at Stores		138.29		128.19
Travelling and conveyance		64.10		51.53
Consultancy and Professional Fees		78.41		67.31
Rent		43.69		36.43
Loss on sale / write off of property, plant and equipment		29.65		50.28
Training and Development Expenses		27.83		28.59
Communication costs		22.69		21.52
Rates & Taxes		18.96		6.77
Insurance		9.28		9.45
CSR Expenditure		-		0.17
Exchange Differences (net)		-		1.60
Miscellaneous Expenses		414.92		300.54
		<b>3,767.93</b>		<b>3,334.80</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 23. Finance costs

	For the year ended March 31, 2017	For the year ended March 31, 2016	(₹ in Millions)
Interest			
- Inter Corporate Deposit	-	0.22	
- Director's loan	-	5.24	
- Bank overdraft	12.26	14.10	
- Term Loan	139.18	122.58	
- Others	0.54	3.71	
Bank charges	1.77	4.06	
	153.75	149.91	

### Note 24. Related Party Disclosure

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

- a) Key Management Personnel with whom transactions have taken place during the year
  - Key Management Personnel
    - Mr. B.L.Jatia, Director
    - Mr. Amit Jatia, Vice-Chairman
    - Mrs. Smita Jatia, Director
    - Mr. Suresh Lakshminarayanan, Chief Financial Officer
    - Dr. Shatadru Sengupta, Company Secretary
- b) Relatives of key management personnel
  - Mr. Akshay Jatia, son of Mr. Amit Jatia
  - Mr. Ayush Jatia, son of Mr. Amit Jatia
- c) Enterprises over which Key Management Personnel or their relatives is/are able to exercise significant influence :
  - Vishwas Investment & Trading Company Private Limited
  - West Pioneer Properties (India) Private Limited (upto February 29, 2016)
  - Hardcastle Petrofer Private Limited
  - Ronald McDonald House Charities Foundation India (RMHC India)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 24. Related Party Disclosure (contd.)

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

Particulars	Vishwas Investment & Trading Company Private Limited	West Pioneer Properties (India) Private Limited	Hardcastle Petrofer Private Limited	Ronald McDonald House Charities Foundation India (RMHC India)
	2016-17	2015-16	2016-17	2015-16
			2016-17	2015-16
Rent expense	3.10	2.05	-	-
Conducting Charges	-	-	7.11	-
Electricity Charges	0.07	-	7.65	-
Water Charges	0.02	-	0.02	-
Maintenance Charges	-	-	2.01	-
Gas Charges	-	-	0.52	-
Security deposit given	12.00	3.50	-	-
Advances given	-	-	-	5.95
Consultancy charges	-	-	1.68	-
Reimbursement of expenses recovered	-	-	0.62	-
Rent Income	-	-	1.84	0.12
Outstanding Balance included in Loans and Advances	15.50	3.50	-	-
Outstanding Balance included in Other Receivables	-	-	-	5.95

b) transactions with KMP and their relatives

Particulars	B.L.Jatia	Amit Jatia	Smita Jatia	Others
	2016-17	2015-16	2016-17	2016-17
			2016-17	2015-16
Remuneration Paid*	-	16.32	27.46	13.27
Advisory cum consultant fees	-	6.00	-	-
Director's sitting fees	0.10	0.10	0.23	0.20
Loan repaid	-	171.70	-	-
Interest Expense	-	5.24	-	-
Recovery of excess managerial remuneration paid in earlier years.**	-	-	9.42	-

\*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.

\*\* The subsidiary company had applied for the approval of the Central Government for payment of remuneration in excess of the limit specified under applicable Companies Act to its two whole time directors. Based on the directions of the Central Government, excess remuneration paid by the subsidiary company of ₹9.42 million for the period April 2012 to March 2013 has been recovered from the directors and the same has been written back during the year.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 25. Deferred Taxes:

#### Break-up of Deferred Tax Assets and Liabilities:-

		2016-17	2015-16
Deferred Tax liability recognised for timing differences due to:			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	(A)	43.57	46.55
Deferred tax assets recognised due to:			
a. Expenses allowable in Income Tax on payment basis		43.57	39.27
b. Unabsorbed depreciation*		-	7.28
Total	(B)	43.57	46.55
<b>Net deferred tax</b>	<b>(A) – (B)</b>	<b>-</b>	<b>-</b>

\*Hardcastle Restaurants Pvt. Ltd., the company's subsidiary has carried forward unabsorbed depreciation upto March 31, 2017, deferred tax assets on unabsorbed carried forward depreciation has been recognised only to the extent of deferred tax liability. The deferred tax amounting to ₹225.19 million (previous year ₹187.04 million) as at March 31, 2017 has not been recognised and the same will be available to offset tax on future taxable income.

### Note 26. Derivative instruments and unhedged foreign currency exposure

- a) Derivatives outstanding as at March 31, 2017 is ₹Nil (March 31, 2016 is ₹Nil)
- b) Un-hedged Foreign Currency Exposure as at balance sheet date

Particulars	As at March 31, 2017	As at March 31, 2016
Advances Receivable in cash/kind	1.72 ( USD 0.03 million @ ₹64.84)	0.48 (USD 0.01 million @ ₹66.33 USD)

### Note 27. Employee Benefits

#### Defined Contribution Plan

Amount recognised and included in Note 21 "Contribution to Provident and other Funds" - ₹116.52 million (Previous Year ₹95.76 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

Particulars	2016-17	2015-16
Current service cost	12.91	13.28
Interest cost	4.35	4.06
Expected return on plan assets	(0.40)	(0.33)
Net Actuarial (gain) or loss	(4.14)	(6.45)
Expense recognised in Statement of Profit & Loss	12.72	10.56
Actual return on plan assets	2.63	0.43

#### II) Amount recognised in Balance sheet

Particulars	2016-17	2015-16
Present value of defined benefit obligation	64.75	55.35
Fair value of plan assets	5.73	5.05
Amount recognised in Balance Sheet	59.02	50.30

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 27. Employee Benefits (contd.)

III) Changes in present value of defined benefit obligation		(₹ in Millions)	
Particulars		2016-17	2015-16
Opening defined benefit obligation		55.35	50.88
Interest cost		4.35	4.06
Current service cost		12.91	13.28
Benefits paid		(5.95)	(6.52)
Actuarial (gains)/losses		(1.91)	(6.35)
Closing defined benefit obligation		64.75	55.35

IV) Changes in fair value of plan assets		(₹ in Millions)	
Particulars		2016-17	2015-16
Opening fair value of plan assets		5.05	4.14
Expected return on plan assets		0.40	0.33
Contributions by employer		4.00	7.00
Benefits paid		(5.95)	(6.52)
Actuarial gains/(losses)		2.23	0.10
Closing fair value of plan assets		5.73	5.05

The Company expects to contribute ₹5.00 million (Previous Year ₹5.00 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	2016-17	2015-16
Insurer managed funds	45%	43%
Bank Balance with gratuity trust	55%	57%

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

Particulars	2016-17	2015-16
Discount rate	6.67%	7.84%
Expected rate of return on assets	6.67%	7.84%
Salary escalation	6.50%	7.00%
Attrition Rate		
Crew Part time	30.00%	15.00%
Others	12.00%	10.00%
Retirement Age	58 Years	58 Years
Mortality Rate		
	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	Ultimate	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.

Amounts for current period and previous four years are as follows	(₹ in Millions)				
Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Gratuity					
Defined benefit obligation	64.75	55.35	50.88	37.50	31.68
Plan assets	5.73	5.05	4.14	3.39	4.04
Surplus / (deficit)	(59.02)	(50.30)	(46.74)	(34.11)	(27.64)
Experience adjustments on plan liabilities (gain) / loss	0.58	(6.90)	2.19	2.24	(3.11)
Experience adjustments on plan assets gain / (loss)	2.23	0.10	(0.02)	(0.55)	(0.15)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 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.

### Note 29. Earnings Per Share:

Particulars	2016-17	2015-16
Profit / (Loss) after tax ( ₹million)	(121.20)	28.33
Weighted average number of equity shares for computing EPS		
Shares for Basic Earnings per share	155,141,439	155,539,451
Add : Potential Diluted Equity shares on account of ESOP	145,711	159,229
No of shares for Diluted Earnings per share	155,287,150	155,698,680
<b>Earnings per share</b>		
Nominal Value per share	2	2
Basic (in ₹)	(0.78)	0.18
Diluted (in ₹)	(0.78)	0.18

### Note 30. Contingent Liabilities not provided for in the accounts:

Particulars	2016-17	2015-16
Claims against the Company not acknowledged as debts*		
Excise related matters	45.07	45.07
Sales tax / VAT related matters	938.01	938.01
	<b>983.08</b>	<b>983.08</b>

\*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.
- 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 the Assistant Commissioner of Commercial Taxes, Tamil Nadu towards Tamil Nadu Value Added Tax. The Company had filed an appeal before the Appellate Deputy Commissioner against the aforesaid demand and had paid ₹97.39 million (Previous year ₹49.49 million) under protest. During the current year, the Appellate Deputy Commissioner has dismissed the appeal against the Company and the Company has filed 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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 30. Contingent Liabilities not provided for in the accounts (contd.)

During the financial year 2014-15, the Company had received demand notice of ₹284.38 million including penalty of ₹170.71 million for the years 2008-09 to 2012-13 issued by the Assistant Commissioner of Commercial Taxes, Tamil Nadu alleging that the Company had not maintained and produced books of accounts for the years under assessment. The Company had preferred an appeal before the Appellate Deputy Commissioner against the aforesaid demand and paid ₹31.46 million under protest. During the current year, the Appellate Deputy Commissioner has allowed the appeal and remanded back the case to Assessing Officer for fresh consideration. The Company believes that it has maintained proper books of accounts and produced the same before the Assessing Officer for the years 2008-09 to 2012-13, and hence no provision is considered necessary in this matter.

- vi. During the 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 had obtained capital goods from other states, and therefore is ineligible to continue under the 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 disposal of writ petitions 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.

### Note 31. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹57.11 million (Previous Year ₹25.83 million).

### Note 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.

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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 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:

Particulars	2016-17	2015-16
Fixed Lease payments for the year	561.53	441.25
Lease payments based on percentage of revenue	297.47	307.96
<b>Total</b>	<b>859.00</b>	<b>749.21</b>

### 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:

Particulars	2016-17	2015-16
Rent based on percentage of revenue	1.65	1.88
<b>Total</b>	<b>1.65</b>	<b>1.88</b>

### Note 34. Managerial Remuneration

In the earlier year the subsidiary company had applied for the approval of the Central Government for payment of remuneration in excess of the limit specified under applicable Companies Act to its two whole time directors for the period April 2013 to March 2015. Based on the directions of the Central Government, excess remuneration paid by the subsidiary company of ₹9.42 million for the period April 2012 to March 2013 has been recovered from the directors and the same has been written back during the year.

Further, the applications of subsidiary company for payment of excess remuneration of ₹23.59 million for the period April 2013 to March 2015 are pending for disposal. Pending such disposal and on the basis of advice of external legal counsel received by the subsidiary Company, no adjustments have been made in the above financial statements.

### Note 35. Employee Stock Option Plan

a) The Company provides share-based payment schemes to its employees. During the year ended March 31, 2017, 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 - Graded vesting – 20% every year

Exercise period - 10.01 years

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

Particulars	March 31, 2017		March 31, 2016	
	No of Shares	Weighted average exercise price	No of Shares	Weighted average exercise price
Outstanding at the beginning of the year	473,600	189.59	333,000	149.62
Granted during the year	-	-	220,000	248.67
Forfeited during the year	5,000	268.02	61,200	203.92
Exercised during the year	17,710	100.00	18,200	124.18

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 35. Employee Stock Option Plan (contd.)

Particulars	March 31, 2017		March 31, 2016	
	No of Shares	Weighted average exercise price	No of Shares	Weighted average exercise price
Expired during the year	-	-	-	-
Outstanding at the end of the year	450,890	192.24	473,600	189.59
Exercisable at the end of the year	133,090	148.95	93,400	140.36

For options exercised during the period, the weighted average share price at the exercise date was ₹197.08 per share (Previous Year: ₹249.40 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2017 is 6.81 years (Previous Year: 7.78 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	2016-17	2015-16
Total Employee Compensation Cost pertaining to share option plans	14.01	13.97
Liability for Employee Stock Options Outstanding at year end	37.31	28.30

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

Particulars	March 31, 2017*	March 31, 2016
Dividend yield (%)	0%	0%
Expected volatility	0%	0%
Risk-free interest rate	-	7.65%
Weighted average share price (₹)	-	248.00
Exercise Price (₹)	-	Grant 5- 290.00 Grant 6- 246.70
Expected life of options granted in years	-	5.95

\*No options were granted during the year

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

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, 2017	March 31, 2016
Profit / (Loss) after tax as reported	(121.20)	28.33
Add: ESOP cost using the intrinsic value method	14.01	13.97
Less: ESOP cost using the fair value method	(20.44)	(16.38)
Proforma profit after tax	(127.63)	25.92
Earnings Per Share		
Basic		
- As reported	(0.78)	0.18
- Proforma	(0.82)	0.17
Diluted		
- As reported	(0.78)	0.18
- Proforma	(0.82)	0.17

## Notes to the Consolidated Financial Statements for the year ended March 31, 2017

### Note 36. Exceptional Items

During the previous 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.

### Note 37. Specified Bank Notes Disclosure

The details of Specified Bank Notes (SBNs) as per the Group's records held and transacted during the period November 8, 2016 to December 30, 2016 are as follows:

Particulars	Specified Business Notes (SBNs)	Other denomination notes	Total
Closing Cash in hand as on November 8, 2016	30.59	11.63	42.22
Add : Permitted Receipts	-	661.06	661.06
Less : Permitted Payments	-	28.13	28.13
Less : Amount deposited in Banks	30.59	599.13	629.72
Closing Cash in hand as on December 30, 2016	-	45.43	45.43

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

Name of the entity	2016-17				2015-16			
	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
<b>Parent</b>								
Westlife Development Limited	1.03%	54.17	2.50%	(3.03)	0.98%	52.86	(15.78%)	(4.47)
<b>Subsidiaries</b>								
Hardcastle Restaurants Private Limited	98.97%	5,221.06	97.50%	(118.17)	99.02%	5,327.78	115.78%	32.80
<b>TOTAL</b>	<b>100.00%</b>	<b>5,275.23</b>	<b>100.00%</b>	<b>(121.20)</b>	<b>100.00%</b>	<b>5,380.64</b>	<b>100.00%</b>	<b>28.33</b>

### Note 39. Previous year figures

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

As per our report of even date

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

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

per Jayesh Gandhi  
Partner  
Membership No. 37924

Amit Jatia  
Vice-Chairman  
Suresh Lakshminarayanan  
Chief Financial Officer

Smita Jatia  
Director

Dr. Shatadru Sengupta  
Company Secretary

Place : Mumbai  
Date : May 11, 2017

Place : Mumbai  
Date : May 11, 2017

# 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 2017, 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 there under. 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 2017, 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 and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have any holdings or dealing in Specified Bank Notes during the period from 8th November, 2016 to 30 December, 2016 – Refer Note 21 to the financial statements.

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

per **Jayesh Gandhi**  
 Partner  
 Membership Number: 37924

Place of Signature: Mumbai  
 Date: 11 May 2017

## 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 property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) (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 complied 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 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014

- (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products 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 of Signature: Mumbai  
Date: 11 May 2017

## 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 2017 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 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 2017, 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 of Signature: Mumbai  
Date: 11 May 2017

## Balance Sheet as at March 31, 2017

(₹)

	Note No.	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	31,11,39,010	31,11,03,590
Reserves and surplus	3	4,48,49,61,482	4,47,22,44,549
		<b>4,79,61,00,492</b>	<b>4,78,33,48,139</b>
<b>Share application money pending allotment</b>	2(a)	-	4,00,000
<b>Current liabilities</b>			
Trade payables	4		
· Total outstanding dues of micro enterprises and small enterprises		-	-
· Total outstanding dues of creditors other than micro enterprises and small enterprises		7,14,258	5,27,677
Other current liabilities	5	69,386	72,779
		<b>7,83,644</b>	<b>6,00,456</b>
<b>TOTAL</b>		<b>4,79,68,84,136</b>	<b>4,78,43,48,595</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	6		
Property, plant and equipment		-	-
Intangible assets		5,458	8,706
Non-current investments	7	4,70,08,35,808	57,58,33,084
Loans and advances	8	13,43,226	4,12,88,56,998
		<b>4,70,21,84,492</b>	<b>4,70,46,98,788</b>
<b>Current assets</b>			
Current investments	7	5,09,50,509	4,70,10,480
Cash and bank balances	9	22,43,435	22,72,907
Loans and advances	8	4,12,806	7,11,020
Other current assets	10	4,10,92,894	2,96,55,400
		<b>9,46,99,644</b>	<b>7,96,49,807</b>
<b>TOTAL</b>		<b>4,79,68,84,136</b>	<b>4,78,43,48,595</b>
Summary of significant accounting policies	1.2		

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

As per our report of even date

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

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

per Jayesh Gandhi  
Partner  
Membership No. 37924

Amit Jatia  
Vice-Chairman  
Smita Jatia  
Director  
Dr. Shatadru Sengupta  
Company Secretary

Suresh Lakshminarayanan  
Chief Financial Officer

Place : Mumbai  
Date : May 11, 2017

Place : Mumbai  
Date : May 11, 2017

## Statement of Profit and Loss for the year ended March 31, 2017

(₹)

	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>INCOME</b>			
Revenue from operations	11	19,55,820	30,97,725
Other income	12	14,57,552	24,38,465
<b>Total Revenue (I)</b>		<b>34,13,372</b>	<b>55,36,190</b>
<b>EXPENSES</b>			
Purchase of traded goods	13	19,53,826	30,92,591
Other expenses	14	44,87,170	43,37,691
<b>Total (II)</b>		<b>64,40,996</b>	<b>74,30,282</b>
<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I) – (II)</b>		<b>(30,27,624)</b>	<b>(18,94,092)</b>
Depreciation and amortisation expense	6	3,249	5,080
<b>Profit / (Loss) before tax</b>		<b>(30,30,873)</b>	<b>(18,99,172)</b>
<b>Less : Tax expenses</b>			
Deferred tax		-	25,71,512
<b>Total tax expenses</b>		<b>-</b>	<b>25,71,512</b>
<b>Profit / (loss) for the year</b>		<b>(30,30,873)</b>	<b>(44,70,684)</b>
Earning per equity share	16		
[face value of ₹2 each ( Previous year ₹2 each)]			
Basic Earning per Share (₹)		(0.02)	(0.03)
Diluted Earning per share (₹)		(0.02)	(0.03)
Summary of significant accounting policies	1.2		

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

As per our report of even date

For S R B C & CO LLP

## Chartered Accountants

Firm Registration No. 324982E/E300003

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

per Jayesh Gandhi

## Partner

Membership No. 37924

## REFERENCES AND NOTES

Amit Jatia  
Vice-Chairman      Smita Jatia  
Director

Dr. Shatadru Sengupta  
Company Secretary

Place : Mumbai

Date : May 11, 2017

Suresh Lakshminarayanan  
Chief Financial Officer

Place : Mumbai

Date : May 11, 2017

Place : Mumbai

Date : May 11, 2024

## Cash flow Statement

for the year ended March 31, 2017

(₹)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. Cash Flow from Operating Activities</b>		
Profit / (Loss) before tax	(30,30,873)	(18,99,172)
Adjustments for:		
Depreciation and amortisation expenses	3,249	5,080
Dividend income	(9,40,029)	(24,38,465)
Interest received on income tax refund	(5,17,523)	-
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(44,85,176)</b>	<b>(43,32,557)</b>
<b>Movements in working capital</b>		
Decrease/ (increase) in loans and advances	2,86,278	52,495
Decrease/ (increase) in other current assets	25,74,732	30,77,592
(Decrease)/increase in trade payables	1,86,581	1,61,851
(Decrease)/increase in current liabilities	(3,393)	71,754
<b>Cash generated from / (used in) operations</b>	<b>(14,40,978)</b>	<b>(9,68,865)</b>
Taxes (paid) / refund received	30,43,230	-
<b>Net cash flow from / ( used in) operating activities (A)</b>	<b>16,02,252</b>	<b>(9,68,865)</b>
<b>B. Cash Flow from Investing Activities</b>		
Investment in equity share capital of subsidiary company	(4,12,50,02,724)	-
Repayment received of inter corporate deposit given to subsidiary company	4,12,50,00,000	-
Purchase of current investments	(5,09,50,509)	(24,38,465)
Proceeds from sale of current investment	4,70,10,480	-
Dividend income received	9,40,029	24,38,465
<b>Net cash from/(used in) investing activities (B)</b>	<b>(30,02,724)</b>	<b>-</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity share capital	13,71,000	26,60,000
<b>Net cash from / ( used in ) financing activities (C)</b>	<b>13,71,000</b>	<b>26,60,000</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(29,472)</b>	<b>16,91,135</b>
Cash & cash equivalents at beginning of the year	22,72,907	5,81,772
Cash & cash equivalents at end of the year	22,43,435	22,72,907
<b>Total cash and cash equivalents (Refer Note - 9)</b>	<b>(29,472)</b>	<b>16,91,135</b>
<b>Components of cash &amp; cash equivalents :</b>		
Cash on Hand	42,064	7,264
With banks - on current account	22,01,371	22,65,368
- unpaid dividend account (Refer Note (i) below)	-	275
<b>Total cash and cash equivalents (Refer Note - 9)</b>	<b>22,43,435</b>	<b>22,72,907</b>

**Note:**

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

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

As per our report of even date

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

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

per Jayesh Gandhi  
Partner  
Membership No. 37924

Amit Jatia  
Vice-Chairman

Smita Jatia  
Director

Dr. Shatadru Sengupta  
Company Secretary

Suresh Lakshminarayanan  
Chief Financial Officer

Place : Mumbai  
Date : May 11, 2017

Place : Mumbai  
Date : May 11, 2017

## Notes to the Financial Statements for the year ended March 31, 2017

### 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 and Companies (Accounting Standards) Amendment Rules, 2016.

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.

##### 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) Property, plant and equipment and Depreciation

Property, plant and equipment 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 Property, plant and equipment is provided on straight line basis based on useful lives of the assets prescribed in Schedule II of the Companies Act, 2013.

#### (e) Intangible 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 Property, plant and equipment 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 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.

#### (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.

## Notes to the Financial Statements for the year ended March 31, 2017

### (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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### 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.

## Notes to the Financial Statements for the year ended March 31, 2017

### **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 Property, plant and equipment. 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.

### **(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 and 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) 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 recognized 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 recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized 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.

### **(r) 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, 2017

### Note 2. Share Capital

	As at March 31, 2017	As at March 31, 2016
<b>Authorised shares</b>		
160,925,000 (Previous Year 160,925,000) Equity Shares of ₹2 each	32,18,50,000	32,18,50,000
460,000 (Previous Year 460,000) 8% Cumulative Redeemable Preference Shares of ₹10 each	46,00,000	46,00,000
	<b>32,64,50,000</b>	<b>32,64,50,000</b>
<b>Issued, subscribed and fully paid-up shares</b>		
155,569,505 (Previous Year 155,551,795) Equity Shares of ₹2 each, fully paid up	31,11,39,010	31,11,03,590
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>31,11,39,010</b>	<b>31,11,03,590</b>

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

##### Equity shares

	March 31, 2017		March 31, 2016	
	No. of Shares	(₹)	No. of Shares	(₹)
At the beginning of the year	15,55,51,795	31,11,03,590	15,55,33,595	31,10,67,190
Issued during the year- ESOP	17,710	35,420	18,200	36,400
Outstanding at the end of the year	15,55,69,505	31,11,39,010	15,55,51,795	31,11,03,590

#### 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, 2017, the amount of dividend per share recognized 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, 2017	March 31, 2016
Fully paid up to the shareholders of Westpoint Leisureparks Private Limited (WLPL) in accordance with the composite scheme of arrangement	2,89,94,852	2,89,94,852
Fully paid up to the shareholders of Triple A Foods Private Limited (TAF) in accordance with the composite scheme of arrangement	2,97,04,100	2,97,04,100
Fully paid Bonus Shares by capitalization of General Reserve, Reserve Fund, Securities Premium and Surplus in Statement of Profit & Loss	1,14,30,050	1,14,30,050

In addition, the Company has issued total 35,910 equity shares ( Previous Year 18,200 equity shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

## Notes to the Financial Statements for the year ended March 31, 2017

### 2. Share Capital (contd.)

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

Equity Shares of ₹2 each fully paid up

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
Horizon Impex Private Limited	4,72,85,325	30.39%	4,72,85,325	30.40%
Subh Ashish Exim Private Limited	3,32,33,707	21.36%	3,32,33,707	21.36%
SBI Mutual Funds	1,37,43,042	8.83%	1,37,17,531	8.82%
Arisaig Partners (Asia) Pte Ltd. A/c Arisaig India Fund Limited	1,22,96,550	7.90%	1,22,96,550	7.91%
Makino Holdings Limited	1,18,81,640	7.64%	1,18,81,640	7.64%
Rajiv Himatsingka Beneficial owners AKSR Corporate Advisors Private Limited, Yuthika Properties Private Limited and Rajiv Himatsingka, Partners of M/s Decent Enterprises	84,85,000	5.45%	1,20,95,071	7.78%

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 20.

#### Note 2(a) - Share application money pending allotment

i) As at March 31, 2016, share application money pending allotment represents application money received on account of Employee Stock Option Scheme. During the previous year, the Company had received ₹100 per share towards allotment of 4,000 equity share at excise price of ₹100 each and was shown under Share application money pending allotment. During the year the Company has made the allotment on April 21, 2016.

#### Note 3. Reserve and Surplus

	(₹)	
	As at March 31, 2017	As at March 31, 2016
<b>a) Capital Reserve</b>		
Balance as per last Financial Statements	(2,51,96,07,727)	(2,51,96,07,727)
	(2,51,96,07,727)	(2,51,96,07,727)
<b>b) Securities premium account</b>		
Balance as per last financial statements	6,98,85,72,964	6,98,16,39,673
Add: Additions on ESOP's exercised	17,35,580	22,23,600
Add: Transferred from Employee stock option outstanding	50,11,045	47,09,691
	6,99,53,19,589	6,98,85,72,964
<b>c) Employee Stock Option Outstanding</b>		
Balance as per last financial statements	2,82,94,704	2,18,20,265
Add : Amortisation of expense related to options granted	1,40,12,226	1,39,70,870
Less : Transferred to General Reserve on account of expiration of options granted	-	27,86,740
Less : Transferred to securities premium on excise of stock options	50,11,045	47,09,691
	3,72,95,885	2,82,94,704
<b>d) Surplus/ (deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	(2,78,02,132)	(2,33,31,448)
Profit / ( Loss) for the year	(30,30,873)	(44,70,684)
Net deficit in the Statement of Profit and Loss	(3,08,33,005)	(2,78,02,132)
<b>e) General Reserve</b>		
Balance as per last financial statements	27,86,740	-
Add : Transferred from Employee Stock Option Outstanding on account of expiration of options granted	-	27,86,740
	27,86,740	27,86,740
<b>Total</b>	<b>4,48,49,61,482</b>	<b>4,47,22,44,549</b>

## Notes to the Financial Statements for the year ended March 31, 2017

### Note 4. Trade Payables

	(₹)	As at March 31, 2017	As at March 31, 2016
Trade payables ( Refer Note 19)		7,14,258	5,27,677
<b>Total</b>		<b>7,14,258</b>	<b>5,27,677</b>

### Note 5. Other Current Liabilities

	(₹)	As at March 31, 2017	As at March 31, 2016
Unpaid Dividend ( Refer Note i below)		-	275
Statutory Dues		69,386	72,504
<b>Total</b>		<b>69,386</b>	<b>72,779</b>

i) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2017

### Note 6. Property, plant and equipment and Intangible assets

	Gross Block (At cost)			Depreciation / Amortisation				Net Block		
	As at 01-04-2016	Additions / Adjustments	Deductions/ Adjustments	As at 31-03-2017	As at 01-04- 2016	For the year	Deductions/ Adjustments	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
<b>Property, plant and equipment</b>										
Office Equipments	<b>15,250</b>	-	-	<b>15,250</b>	<b>15,250</b>	-	-	<b>15,250</b>	-	-
	15,250	-	-	15,250	13,626	1,624	-	15,250	-	1,624
Computers	<b>73,000</b>	-	-	<b>73,000</b>	<b>73,000</b>	-	-	<b>73,000</b>	-	-
	73,000	-	-	73,000	73,000	-	-	73,000	-	-
<b>Sub Total</b>	<b>88,250</b>	-	-	<b>88,250</b>	<b>88,250</b>	-	-	<b>88,250</b>	-	-
	88,250	-	-	88,250	86,626	1,624	-	88,250	-	1,624
<b>Intangible assets</b>										
Computer Software	<b>16,243</b>	-	-	<b>16,243</b>	<b>7,537</b>	<b>3,249</b>	-	<b>10,785</b>	<b>5,458</b>	<b>8,706</b>
	16,243	-	-	16,243	4,081	3,456	-	7,537	8,706	12,162
<b>Sub Total</b>	<b>16,243</b>	-	-	<b>16,243</b>	<b>7,537</b>	<b>3,249</b>	-	<b>10,785</b>	<b>5,458</b>	<b>8,706</b>
	16,243	-	-	16,243	4,081	3,456	-	7,537	8,706	12,162
<b>Total</b>	<b>1,04,493</b>	-	-	<b>1,04,493</b>	<b>95,787</b>	<b>3,249</b>	-	<b>99,035</b>	<b>5,458</b>	<b>8,706</b>
Previous Year	1,04,493	-	-	1,04,493	90,707	5,080	-	95,787	8,706	-

(figures in italics pertain to previous year)

### Note 7. Investment

		Non-current		Current	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>(A) Trade Investments (valued at cost)</b>					
<b>Investments in Subsidiary Company</b>					
<b>Equity Instruments (unquoted)</b>					
4,02,628 ( Previous year 3,10,000) equity shares of Hardcastle Restaurants Private Limited of ₹1000/- each fully paid up.		4,27,99,08,388	15,49,05,664	-	-
Preference shares (unquoted)					
13,45,000 ( Previous year 13,45,000) Cumulative Redeemable Preference Shares (CRPS) of Hardcastle Restaurants Private Limited of ₹1000/- each fully paid.		42,09,27,400	42,09,27,400	-	-

## Notes to the Financial Statements for the year ended March 31, 2017

### Note 7. Investment (contd.)

(₹)

	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>(B) Non Trade Investments</b>				
<b>Unquoted</b>				
Investment in equity shares (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)				
Nil ( Previous year 44,197.736 ) Units of ₹1000 each in HDFC Cash Management Fund-Savings Plan - Direct Plan- Daily Dividend Reinvestment Plan	-	-	-	4,70,10,480
15,633.235 (Previous year Nil) units of ₹3259.11 each in HDFC Cash Management Fund- Savings Plan - Direct Plan - Growth Option	-	-	5,09,50,509	-
<b>Total</b>	<b>4,70,08,35,808</b>	<b>57,58,33,084</b>	<b>5,09,50,509</b>	<b>4,70,10,480</b>
Aggregate amount of unquoted instruments	4,70,08,35,808	57,58,33,084	5,09,50,509	4,70,10,480

### Note 8. Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹)

	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Balances with Statutory/Government authorities	1,65,094	1,53,159	3,39,754	6,20,846
Advance income tax (net of provisions)	11,78,132	37,03,839	-	-
Inter Corporate Deposits to subsidiary (Interest free) ( Refer Note 18)	-	4,12,50,00,000	-	-
Prepaid Expenses	-	-	73,052	90,174
<b>Total</b>	<b>13,43,226</b>	<b>4,12,88,56,998</b>	<b>4,12,806</b>	<b>7,11,020</b>

### Note 9. Cash and Bank Balances

(₹)

	As at March 31, 2017	As at March 31, 2016
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	22,01,371	22,65,368
- Unpaid dividend account	-	275
Cash on Hand	42,064	7,264
<b>Total</b>	<b>22,43,435</b>	<b>22,72,907</b>

### Note 10. Other Current Assets

(₹)

	As at March 31, 2017	As at March 31, 2016
<b>Other receivables (Unsecured, considered good) ( Refer Note 15)</b>		
Other receivables (Unsecured, considered good) ( Refer Note 15)	4,10,92,894	2,96,55,400
<b>Total</b>	<b>4,10,92,894</b>	<b>2,96,55,400</b>

## Notes to the Financial Statements for the year ended March 31, 2017

### Note 11. Revenue from operations (Net)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Traded Goods ( Refer Note 11.1)	19,55,820	30,97,725
<b>Total</b>	<b>19,55,820</b>	<b>30,97,725</b>
<b>11.1 - Details of sale of traded goods</b>		
Textile Materials	19,55,820	30,97,725
<b>Total</b>	<b>19,55,820</b>	<b>30,97,725</b>

### Note 12. Other income

	For the year ended March 31, 2017	For the year ended March 31, 2016
Dividend Income on Current Investment (Non Trade)	9,40,029	24,38,465
Interest income on Income tax refund	5,17,523	-
<b>Total</b>	<b>14,57,552</b>	<b>24,38,465</b>

### Note 13. Purchases of traded goods

	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases ( Refer Note 13.1)	19,53,826	30,92,591
<b>Total</b>	<b>19,53,826</b>	<b>30,92,591</b>
<b>13.1 Details of purchases of traded goods</b>		
Textile Materials	19,53,826	30,92,591
<b>Total</b>	<b>19,53,826</b>	<b>30,92,591</b>

### Note 14. Other Expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Payment to auditor (Refer Note 14.1)	5,79,040	5,80,960
Legal and professional fees	12,59,510	6,97,991
Printing and stationery	2,31,874	1,91,979
Director's sitting fees	13,50,000	13,50,000
Listing and membership fees	4,58,364	3,96,470
Communication costs	52,566	53,672
Advertisement expenses	87,499	1,47,343
Insurance	1,21,172	1,24,824
Web designing and maintenance expenses	2,02,506	84,417
Miscellaneous expenses	1,44,639	7,10,035
<b>Total</b>	<b>44,87,170</b>	<b>43,37,691</b>

#### 14.1 Payments to Auditors

As auditor :		
Statutory Audit fees	5,50,000	5,50,000
In other capacity :		
other services ( certification fees)	25,000	25,000
Reimbursement of expenses	4,040	5,960
<b>Total</b>	<b>5,79,040</b>	<b>5,80,960</b>

## Notes to the Financial Statements for the year ended March 31, 2017

### Note 15. 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	
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

	(₹)	2016-17	2015-16
<b>(A) Transaction with Subsidiary Company</b>			
(i) Recovery of ESOP Compensation expenses			
Hardcastle Restaurants Private Limited		1,61,14,060	1,59,51,015
(ii) Inter Corporate Deposits as at end of the year			
Hardcastle Restaurants Private Limited		-	4,12,50,00,000
(iii) Investments in Equity shares			
Hardcastle Restaurants Private Limited		4,12,50,02,724	-
(iv) Outstanding Balance Included in Other Current Assets			
Hardcastle Restaurants Private Limited		4,10,92,894	2,96,55,400
<b>(B) Transactions with KMP</b>			
(i) Director's sitting fees			
Mr. B L Jatia		1,00,000	1,00,000
Mrs. Smita Jatia		1,50,000	1,25,000
Mr. Amit Jatia		2,25,000	2,00,000

### Note 16. Earnings Per Share

Particulars	(₹)	2016-17	2015-16
Profit / (Loss) after tax		(3,030,873)	(4,470,684)
Weighted average number of equity shares for Computing EPS			
Shares for Basic Earnings per share		155,141,439	155,539,451
Add : Potential Diluted Equity shares on account of ESOP		145,711	159,229
No of shares for Diluted Earnings per share		155,287,150	155,698,680
<b>Earnings per share</b>			
Nominal Value per share		2	2
Basic		(0.02)	(0.03)
Diluted		(0.02)	(0.03)

### Note 17. Contingent Liabilities

Contingent liabilities as at March 31, 2017 ₹Nil (Previous Year ₹Nil).

### Note 18. 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 2017	Maximum Balance during the year	As at March 31 2016	Maximum Balance during the year
Hardcastle Restaurants Private Limited	-	4,125,000,000	4,125,000,000	4,125,000,000

Note: During the year, the subsidiary company has repaid the loan to the Company.

## Notes to the Financial Statements for the year ended March 31, 2017

### Note 19. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006:

Particulars	2016-17	2015-16
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year.	- *	- *
Amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with amounts of payment made to supplier beyond the appointed day during accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

\*Based on confirmation / information available with the Company.

### Note 20. Employee Stock Option Plan

a) The Company provides share-based payment schemes to its employees. During the year ended March 31, 2017, 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 - Graded vesting – 20% every year

Exercise period - 10.01 years

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

Particulars	March 31, 2017		March 31, 2016	
	No of Shares	Weighted average exercise price	No of Shares	Weighted average exercise price
Outstanding at the beginning of the year	473,600	189.59	333,000	149.62
Granted during the year	-	-	220,000	248.67
Forfeited during the year	5,000	268.02	61,200	203.92
Exercised during the year	17,710	100.00	18,200	124.18
Expired during the year	-	-	-	-
Outstanding at the end of the year	450,890	192.24	473,600	189.59
Exercisable at the end of the year	133,090	148.95	93,400	140.36

For options exercised during the period, the weighted average share price at the exercise date was ₹197.08 per share (Previous Year: ₹249.40 per share)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2017 is 6.81 years (Previous Year: 7.78 years). The range of exercise prices for options outstanding at the end of the year was ₹100 to ₹300 (Previous Year: ₹100 to ₹300).

## Notes to the Financial Statements for the year ended March 31, 2017

### Note 20. Employee Stock Option Plan (contd.)

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

Particulars	2016-17	2015-16
Total Employee Compensation Cost pertaining to share option plans	-	-
Liability for Employee Stock Options Outstanding at year end	3,72,95,885	28,294,704

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. During the year, the Company has recovered ₹16,114,060 (previous year ₹15,951,015) from its subsidiary company towards ESOP cost. Thus the cost included in the Statement of Profit and Loss of the Company is ₹Nil.

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

Particulars	March 31, 2017*	March 31, 2016
Dividend yield (%)	0%	0%
Expected volatility	0%	0%
Risk-free interest rate	-	7.65%
Weighted average share price (₹)	-	248
Exercise Price (₹)	-	Grant 5- 290.00 Grant 6- 246.70
Expected life of options granted in years	-	5.95

\*No options were granted during the year

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

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, 2017	March 31, 2016
Profit / (Loss) after tax as reported	(3,030,873)	(4,470,684)
Add: ESOP cost using the intrinsic value method	14,012,226	13,970,870
Less: Recovered from subsidiary, Hardcastle Restaurants Private Limited	(14,012,226)	(13,970,870)
Less: ESOP cost using the fair value method	(20,445,835)	(16,381,725)
Add: Recovered from subsidiary, Hardcastle Restaurants Private Limited	20,445,835	16,381,725
Proforma Profit /(Loss) after tax	(30,30,873)	(4,470,684)
Earnings Per Share		
Basic		
- As reported	(0.02)	(0.03)
- Proforma	(0.02)	(0.04)
Diluted		
- As reported	(0.02)	(0.03)
- Proforma	(0.02)	(0.04)

## Notes to the Financial Statements for the year ended March 31, 2017

### Note 21. Specified Bank Notes Disclosure

The details of Specified Bank Notes (SBN's) as per the Company's records held and transacted during the period November 8, 2016 to December 30, 2016 are as follows:

Particulars	Specified Business Notes (SBNs)	Other denomination notes	Total
Closing Cash in hand as on November 8, 2016	-	6,755	6,755
Add : Permitted Receipts	-	-	-
Less : Permitted Payments	-	-	-
Less : Amount deposited in Banks	-	-	-
Closing Cash in hand as on December 30, 2016	-	6,755	6,755

### Note 22. Segment Reporting

The Company operates in single business segment i.e. trading of steel, textile and other materials and hence disclosure of segment wise information is not required under AS-17 "Segment Reporting".

The Company has only one geographical segment as it caters to the needs of the domestic market only.

### Note 23. 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.

Name of the loanee	Rate of Interest	Due date	Secured/unsecured	March 31,2017*	March 31,2016
Hardcastle Restaurants Private Limited	Interest Free	29/12/2018 17/10/2017	Unsecured Unsecured	- -	2,375 1,750
<b>Total</b>				-	<b>4,125</b>

\* During the year, the subsidiary company has repaid the loan to the Company

### Note 24.

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

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 11, 2017

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 11, 2017



## 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](http://www.westlife.co.in) | E-mail id : [shatadru@westlife.co.in](mailto:shatadru@westlife.co.in)

## NOTICE

Notice is hereby given that the Thirty Fourth Annual General Meeting of Westlife Development Limited will be held at Imperial Hall, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai 400 018 on Wednesday, the 20th day of September, 2017 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, 2017 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, 2017.
2. To appoint a Director in place of Mr. Achal Jatia (DIN: 03587681), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint 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), the appointment of B S R & Associates LLP (Registration No.: 116231W/W-100024), Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (Five) years, to hold office from the conclusion of the 34th Annual General Meeting (AGM) till the conclusion of the 39th AGM of the Company at a remuneration for the financial year ending 31st March, 2018 as may be agreed between the auditors and the Board of Directors of the Company, be and is hereby approved, subject to ratification at every AGM on yearly basis."

### ITEM OF BUSINESS REQUIRING SPECIAL NOTICE OF THE RESOLUTION PURSUANT TO SECTION 115 OF THE COMPANIES ACT, 2013, READ WITH RULE 23 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

#### Item 3 :

The Statutory Auditors of the Company, S R B C & CO LLP (ICAI Registration No. 324982E) hold office till the conclusion of the 36th AGM of the Company. The Company had received communication from them that they are not seeking ratification of their appointment because the term of their appointment as auditors of the Company's subsidiary is coming to an end by efflux of time at the forthcoming AGM of such subsidiary. Further, the Company had received communication from B S R & Associates LLP (ICAI Registration No.: 116231W/W-100024), that they are willing to be appointed as Auditors, and they have also provided to the Company a certificate to the effect that their appointment, if made, would be within the prescribed limits under Section 139 (1) of the Companies Act, 2013. The Board commends the resolution at this item for members' approval.

#### 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 Monday, 18th September, 2017. 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. 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.
3. 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 18th August, 2017.
4. 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.
5. 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.
6. 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](http://www.westlife.co.in). Kindly bring your copy of the Annual Report to the meeting.
7. 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.
8. Members are requested to notify any change of address and update bank account details to their respective depository participant directly.
9. 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 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083.
10. 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.
11. Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also

be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF Rules, details of which are provided on our website, at <http://www.westlife.co.in/investors-compliance-and-policies.php>.

12. No gifts shall be provided to members before, during or after the Annual General Meeting.
13. 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 17th September, 2017 at 9.00 a.m. and ends on 19th September, 2017 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 13th September, 2017, may cast their vote electronically. The right of voting of the members shall be reckoned as on the cut-off date i.e. 13th September, 2017. Remote e-voting shall not be allowed beyond the said date and time.
- ii. Log on to the e-voting website [www.evotingindia.com](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- 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.
- x. 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 Link Intime India Pvt Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083, so as to reach there by 5.00 p.m. on 20th September, 2017. 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](http://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. 20th September, 2017.
- d. Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.westlife.co.in](http://www.westlife.co.in) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within two days of the passing of the Resolutions at the 34th 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	<a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
v)	Phone No.	1800 200 5533

14. Details of Director seeking re-appointment at the forthcoming Annual General Meeting are furnished below:

Name of Director	Mr. Achal Jatia
Date of Birth	31/01/1971
Date of Appointment	01/08/2014
Expertise in Specific Functional areas	General Management
Qualifications	Bachelor of Science degree in Business Administration from the University of Southern California, Los Angeles.
Other Public Limited Companies in which Directorship held	Hardcastle Petrofer Private Limited
Chairman/ Member of Committees of Boards of other Companies	Hardcastle Petrofer Private Limited: Corporate Social Responsibility Committee - Member
Shares held in the Company	Nil
Relationship with other directors	Mr. B.L. Jatia (Father); Mr. Amit Jatia (Brother); and Ms Smita Jatia (Sister- In-Law)

15. Complete particulars of the venue of the meeting are enclosed.

By Order of the Board of Directors

Sd/-

Mumbai

1st August, 2017

**Dr Shatadru Sengupta**

*Company Secretary*





## 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](http://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:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Wednesday, the 20th day of September, 2017 at 2.30 p.m. at Imperial Hall, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai 400 018 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 Mr. Achal Jatia as Director
3	Appointment of Statutory Auditors

Signed this..... day of.....2017

Signature of shareholder(member).....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

**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](http://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**

<b>S No</b>	<b>Particulars</b>
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:

<b>S No</b>	<b>Item No.</b>	<b>No. of shares held by me</b>	<b>I assent to the resolution</b>	<b>I dissent from the resolution</b>
1.	Adopting Accounts and Reports			
2.	Reappointment of Mr. Achal Jatia as Director			
3.	Appointment of Statutory Auditors			

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](http://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 34th ANNUAL GENERAL MEETING of the Company held at Imperial Hall, 1st Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Wednesday, 20th September, 2017 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:**

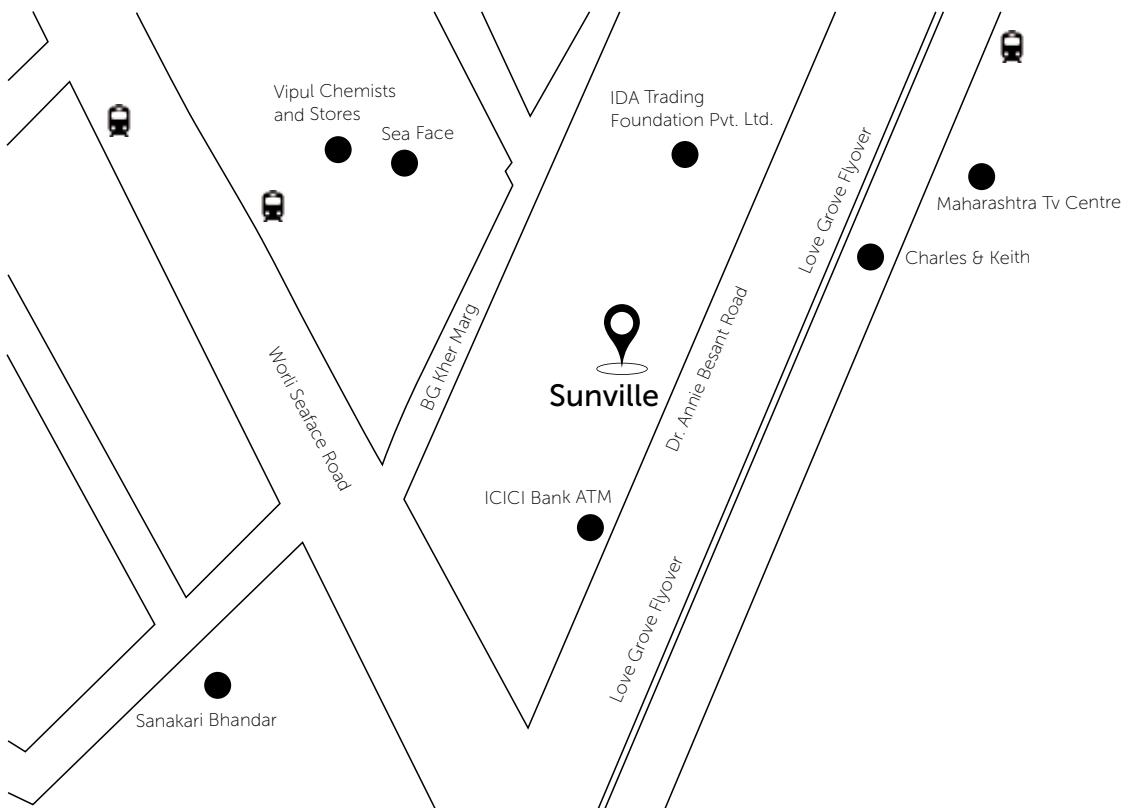
**Venue address:**

Imperial Hall, 1st floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, 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](http://www.westlife.co.in).



A [TRISYS](#) PRODUCT  
[info@trisyscom.com](mailto:info@trisyscom.com)



Westlife Development Ltd.  
1001, Tower-3, 10th Floor  
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