WESTLIFE DEVELOPMENT LTD.
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CIN No. : L65990MH1982PLC028593
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

REF : SS:BSE:267 4th September, 2018

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 2017-18 as had been duly approved and adopted in the 35th Annual General Meeting of the Company held on 29th August, 2018.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For **Westlife Development Ltd.**

Dr Shatadru Sengupta
Company Secretary

Encl : a/a

westlife

the good food story

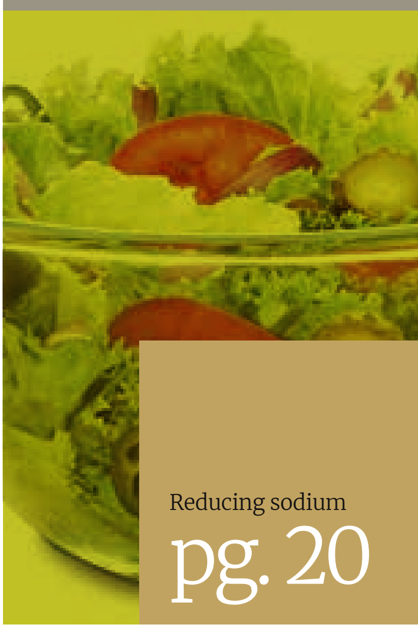
Westlife Development Limited
Annual Report 2017-18


Making good food
even better for you.

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 2017-18.

Contents



Food re-engineering
pg. 22

4 things you need to know about Westlife Development Limited

1 Background
Westlife Development Limited (WDL), 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.

2 Footprint
WDL, through its subsidiary, serves over 212mn customers annually at 277 company-owned McDonald's restaurants and 149 Company-owned McCafés located in the states of Andhra Pradesh, Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Goa, Kerala and parts of Madhya Pradesh in west and south India. The Company's 8,719-member strong workforce ensures world-class customer service, giving consumers enough reasons to visit its restaurants time and again.

3 Offerings
McDonald's provides various formats and brand extensions that include standalone restaurants, drive-thrus, McCafés, McDelivery (online ordering services), order placement apps and kiosks at major transit points.

4 Servicing Multiple Segments
Chicken | Burger | Beverages | Desserts | Breakfast | Snacks | Delivery

Our Integrated Report

The Securities and Exchange Board of India introduced the voluntary concept of Integrated Reporting (circular SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 6, 2017) for 500 leading listed entities from 2017-18 (those required to prepare Business Responsibility Report).

The International Integrated Reporting Council categorised the following capital forms: Financial capital, Manufactured capital, Intellectual capital, Human capital, Social and relationship capital as well as Natural capital. Additionally, it prescribed Guiding Principles that underpin the preparation of an integrated report.

The Company contributed to the six kinds of capital (as explained below).

Financial capital

The Company strengthened Financial Capital through an increase in revenues by 21.9% in 2017-18, the strongest revenue growth in five years. This performance was also marked by profitable growth as the Company's net profit grew by 206.1%. Besides, the Company reported its highest same store sales growth (SSSG) of 15.8% in five years. Operating margin improved 215 basis points to 7.5%, translating into a PAT of ₹128.6mn.

The Company's cash profit increased year-on-year by 58.8% to ₹889.0mn. A robust financial performance enabled the Company to access funds from the domestic market at competitive rates.

Manufactured Capital

The Company (through its subsidiary) purchased in excess of 25,000 tons-plus of food products from the primary food manufacturing industry in India. This purchase covered 30 food manufacturers and 45 manufacturing facilities. Besides, the Company purchased agricultural commodities in large quantities (about 11,000 tonnes of potatoes, 1,500 tonnes of vegetables like green peas, carrots, beans etc., 500 tonnes of onions, 350 tonnes of tomatoes and 1,000 tonnes of lettuce). This sizable procurement provided livelihoods and assured incomes for over 700 farmers across India.

Intellectual capital

The Company (through its subsidiary) innovated food and beverage products that enhanced its relevance across consumer age groups and geographies. In FY 2017-18, the Company (through its subsidiary) launched 30 products (food, desserts and beverages).

Human capital

The Company employed around 8,719 persons directly as on 31 March 2018. About 700 employees were trained in Food Safety Training and Certification (FoSTaC) under the auspices of the Food Safety and Standards Authority of India (FSSAI). The subsidiary won numerous employee-centric awards, becoming one of 100 companies to win the Great Places to Work (GPTW) Award. The people-centric initiatives ranged from welfare to capability development. The subsidiary was ranked among the top 10 places to work in the country's retail sector and 30th overall across all sectors in India.

Social and Relationship Capital

Ronald McDonald House Charities Foundation India (RMHC India), a not-for-profit company promoted by the Company's subsidiary, influenced positively the lives of 15,000 cancer-affected child patients and their families through the Ronald McDonald Family Room at the Paediatric Oncology Wing of Bai Jerbai Wadia Hospital, Mumbai.

Natural Capital

The Company (through its subsidiary) contributed to the environment through the following measures.

Water conservation initiatives

√ Replaced the water-based waste disposal system with a waterless urinal, saving over 438,000 litres of water per urinal per year.

√ Introduced a smart hand-wash system that dispensed water and soap in specific quantities, moderating per restaurant water use by 3,98,000 litres a year.

√ Used Rain Water Harvesting systems in drive-through restaurants, recharging the local ground water table with 18,00,000 litres per restaurant per year.

Electricity conservation initiatives

√ Used low energy consumption-based ventilation with ambient air / air cooling solutions for kitchens, reducing electricity consumption by up to 60–100 units per day in restaurants – a saving up to 36,500 units per year .

√ Use of Light-Emitting Diode (LED) lighting, reducing electricity consumption by 2% in restaurants.

What we achieved in 2017-18

15.8%
growth in same store sales

7.4%
growth in number of stores

21.9%
growth in revenues

58.8%
growth in cash profit

How we have grown over the years

2004

Ranked 16th on Brand Equity's 'Most Exciting Brands'

2012

Ranked No. 1 in the QSR category

2016

Presented with the Fortune India's Next 500 – Giants of Tomorrow award

2017

Awarded the 'Most admired retailer of the year – Marketing and Promotions' by the 14th Annual IMAGES Retail Awards powered by Vegas Mall.

2016

Ranked 9th globally as the most valuable brand as listed on Forbes' 2016 Brand Ranking

2018

Presented with the 'Great Place to Work' award for four years in a row. Ranked among the top 10 companies to work for in the retail sector and among the top 30 overall.

‘What’s governance got to do with food?’

Welcome to a subject that is of growing relevance in the global Quick Service Restaurant owners the world over.

The fact that the ‘how’ is more important than the ‘what’.

The fact that long-term customer health is also important in the short-term.

The fact that however hard we try and well we do, there could always be a better way.

At Westlife, we have selected to march to the sound of a different drummer.

And that has made all the difference.

It would be limiting to see this annual report as one that champions the cause of good food.

It extends to championing something more profound.

The enduring over the momentary.

The holistic over the narrow.

The feel-right over the feel-good.

At Westlife, we believe this is a completely new language in India's QSR sector.

Change begins from here – and now.

Most people eat out for various reasons.

The ambience.

The live music.

The décor.

The crowd.

The proximity.

The location.

The parking.

Curiously, food often figures right at the bottom.

When food does figure prominently, it is only about taste, taste and taste.

If the taste is good, everything else is forgiven. And when taste becomes the priority, there is a creeping compromise on everything that goes into it.

At Westlife, our 'Good Food Story' is an attempt to retrieve food's positioning in the only place it truly belongs in the list of restaurant priorities.

At the top - and for the right reasons.

People evolved. Menus did not.

Menus globalised. Before they could be Indianised.

Menus were merely altered. Never re-engineered.

Menus focused on end product. Never the source.

Menus celebrated the chef. Never the farmer.

At Westlife, we have rewritten the script.

Our 'Good Food Story' is not just about the food.

It is about a new way of thinking.

The Good Food Story did not happen overnight. The reason we are able to serve fresh, hygienic and nutritious food is because we established a robust supply chain...

Over the last two decades...

1. We engaged with global suppliers managing local production centres
2. We created direct supply linkages from the farms to our restaurants
3. We developed a cold chain that protected product integrity.

GLOCAL SUPPLIERS

DIRECT SUPPLY LINKAGES

COLD CHAIN

Our ‘Good Food Story’ was derived out of a keen ear for what customers spoke.

‘I always feared that restaurants served stale food.’

‘I will need to skip dinner after this meal.’

Can we split a smoothie? I won’t be able to take so many calories.’

‘The mayonnaise would be too rich for me.’

‘I wish I knew the calories in my burger.’

‘Let me not order that item on the menu. There would be too much salt in it.’

‘Carbonated drinks are a no-no.’

‘Let’s avoid ice cream. There would be too much fat.’

‘I don’t want the item fried. Would you be able to merely steam, it?’

This meal calls for a jog tomorrow morning.’

Our Good Food Story showcases our wholesome and nutritious food!

We are among the first companies to give out the calorie count on our website.

We have more meal options.

We curated wholesome burgers.

Our soft serve is 96% fat-free.

We completely eliminated trans-fats from Pizza McPuff.

We created wraps with healthy whole grain.

We introduced steamed menu options.

We are serving more wholesome and nutritious food.

We source 100% premium Arabica coffee beans from Chikmagalur, Karnataka, India.

We provided farm-fresh salad.

We made it possible to customise meals, replacing fries with a bowl of salad.

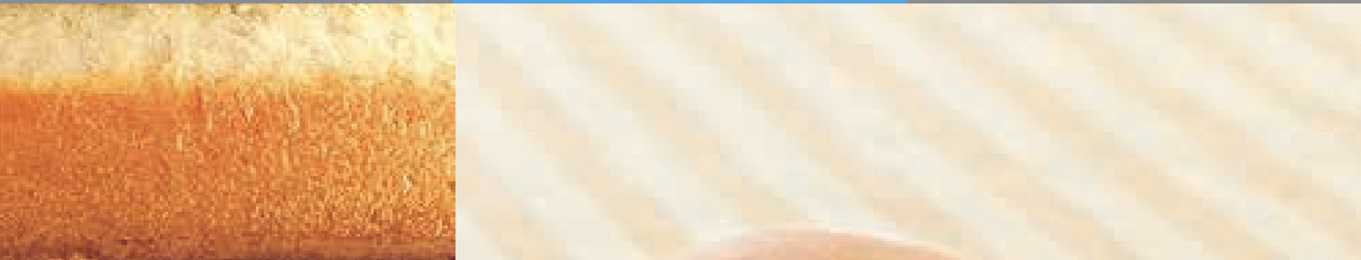
We reduced the sodium in our fries, nuggets, sauces and patties - by up to 20%.

We increased the percentage of dietary fibre up to 25% in our patties.

Our McAloo Tikki burger is a balanced meal, in the energy delivery distribution across carbohydrates, proteins and fats.

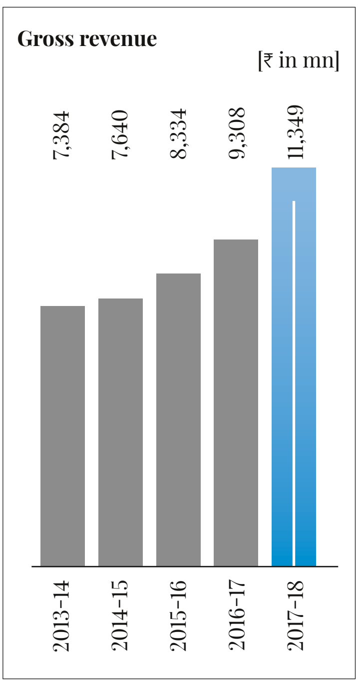
We eliminated artificial preservatives from most of our patties.

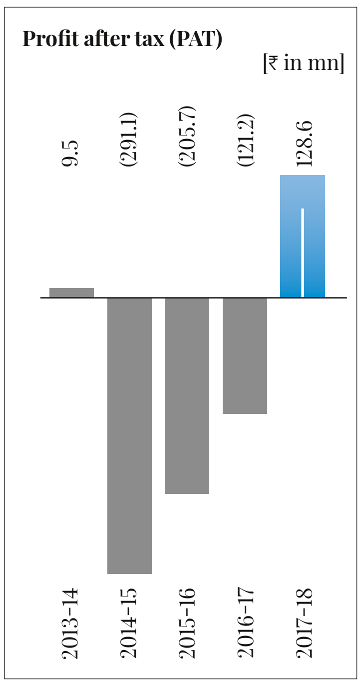
We reduced the oil in our mayonnaise by 40%. Result: calories in burgers became 11% lighter.

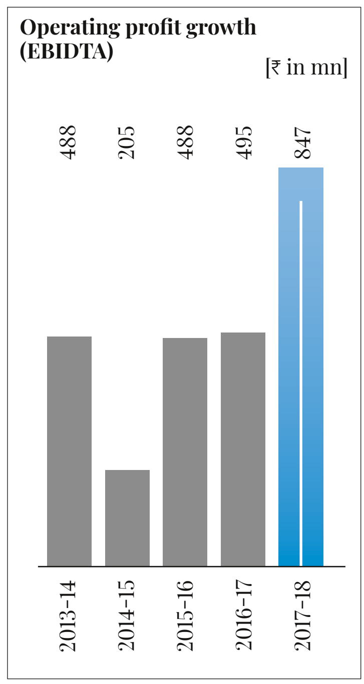


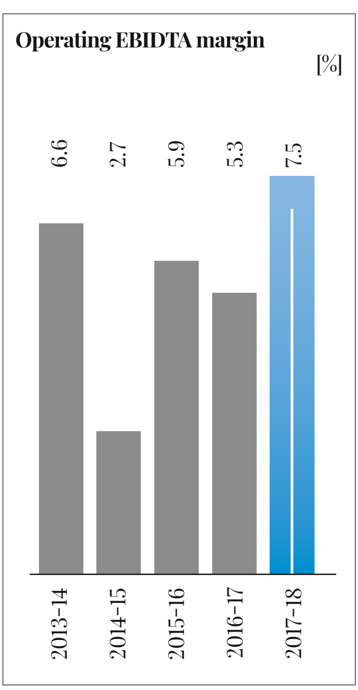
At Westlife, we believe that Good Food Story represents a platform for sustainable growth

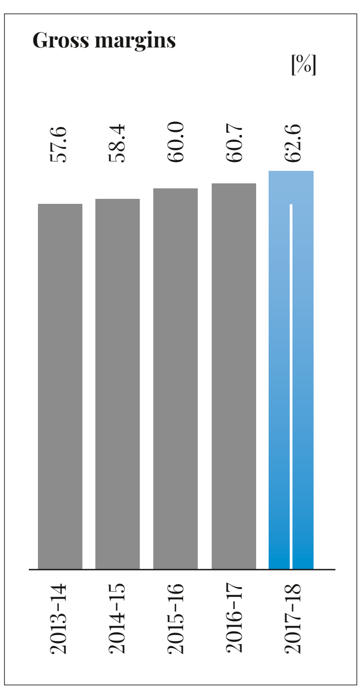
The financials

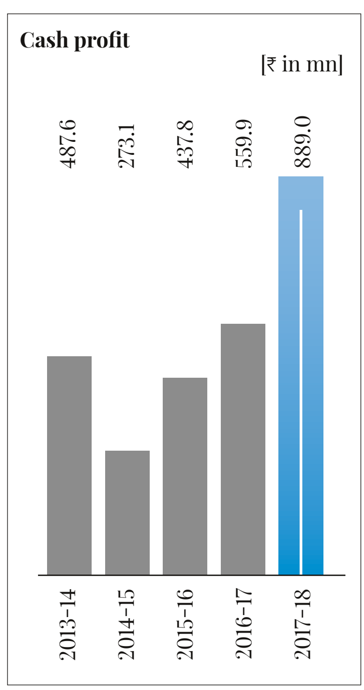






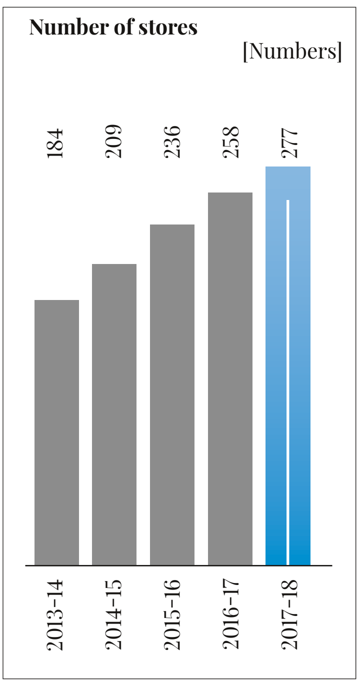


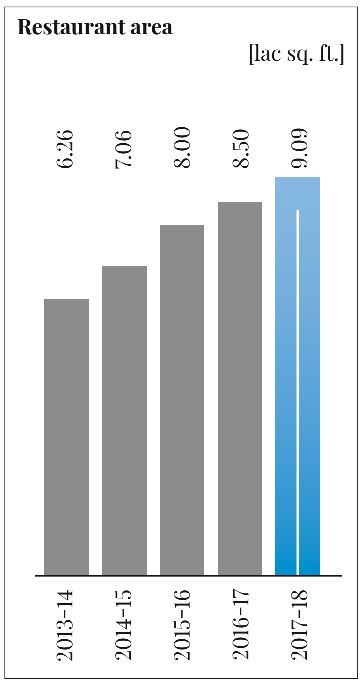


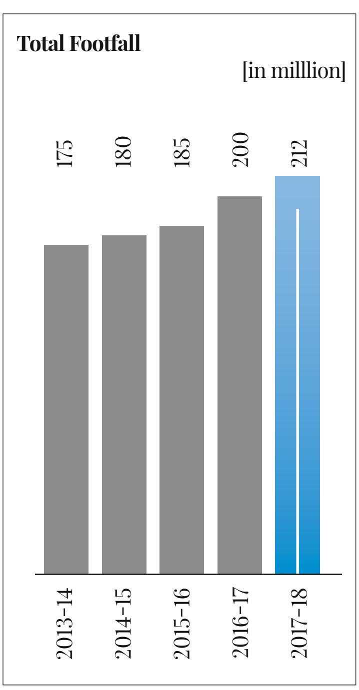


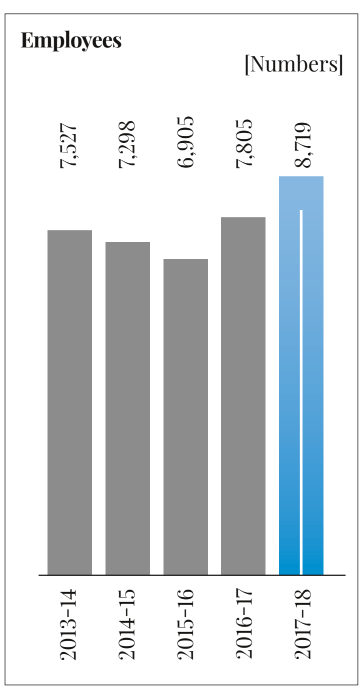
NOTE: The financials for 2015-16 excludes an exceptional income of ₹234 mn

The non-financials









The financials, 2017-18

21.9%
increase in Gross revenue

190bps
increase in Gross margin

71.1%
increase in EBIDTA

215 bps
increase in Operating EBIDTA margin

206.1%
increase in PAT

58.8%
increase in Cash profit

The non-financials, 2017-18

7.4%
increase in number of stores

11.7%
increase in employees

MAKING THE TRANSFORMATION HAPPEN

McCafé: there is a new aroma to this place...

Launched in 2013, McCafé is our in-house coffee chain offering a variety of beverages.

McCafé has been delivering a unique experience to our customers with handcrafted coffee made from 100% Arabica beans besides offering a range of smoothies, iced splash beverages and share shakes.

McCafé has been successful in creating a different customer experience, optimising the use of our restaurants across all operational hours and providing a higher profit margin than our regular restaurant operations.

We believe the primary benefit of McCafé locations is that it attracts new customers and increases the variety of our product offerings, improving our image.

"I went to McCafe for something unique - coffee using 100% Arabica beans. Just so seductive!"

"The best thing is that if you don't want coffee, there are a number of smoothies, iced splash beverages and shakes to experiment with."

MAKING THE TRANSFORMATION HAPPEN

How we made the McAloo Tikki® burger better.

"My children love to eat at McDonald's but I want them to have a nutritious meal"

We got this feedback from many mothers who come to our restaurants.

We took up the challenge and got to work on one of our most popular products – the McAloo Tikki Burger.

We put out food re-engineering experts to work with a singular agenda: make something as basic as the McAloo Tikki burger better, period.

Our experts got down to work. They studied its nutritional composition. They examined the taste.

And then after some smart alterations, the result was that the reinvented McAloo Tikki burger acquired a new personality.

They made it more wholesome and nutritious without changing the taste it is famous for!

Now, the McAloo Tikki burger is a balanced meal, through the energy delivery distribution across carbohydrates, proteins and fats as per guidelines recommended by the National Institute of Nutrition (NIN).

The result: it leaves our customers feeling good about what they have eaten.

The McAloo Tikki burger is better than ever... and its fans are lovin' it.

The result of our smart alterations is that the reinvented McAloo Tikki has acquired a new personality.

McAloo Tikki burger is a balanced meal, through the energy delivery distribution across carbohydrates, proteins and fats as per guidelines recommended by the National Institute of Nutrition (NIN).

MAKING THE TRANSFORMATION HAPPEN

We reduced sodium across fries, nuggets, patties and sauces by over 20%.

Excessive salt in food can lead to heath issues.

As a proactive QSR brand, we put our food re-engineering team to work with a simple demand:

'Make the food as delicious as you can but cut the sodium consumed.'

The team got down to work.

It researched spices deeper. It enhanced the influence of some condiments. It moderated the use of sodium.

When our first set of customers tasted the re-engineered fries, patties and nuggets, there was no comment. Simply because they could not notice any difference!

'Make the food as delicious as you can but cut the sodium consumed.'

Our team researched spices deeper. It enhanced the influence of some condiments and moderated the use of sodium.

MAKING THE TRANSFORMATION HAPPEN

‘Food and re-engineering? What’s that?’ asked the curious child sitting at one of our tables.

At McDonald's, our objective is to make our food compelling on the one hand and wholesome and nutritious on the other.

So that it could be completely safe for all our customers across ages.

When we emphasised this point to our in-house team, we said: 'Don't just make cosmetic changes. Go ahead and completely re-engineer – without changing the taste.'

This then is the result of our re-engineering.

The mayo tastes as good with lesser fat.

The burger tastes as yummy even after dropping some calories.

The patties inspire the same ecstatic '*ooooh*!' with increased dietary fibre but without artificial preservatives, colours or flavours.

The result is that nearly 80% items on our menu have been re-examined, re-curated and re-presented.

It is only because of the meticulous detail that we went into inspired a completely new word application: 're-engineered'.

We said: 'Don't just make cosmetic changes. Go ahead and completely re-engineer – without changing the taste.'

Nearly 80% items on our menu have been re-examined, re-curated and re-presented.

MAKING THE TRANSFORMATION HAPPEN

At Westlife, at a time when most focused on the 'fork', we turned our attention to 'farm' instead.

Because we believe that food is only as good as the care that goes into growing it

Initiatives for Good Food

- We maintained strict temperature control in all delivery vehicles. Result: retained freshness of produce till it reached the restaurants.
- We invested deeper in agricultural best practices through suppliers. Result: enhanced quality, yield and output through multi-crop planting.
- We engaged in a plot-wise nutrition plan based on soil fertility by engaging with fertilizer companies. Result: enhanced yields.
- We worked with more than 700 farmers and agriculturalists. Result: a vibrant agricultural eco-system.
- We worked directly with farmers and eliminated middlemen. Result: enhanced farmer earnings.

Result

We source more than 95% of the produce used in our food locally, reinforcing our community to deliver good food – from seed to spoon.

MAKING THE TRANSFORMATION HAPPEN

At Westlife, success lies in getting farm fresh produce fastest to restaurants.

Because we believe that the biggest driver of customer loyalty is the unmistakable taste of fresh food

Initiatives for Good Food

- We maintained an inventory buffer to hedge against seasonal variations. Result: an adequate resource pipeline to sustain menu availability
- We hedge commodities and raw ingredients to counter volatility; we honoured farmer contracts across challenging market cycles. Result: enhanced stakeholder trust and supply sustainability
- We procured select ingredients (vegetables, chicken for patties, milk for soft serve etc.) from the vicinity of our processing plant. Result: enhanced freshness.
- We increased delivery frequency without reducing delivered quantum coupled with enhanced efficiencies to each restaurant. Result: enhanced freshness.
- We benchmarked processes and practices against the international standards of our parent company (across each restaurant) comprising bimonthly food audits. Result: highest product integrity.
- We strengthened our 'farm-to-fork' model. Result: 100% assured supply, guaranteeing we remained fully-stocked across our restaurants.

How we captured multiple QSR segments through our menu

Burgers
Over 10 products with many burgers that record annual sales of ₹1+bn

Wraps
Five varieties of wraps

Sides
Strong sides offering

Desserts
$130mn dollar category

Breakfast
Only organised QSR player in this space

$2+bn dollar market

Beverages
QSR player with the widest variety in this space

$4+bn dollar market

HOW OUR GOOD FOOD STORY IS PLAYING OUT

When Gauri wanted to host her birthday party, she said ‘There is always a McDonald’s’

Our innovative offers like the Happy Price Combos are light on the palate and wallet

Gauri in Bangalore had a small issue.

Her college-going friends wanted a roaring day out on her birthday.

They would see a film, saunter through a mall and spend time at a spa.

The challenge was finding a place to lunch at.

A number of options were considered.

Finally a member of the group suggested: 'Why not McDonald's?'

The usual murmurs of dissent emerged. 'It is a place only for kids,' said one. 'There is a danger the food may not be fresh,' said a second. 'The khana is too international' said a third.

Gradually, the objections were countered. The party turned up at McDonald's.

They were in for a surprise – on various counts.

The menu had been customised as per Indian preferences. The range of 'made-for-India' products comprised McAlooTikki® burger, Veg Pizza McPuff™, Maharaja Mac™ and the Chatpata Naan (vegetarian and non-vegetarian).

And best of all, the food was low on oil, light on the insides and wholesome.

That evening, a number of messages went around on Gauri's WhatsApp group: '*Sabse mazaa McDonald's me aaya*' said one. '*Ghar jaisa khana tha na*,' pronounced another. And 'The bill for 15 of us eating came to less than ₹3000 – unbelievable!' concluded the third.

McDonald's had successfully passed the scrutiny of some of the most demanding 'auditors'.

VICE CHAIRMAN'S **OVERVIEW**

"At Westlife, the Good Food Story is an extension of our commitment to governance"

For decades, food served in QSRs has carried a stigma of not being wholesome or nutritious enough and that it contributed to obesity.

There was a growing feeling then that when it came to Quick Service Restaurants (OSR), the story generally ended with taste and price. The menu tasted good and the price was affordable. However, when it came to the central question of whether the menu was nutritious enough, one normally drew a blank. The general conclusion was that tasty and nutritious food could never be reconciled: if the restaurant menu tasted great then the next thing one needed to do was assess the damage on the weighting machine. As a result, the QSR sector always became defensive when it came to this last frontier.

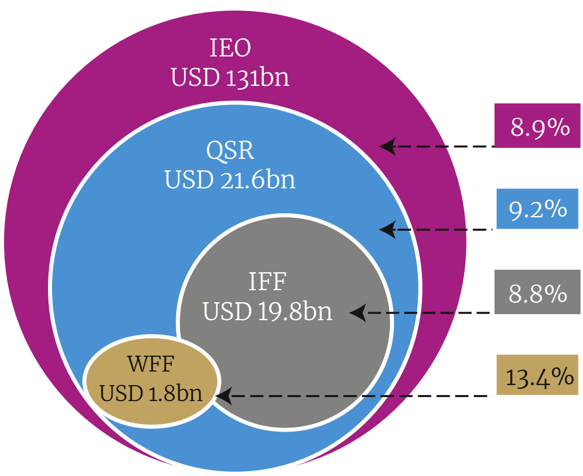
At Westlife, we saw this as one of the key perceptional challenges addressing our business. For a country with a population of about 1.35bn and growing, marked by an extensive under-penetration in the incidence of eating out – the challenge was in reinventing this image. If we could succeed in doing so, we would not only address a large potential audience in a country increasingly concerned with its diet but would progressively account for a larger share of those entering the spending segment.

There were two options available to Westlife: wait for the QSR industry to reach critical mass opinion to emerge or be the first to walk into the challenge. I am pleased to report that Westlife is probably the first organised QSR company in the country to address this challenge head-on. Over the last few years, we re-engineered our menu: we looked at each ingredient that goes into our food and worked on making each one better.

I am pleased to report the effects of our painstaking commitment to provide a more wholesome and nutritious menu for an increasingly health-driven nation: we have successfully re-engineered our menu; we have reconciled taste with nutrition; we have demonstrated that what is good for your tongue can also be concurrently good for your wallet and body.

At Westlife, this menu re-engineering is not just an alteration of our offerings portfolio in the expectation that we may reach out to a larger audience and generate higher footfalls. It is a manifestation of our governance commitment; it addresses the subject of customer service from its deepest point; most importantly, we see it as the right thing to do.

Projected market size and growth rates : 2017-22



Western Fast Food (WFF) has grown its share in IEO from 1% in 2014 to 1.3% in 2017. This is expected to grow to 1.6 % in 2022[1]

[1]Euromonitor International 2017 report - QSR Food Service Market

Wholesome and nutritious meal on the plate

At Westlife, we invested considerable energy and re-working of our business processes to re-engineer the menu to make it wholesome and nutritious. Over the last few years, we worked with our suppliers to improve our ingredients, while retaining the taste that our products are famous for!

This then is what we have to show for our re-engineering. There are calorie counts on the menu. Our meals are more balanced; they contain a higher proportion of dietary fibres. There is lower oil in our mayonnaise. There are fewer calories in our burgers. There is less sodium in our menu than ever. The soft serve at our outlets are 96% fat-free. All our wraps are now made from whole grain. We extended our beverage menu from carbonated drinks to a wider range of non-carbonated beverages. We introduced steamed product options like McEgg. We moderated fat in dairy products to less than 3%. That we moderated costs following a reduction of salt, fat and oil is only a small part of the upside.

The result is that our menu re-engineering has emerged as a benchmark in the sector. The addressable market widened; footfalls increased; repeat footfalls strengthened.

I have had the occasion to speak to a number of our patrons in the last few months and the response that we are getting from them has been heart-warming. Some of the responses that I particularly remember are 'This truly shows that McDonald's cares' and 'By re-engineering the menu you have endeared yourself to your patrons' and 'This is a signal to the rest of the QSR sector in India to see the future.'

> For a country with a population of about 1.35bn and growing, marked by an extensive under-penetration in the incidence of eating out – the challenge was in reinventing this image.

Providing the experience of the future

At Westlife, we believe there was one reason why, despite reservations about the success and impact of our menu-re-engineering initiative, we were able to prevail. The reason is derived from the fundamental reality of who we are. At Westlife, we see ourselves as a passionate organisation. We dare to do what most consider impossible. We embrace challenges as a part of our everyday existence. We are positively provoked by external observers who consider what we may be working on as impossible. We get bored with the status quo; we seek to continuously find a new and better way of doing things.

The result is that over the last number of years, Westlife has been engaged in attempting initiatives that most considered foolhardy or ahead of the time. Over the last couple of years, the Company pleasantly surprised patrons through its Experience of the Future restaurants in Mumbai and Bengaluru, the next generation of ambience in India's Quick Service Restaurant segment.

In EOTF, we provided a critical service differentiator: customer service with speed, smiles and sensitivity that positioned our stores as the friendliest. The credit of this change can be attributed to the SMEX training for the entire crew. We trained over 270 restaurant managers; we invested extensive person-hours higher in FY 2017-18. That has led to a happier staff and even happier customers.

EOTF extended from three restaurant outlets at the close of 2016-17 to 10 in 2017-18, strengthening visibility and viability.

The results are in our numbers

During the last few years, when we embarked on enhancing the investments in our business, there were a number of questions. One of the principal arguments was that at a time of economic slowdown when disposable spending would be muted, there was always a case to defer investments to a time when cash flows revived.

However, Westlife has always been a willing contrarian.

During the course of a slowdown in the QSR sector, we responded with brand investments instead. When faced with weak consumer loyalty, we invested in store re-imaging instead. When faced with consumer distraction, we enhanced the experiential quotient of our outlets instead.

This was manifested a few years ago, when the growing industry for coffee inspired Westlife to extend to the specialty coffee market. The coupling of the McCafé product portfolio with strategic restaurant reimaging empowered the Company to carve out a McCafé niche without needing to lease additional space. This helped the Company create a brand within-a-brand at established points-of-sale and represented our commitment to provide Indians with the best experience at outstanding value.

During the course of the year under review, we increased the number of McCafé outlets from 111 to 149, strengthening our service coverage. We engaged in these investments because we believed that we would need to invest our way out of the slowdown. By providing a superior consumer experience, we would be able to draw footfalls faster, providing a launching pad for a quicker recovery. By making patient investments in sluggish markets, we created a positive trigger: we turned around faster and during the year under review, we strengthened revenues 21.9%, which was higher than the broad growth of the country's organised QSR sector. I am pleased to report that we reported profitable growth: profit after tax surged 206.1%. Cash flows increased by around 60% even though the discontinuation of the input tax credit from

November 2017 affected our margins. Our EBIDTA margin expanded from 5.3% in 2016-17 to 7.5% in 2017-18. Same store growth increased 15.8% during the year under review.

EBIDTA have risen 480 bps in the last three years. The Company had ₹1952.2mn of cash and cash equivalents on its books as on 31 March 2018. Same store sales growth was positive for 11 successive quarters. The cost of store rollout declined by 20%, accelerating the break-even point to 20 months, one of the lowest in our existence, creating a foundation for new stores to enhance cash flows faster.

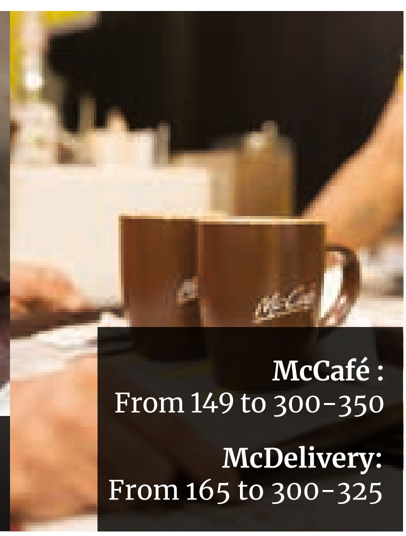
At Westlife, we believe that the QSR business stands at an interesting point. There has been a revival of discretionary spending and eating out starting from the third quarter of the last financial year and we believe that the trend will only accelerate. At Westlife, we intend to capitalise on this projected reality: we intend to increase the number of outlets by around 25-30 every year; we intend to widen the footprint of EOTF outlets; we intend to increase the number of McCafés by 30-40; we intend to enhance the McDelivery option from 60% of our restaurants to an estimated 65% with minimal capital expenditure in the year ahead.

With the economy beginning to look up, QSR spending gradually rising and with our business being ahead of the curve, I am optimistic that the current financial year promises to be even better and that Westlife will continue to enhance value for its employees, customers, shareholders and communities.

With my best wishes,

Amit Jatia,
Vice Chairman

Vision 2022: Our performance ambition

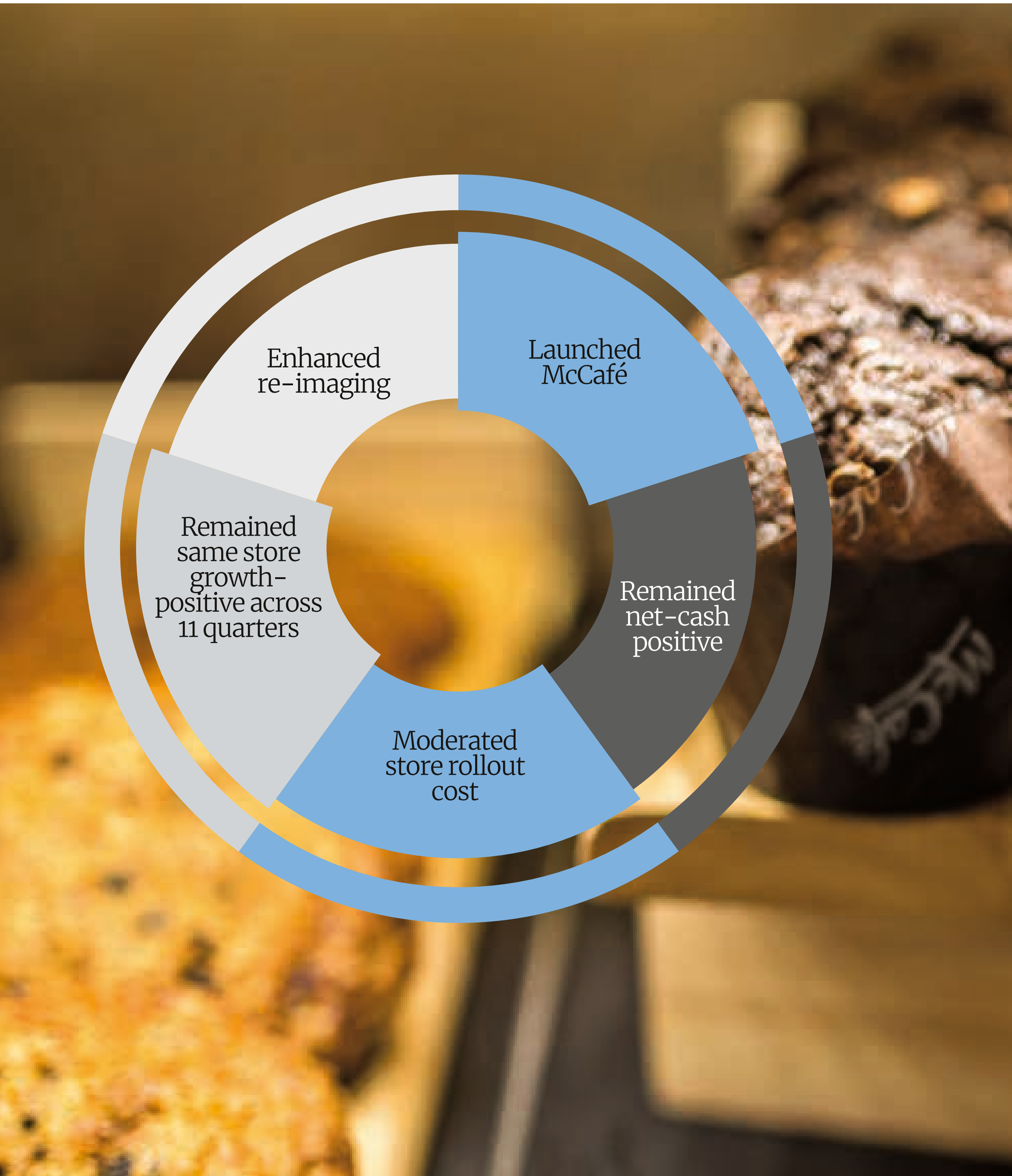


Presence in 40+ cities

Investment of ₹5+bn

Take EBITDA margin to low to mid-teens

How we countered the slowdown through a number of bold initiatives



We are evolving McDonald's from a place where people come to eat to a place where people would like to be.

How we embarked on bold transformative initiatives in the last few years

EOTF

Providing an experience of the future (EOTF)

- The key objective of EOTF is enhancing customer delight. This not only boosts our competitive advantage in the short-term, but, like all of our investments, it introduces the tools that allow us to continue capturing the long-term opportunity of this business.
- Fused fine-dining experience into the QSR format for the first time in India
- Democratised a superior dining experience while maintaining a value-for-money proposition
- Provided a wide menu and payment format choice, empowering them to save precious time
- Upgraded the ambience around futuristic elements and comforting hues of traditional restaurants

Digital platforms

Delivering an out-of-the-world experience through modern technologies

- The first among QSR chains to offer air-chargers and tablets for gaming
- The first among QSR chains to introduce self-operating kiosks to place orders
- Extended food services to home delivery, online orders, drive-thrus and kiosks.
- Empowered customers to punch orders into an electronic kiosk in seconds – with the option to pay electronically
- Commissioned a touch-screen self-ordering kiosk, empowering customers with options to customise their orders.

Brand extensions

Westlife invested in brand extensions, where the sum is always greater than the parts

- The Company invested in McCafé, providing a range of premium, specialty coffees - cappuccino, latté, iced mocha and frappe, among others. This premium coffee experience, coupled with enriching McDonald's fare, translated into the best experience at outstanding value.
- The Company sources its 100% premium Arabica coffee beans from Chikmagalur, Karnataka, India and the freshly brewed coffee is hand crafted by professionally trained baristas.
- McCafé, which also serves a variety of desserts, offers over 40 types of beverages from handmade specialty coffees and iced coffees to smoothies to iced splash beverages and share shakes.
- McDelivery service reported higher margins on account of lower rent and utility costs. During the fiscal under review, the percentage of orders through the website and smartphone applications showed strong traction and continued to be a major growth driver of the business.
- The Company intends to upgrade its technology platform, supply mechanisms, engagement with third party food aggregators and promotional campaigns on emerging menu additions.
- A moderate incremental capital expenditure and minimal increase in operating costs for brand extensions provided significant operating leverage when growing the business. This form of growth did not warrant the need to lease new space and made it possible to create a brand-within-a-brand at established points-of-sale.

How we have selected to do business

Locations	The Company scouts for the most prominent urban locations to commission new restaurants (around visibility, accessibility, store size, catchment area and footfalls).
Rental strategy	The Company selects to rent/lease rather buy properties outright. The strength of the McDonald's brand enables the Company to negotiate attractive rental agreements, accelerating store break-even. As a percentage of overall expenses, our rent costs remained largely flat around 10% in 2017-18, compared with the previous three years.
Quality standards	The Company's quality standards are benchmarked with the processes of its principal (across each restaurant).
Supply chain	The Company sources as much as 95% of raw material resources directly from farmers. This direct engagement is coupled with food freshness audits conducted twice daily across restaurants.
Service	The McDonald's corporate motto is to 'serve with a smile'. As an extension of this philosophy, the Company launched a 'One minute service' where an hourglass measures our single minute delivery capability to customers even during rush hours. The Company also launched a number of initiatives comprising digital ordering through kiosks, table service and a wide-ranging nutritious menu.

	Hygiene and cleanliness	The Company has invested in hygiene marked by extensive precautions and stringent rules covering the wearing caps and gloves while serving food.
	Supply chain management	The Company's unique 'farm-to-fork' supply chain works around a 100% assured supply promise, guaranteeing no stock outs at any of the Company's stores. 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.
	Supply chain investment	Temperature-controlled logistics (cold chains) ensure zero wastages and farm-freshness. The Company and its partners invested crores of rupees to build one of the most efficient supply chains in the country, one of the highest such spends by any QSR chain in India.
	Menu and pricing	The Company's menu is positioned around a value-for-money proposition. Our products start for as low as ₹17 for a soft serve and ₹39 for a McAloo Tikki burger. Besides, a strong control on inputs enabled the capping of menu price increases to 4-5% in FY18.
	Maximising day-parts	The Company serves food across all day parts – breakfast in the mornings, snacks, lunch, dinner and dessert across day-parts, with the addition of a new day-part through McCafé. This not only maximises resource and utility utilisation but also enable longer productive hours.

Profile of the Board

B.L. Jatia
– Chairman

Amit Jatia
– Vice 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 public charitable trust. Mr B. L. Jatia holds B. Com and LLB degrees from the University of Mumbai.

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 providing strategic leadership to the Company on all aspects from operations to product development to brand building of McDonald's restaurants in western and southern India. He is the interface between internal operations and external stakeholders. Amit has been vital in providing financial leadership and aligning business and finance strategy to grow the business.

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.

P.R. Barpande
– Independent Director

Dilip J. Thakkar
– Independent Director

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

Mr Dilip J. Thakkar is a practicing Chartered Accountant with over 56 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 Member of the Institute of Chartered Accountants of India.

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, indigenising 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.

Manish Chokhani
– Independent Director

Mr Manish Chokhani, a CA and MBA from the London Business School, is one of India's most respected investors and financial experts. From 2006 to 2011, he was MD & CEO of Enam Securities, and led its $400mn merger in 2011 with Axis Bank to create Axis Capital Ltd., which he led as MD & CEO until end of 2013. From 2014 to 2016, he served as Chairman of TPG Growth — India and is currently a Senior Advisor to TPG Group. He serves as independent director on the boards of Zee Entertainment, Westlife Development, Axis Capital, and Laxmi Organic and Shopper's Stop.

Achal Jatia
– Director

Mr Achal Jatia is 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).

Tarun Kataria
– Independent Director

Mr Tarun Kataria is based in Singapore where he manages a Family Office focussed on venture capital and fixed income. In Singapore he is also 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. In India, he is an Independent Director of India Grid Ltd, where he also Chairs the Audit Committee and Poddar Housing and Development Ltd. 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. He is also a Chartered Accountant. His charitable work is directed at educating women and girl children in India.

Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival became visible. Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. Crude oil prices increased in 2017, the prices at the beginning of the year bring $54.13 per barrel, declining to a low of $46.78 per barrel in June 2017 and closing the year at $61.02 per barrel, the highest since 2013. This could potentially affect disposable incomes in oil importing countries like India.

Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and the impact of tax policy changes in the US. [Source: WEO, IMF]

Global economic growth

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018 | e: estimated f: forecasted]

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18 . Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period 2014-15 to 2017-18, achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP.

The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed resolution of problems associated with bank non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US$ 414bn as on January 2018. [Source: CSO, economic survey 2017-18]

Key government initiatives

World Economic Forum's Global Competitiveness Report 2017 ranked India at an impressive 23 in the Global Competitiveness Index from 39 in 2016. Some government initiatives comprised:

Bank recapitalisation scheme: The Central Government announced capital infusion of ₹2.1 lac crore in public sector banks.

Expanding road network: The Government of India announced a ₹6.9 lac crore investment to construct 83,677 kilometres of roads across five years.

Improving ecosystem: The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report. [Source: KPMG]

Goods and Services Tax: The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax).

Foreign Direct Investment: Foreign direct investment increased from approximately USD 24bn in FY2012 to approximately USD

60bn in FY2017, an all-time high.

Doubling farm incomes: The government initiated a seven-point action plan to double farm incomes by 2022.

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to the GST. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur investment. [Source: IMF, World Bank]

India's food service sector

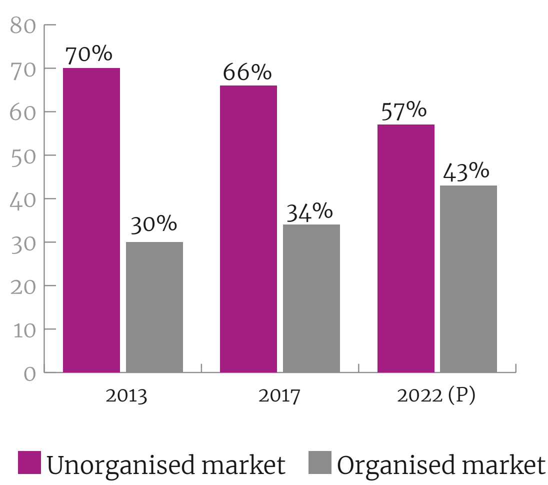
Projected at ₹3.37 trillion in 2017, the Indian food services sector (organised and unorganised) is expected to grow at a CAGR of 10% over the next five years to reach ₹5.52 trillion. Some 98% of the sales in the industry come from offline channels and 2% from online with 81% customers preferring fresh food or dine-in options and 19% selecting home deliveries/ takeaways.

India's unorganised segment's share in the food services sector declined from 70% in 2013 to 66% in 2016 and is projected to fall, further, to around 57% in 2022. The organised market (chain and organised standalone outlets) is approximately worth ₹1.15 trillion in 2017 and expected to grow at a CAGR of 16% to ₹2.37 trillion by 2022, securing a 40% share(31% in 2017). The chain market is expected to grow at a CAGR of 21% to reach ₹620bn by 2022 from ₹235bn in 2017. The chain space is marked by the presence of >120 brands with >4,000 outlets across various cities. Quick service restaurants and casual dining restaurants constituted 79% of the chain market in 2017 and this is expected to grow to 83% by 2022.

Indian quick service restaurant (QSR) sector

The country's quick service restaurant sector is projected to be worth $21.6bn with a growth rate of 9.2% by 2022. The Western Fast Food (WFF) sector has grown its share in IEO from 1% in 2014 to 1.3% in 2017 and is further expected to grow to 1.6% by 2022 [Source: Euromonitor].

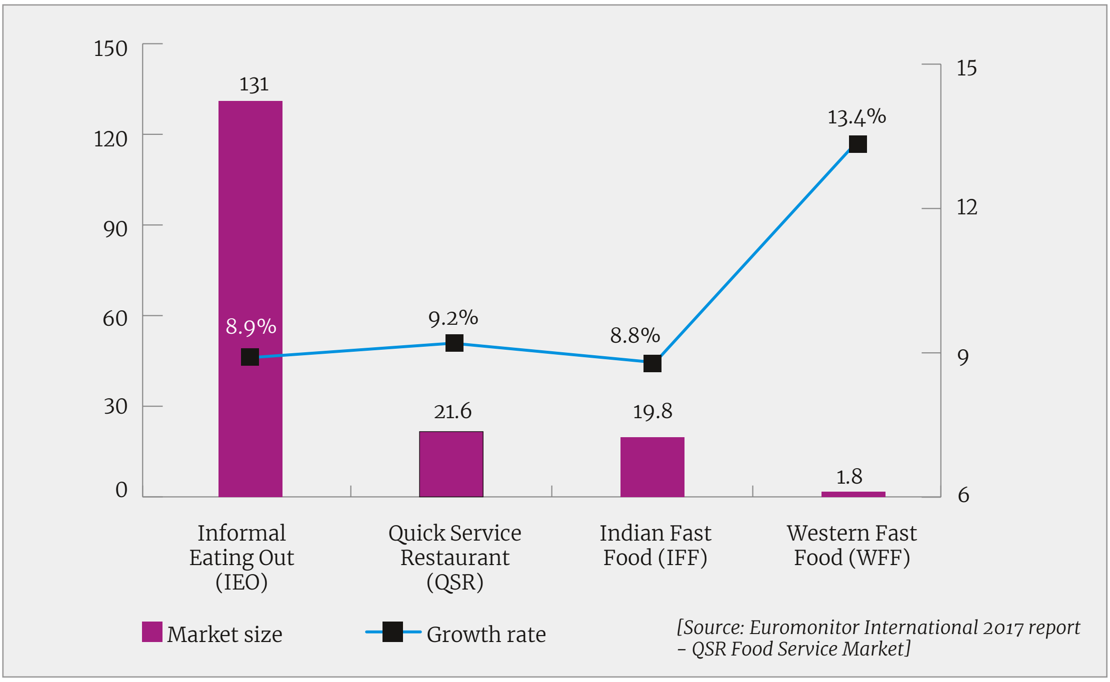
Market share & growth



Segmentwise growth	CAGR (2013-2017)	CAGR (2017-2022)
Unorganised market	6%	7%
Organised market	11%	16%

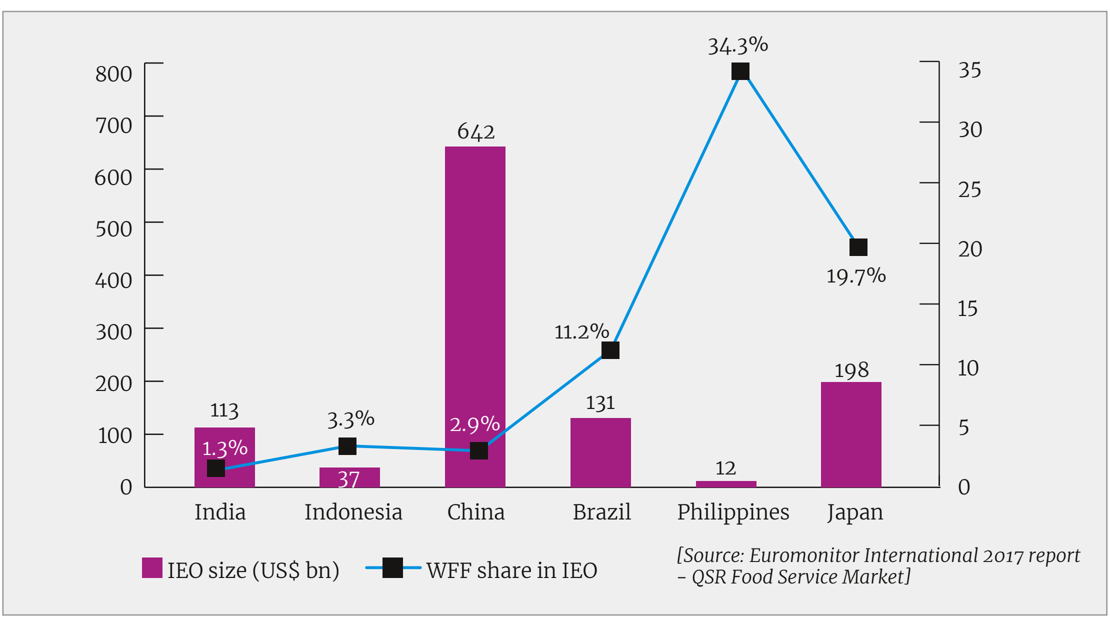
[Source: Technopak Analysis]

Projected market size and growth rates (2017-2022)



Currently, the WFF sector has the lowest share of the US$ 113bn Informal Eating Out (IEO) industry in India, thereby exhibiting significant scope for the category to continue on a growth trajectory for a long period of time.

Projected market size and growth rates (2017-2022)



The entry of national and international players in this space has widened the chain market, addressing a fast-expanding middle-class, urbanisation, growing youth population, nuclearisation and superior logistics. Approximately 50% of India's population eats out at least once every three months and eight times every month in metro cities. [Source: ASSOCHAM]

Quick service restaurants will be driving the growth-based operating models where strong supply chains will help attain deeper penetration in the Tier-II and Tier-III cities. The top-eight cities in India have been at the centre of the development of the organised food services sector. Owing to increased economic accomplishments, rising disposable incomes, need for convenience and growing female workforce, food service chains have grown creditably.

Consumer preference for eating-out

36%
seek eating-out as an opportunity to bond with others

25%
are innovative and experimental while eating-out in a group, open to trying out new restaurants and dining out options

24%
hail from the higher-income households seeking to unwind, willing to pay a premium for a quality experience

15%
has a large network of acquaintances and consider eating out to be an entertainment form

[Source: India Food Services Report 2016 by NRAI and Technopak Advisors]

There has been a rise in the number of Indian quick service restaurants due to transforming demographics, increase in incomes, urbanisation, organised retail growth and need for hygienic food. The Central Government's emphasis on improving cold chain infrastructure pan-India through investments has enhanced round-the-clock access to quality food resources.

Demographic dividend: Rising per capita incomes and urbanisation, increased women in the workforce and increased need to unwind are factors driving the demand for quick service restaurants. Demographically, India is also one of the youngest markets with more than 50% of population below 24 years old and the youngest median age of 27.6 years among BRIC nations and major economies. A growing percentage of young and working population – well-travelled with double-digit incomes, experimental and tech-savvy – is eating out more than their predecessors, thereby driving the growth of the Food Services market.

Urbanisation: India's current (2017) urban population is around 33.5% of the total population, and it contributes over 60% of India's GDP. It is projected that the urban India will contribute nearly 75% of the national GDP by 2030 and as the country's population continues to grow, more citizens will migrate to the cities. It is estimated that by 2050, the number of people living in Indian cities will touch 850mn. [Source: CREDAI & JLL]

Urban India could see growth in households where both spouses could be working and with less time for domestic chores, increasing the frequency of eating-out / ordering in. The standardisation across food outlet chains in terms of ambience, hygiene, time-to-service and accessibility has helped increase footfalls and most chains are modifying their offerings in terms of menus, flavours, prices and services.

Favourable demographics

External factors and dynamic environment

- Largest working age (15-54 years) population
- Liberal mindsets that engages in experimentation and consumes greater quantities
- The youth population of India is expected to reach ~465mn by 2021

33% of the population is 15 years or younger

50% of the population is 24 years or younger

Increasing urbanisation

Urban Population (% of total population)

[Source: Census of India 2011, MoSPI, Technopak Analysis]

Growing middle-class: Since 2000, wealth in India has grown at 9.2% per annum, faster than the global average of 6% even when after considering an annual population growth of 2.2%. The country's affluence growth of $451bn denotes the eighth largest wealth-gain globally. This has translated into an increase in indulgence spending on eating-out, luxury products, consumer durables and other consumption categories. [Source: Credit Suisse Global Wealth Report]

Growing nuclearisation: 74% of urban households have five or less members as compared to 65% in 2001. Fall in the average household size coupled with rising disposable incomes could lead to higher discretionary spending in eating out. [Source: Census of India 2011]

Changing preferences: Frequent travel and exposure to global trends (new formats and cuisines coupled with seamless interactions facilitated by multiple communication channels) has made Indians more open to spending on dining experiences.

Disposable incomes: Higher disposable incomes, increase in branded retail chains and the emergence of malls and multiplexes have brought about significant changes in consumer behaviour. Consequently, small cities have emerged as a strong area of growth as Tier-II and Tier-III residents are more open to try out branded dining options.

Experiential factors: Consumers seek experiential dining experiences. Apart from entertainment avenues like movies and social get-togethers, eating out has emerged as a prominent avenue for relaxing and spending quality time with family or friends.

Tourism boom: There has been a dramatic rise in the number of Indians travelling within or out of the country: from 200mn in 1997 to more than 1.4bn. Multiple factors are driving this growth: increased car ownership, cheaper domestic air travel, rising disposable income, improved

Spending pattern and format preferences among consumers

Type	Average household size	Preferred formats	Average spend per household per month (₹)	Eating-out frequency per month per household
Metros	4.09	QSR (37%) CDR (25%)	6,500 – 6,750	7 – 8
Mini Metros	4.12	QSR (48%) CDR (21%)	4,500 – 4,750	5 – 6
Tier I & II	4.8	QSR (31%) CDR (40%)	2,750 – 3,000	4 – 5

[Notes: QSR – Quick Service Restaurants | CDR – Casual Dining Restaurants; Metros: Delhi-NCR and Mumbai | Mini metros: Next 6 cities with population >5mn (Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata & Pune) | Tier I: Population 1 to 5mn| Tier II: Population 0.3 to 1mn]

[Source: Technopak Analysis]

accommodation, stronger railway network and increasing family nuclearisation. According to the Ministry of Tourism the number of Foreign Tourist Arrivals (FTAs) increased from 8.8mn in 2016 to 10.18mn in 2017 indicating a 15.6% year-on-year growth. The number of Indians travelling abroad has also increased enhancing their exposure to international cuisines. *[Source: Annual Report'2017-18, Ministry of Tourism, Government of India]*

Further, catering to the needs of reducing customer effort along with seeking ways to influence higher levels of customer convenience are critical foundational philosophies for all successful customer experience. Quick service restaurants are gradually adopting many such measures to ensure an increased speed-of-service while attracting customers with enhanced experience. One such feature is the implementation of drive-thru services. Curb-side pickup and drive-thru services are expected to grow in the near future and 'value-addition' will become the watchword of the day.

Festive season: Indian festivals across the year help families and friends bond and celebrate over food and beverages. The special occasions are not restricted to festivals but extend to birthdays, anniversaries and marriages as well.

Digital transformation: In the food services industry, marketing spends constituted ~6% of the total revenue for a majority of the players for FY2016-17. [Source: FCCI] With the number of people accessible through smart devices on the rise, the use digital media in marketing has become indispensable in reaching out to target groups quicker and at a lower cost compared to traditional media. Technology has disrupted the food services industry through restaurant searches, table reservations and online deliveries.

Government reforms: The country's economic liberalisation has minimised the barriers to do business by opening the gates for many global food business operators. The onset of foreign majors, in turn, led to the modernisation of the industry with global best practices and pushed the industry toward organised market. The National Skill Development Corporation, funded by the Tourism and Hospitality Skill Council have also developed various plans for engaging skilled workers in the tourism and hospitality industry in India (in-hotel restaurants, QSRs, takeaways, over-the-counter outlets, cafés and bistros, fine dining and casual dining, catering services and roadside eateries). Such reforms in turn have also attracted private equities and venture capitalists to invest in the food sector.

Outlook

With a prospering economy and a vibrant population of 1.34bn people, India is under the global spotlight in consumption-oriented sectors. Changing cultural dynamics and family structures have resulted in the creation of multiple income households, strengthening the movement for eating-out frequently. A larger workforce and greater employment generation has increased discretionary spending on eating-out and dining-in.

Consumer spending in India is expected to touch US$ 3.6 trillion by 2020; India could emerge as the fifth-largest consumer market by 2030. This interplay is expected to sustain the industry's momentum.

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 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, the 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 cognisance 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 120 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, millions of 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 212mn 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 McAlooTikki® burger, Veg Pizza McPuff™ and the Maharaja Mac™ (vegetarian and non-vegetarian), Chatpata Naan, Dosa Masala Brioche, 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.

A SCOT analysis

Strengths
- A strong international brand name
- A localised and extensive menu
- Presence in fast growing segments such as coffee, delivery, desserts and breakfast
- Brand has evolved to resonate across generations of customers
- Best-in-class supply chain and third party cold chain and logistics

Challenges
- Ensuring on-time delivery
- Accessing quality manpower
- Arresting high-attrition rates
- Absorbing high real-estate costs
- Complying with licensing policies and health regulations
- Evolving food trends

Opportunities
- Growth in Tier-II and Tier-III cities
- Rising demand for food delivery services
- Increasing investments in building infrastructure including malls and highways
- High percentage of young and working population
- Increasing disposable incomes influencing the rising consumer expenditure ability

Threats
- Changes in socio-economic and political environment
- High inflation
- Weather and climate related issues
- Change in consumer sentiment

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

The McDonald's menu is priced in a manner that ensures affordability among the largest customer cross-section. Concurrently, it ensures that quality and hygiene is by no means compromised. HRPL serves hygienic and delicious food and makes constant efforts to provide 'more' to the customer through various offers and menu introductions. For instance, the 'Happy Price Combos' provide the most affordable options to customers every day to choose and form a combination of food and beverage as part of their meal.

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, McDonald's, 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 optimising costs. Integration with farms, increased farm acreage, improved capacity and better accessibility to raw material resources help mitigate inflationary impacts. The Company also remains focused on periodically reviewing capacities, increasing farm productivity and enhancing supplier facilities to help control food inflation. Over the course of over two-decade journey, the Company, along with its suppliers, has invested over USD 200mn 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 ~190 bps during 2017-18. HRPL continued to advance its efforts around augmenting the eating out experience, offering the best food and beverage options and delivering exceptional service.

During 2017-18, 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 an uptick in 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 modest increase in Informal Eating Out (IEO) segment, in 2017-18, we increased our market share amid a competitive environment in the cities we operate in.

Initiatives supporting these growth priorities resonated with customers and drove total revenue growth by 21.9% while system-wide comparable sales for the fiscal stood at 15.8%, as the consumer sentiment improved significantly in post-demonetisation phase.

Subsequently, restaurant operating margins[1] stood at 13.1% in 2017-18 as a percentage of total revenues, compared with 11.0% in 2016-17, aided by the improvement in gross margins and operating leverage through payroll & employee costs and other operating expenses during the year during the year which was offset by withdrawal of input-tax credits in post-GST regime, across occupancy costs and various other expenses. The Company had 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 opened in 2017-18 and as a basket, these restaurants contributed positively to system wide cash-flows within 12 months of operations and further, the cash-flows from such restaurants were 50% higher compared to similar basket of new restaurants opened in 2016-17. This marks a significant turnaround and reduces the drag on account of new restaurants, as we keep opening restaurants on this new platform.

In 2017-18, net cash flow from operating activities stood at ₹1371.2mn. WDL's substantial cash flow infused an inherent sense of flexibility when it came to funding capital expenditure initiatives. A capex of ₹1016.6mn was invested in the business primarily to open new restaurants and enhance accessibility.

As on March 31, 2018, HRPL's restaurant footprint stood at 277, registering a growth of ~8% over the previous year.

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

Broadening accessibility

The Company broadened accessibility by adding 25 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, transit-points, 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 through Restaurant Operating Platform (ROP) 2.0 which has resulted in lower capital and operating expenditure per restaurant. The growth momentum remained unabated through 2017-18 as HRPL added 25 new restaurants, representing a ~8% growth over the previous year. During the year, the Company entered the cities of Vishakhapatnam, Anand and Manipal. 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 400-500 restaurants by 2022 across Western and Southern India.

Growing baseline sales

During 2017-18, 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, the Company introduced a new value-concept as 'Happy Price Combos' to provide consumers a choice to form a combination of food and beverage from various menu products. Further, for the first time ever, we introduced 12 new products on the menu under our brand campaign "Flavours without Borders" introducing range of new food products and beverages in three international cuisines – Indian, Mexican and Italian. These products were very well-accepted in the market. We also invested in building various categories by introducing a variety of desserts and beverage options, focused on higher price-points, while concurrently strengthening the value proposition. Our new launches led to an increase in footfalls and higher average spends per consumer. We continued to gain market share through the value platform and believe that this approach centred on 'everyday value' will help grow baseline sales and increase footfalls. Strategic investments in formats such as drive-thrus and brand extensions like McCafé, McDelivery™ and breakfast platforms, dessert kiosks helped the Company create a portfolio that builds brand differentiation and yields long-term results. Brand extensions have provided more accessibility to customers, maximised day-parts utilisation and enhanced unit economics, serving as an important growth driver for HRPL.

In 2017-18, 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 keep building 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 occasionally adopted by some of our industry peers because we believe that this impacts our brand in the long-term.

Tapping into the estimated ₹19bn organised Indian café market [Source: NRAI], HRPL launched McCafé in Mumbai in 2013, representing a brand extension that serves coffees and specialty beverages, 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 allows the Company to offer a wide range of frappes, smoothies, share shakes and iced-teas, 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 2018, we brought 149 restaurants under the McCafé banner to capture additional footfalls and in 2018-19, the Company intends to aggressively add 30-40 more restaurants to the base of McCafé's. To further build on this competitive advantage, the Company focused on operational improvement initiatives to drive customer satisfaction in a bid to deliver fast, accurate and friendly services, every time.

HRPL strengthened convenience offerings by optimising the McDelivery business and augmenting digital engagement capabilities. Extending convenience into the McDelivery platform through web and mobile apps and tie-ups with third party aggregators proved to be a huge success. During 2017-18, McDelivery and its app continued to boost sales as more Indian consumers began to avail online delivery services. The Company has 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 2018, 165 out of the 277 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, Masala 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 FY2017-18, 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 FY2017-18 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 Smurfs, Transformers, My Little Pony, Hello Kitty and Despicable Me 3.

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 few years, these two areas are seen as key avenues for margin expansion, while continuing to focus on driving better average sales per restaurant (AUV).

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 ~190 bps over the previous year. Further, the Company was able to expand the operating EBITDA margins by ~215 bps led by gross margins coupled with operating leverage across payroll & employee costs and occupancy & other operating expenses. Further, in the medium-term, operating 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 we are proud to have 8,700 people driving the Company ahead.

Our subsidiary HRPL has a reputation of being one of the best first-job employers as we provide our employees with an enriching workplace environment that is fun, flexible and future-oriented! HRPL is one of the very few organisations that recruits fresh talent (18-20-year olds) and trains them on various skills that help to build their future with a rewarding career path.

Today about 76% of HRPL's crew is aged between 18 and 24 years and more than 80% of its Restaurant Managers are aged between 22 and 30. The Company is proud that its workforce consists of over 26% women employees against the industry average of 13%.

HRPL trains every new employee on a host of things like safety and security, hygiene and hospitality even before they hit the floor. The Company calls this foundational training as these are skills that stay with the staff for life. Beyond the basic training, there are many skill-building sessions that are conducted periodically to enhance their performance.

The Company's focus on training and development to bridge the skill gaps, and the work done on coaching and mentoring to prepare future leaders has helped several employees who joined at the restaurant level to move up the ranks to senior management positions.

HRPL trains its staff to run business independently right from the restaurant level. A restaurant manager is taught how to manage his utility, labour, promotion and other costs and run a P&L. This is one of the key reasons the staff can make an easy transition from running restaurants to running businesses.

The Company encourages people to grow and give them the flexibility to choose their pace of growth. This is possible as the Company has moved all its learning material online so the employees don't have to depend on anyone to teach them the skills to grow.

Women employees are given the flexibility of choosing a shift convenient to them and never make them work late shifts. HRPL recognises that it is important for women employees to maintain the right balance between home and work.

But all work and no play makes Jack a dull boy. Your Company encourages its staff to have fun at work! Thus it works towards keeping its employees at all levels motivated and engaged by organising various activities to help them break the monotony and feel energised.

For example, HRPL is one of the very few retail organisations that has a crew room in all its restaurants. This crew room is equipped with a computer and TV with cable connection where the staff can unwind between shifts or post-work hours. The Company also organises monthly meet-ups and gamified activities to keep the restaurant staff updated on what is happening in the business.

Therefore, it is not a surprise that HRPL has been recognised as a Great Place to Work (GPTW) for the fourth year in a row. This year, we have been recognised as one of the Top 10 retail companies and 30th overall in India's Best Companies to Work For in 2018 by "Great Place to Work" Institute.

Comments on financial performance, 2017-18

Results from the year

- Revenue growth of 21.9% year-over-year to ₹11,348.7mn, riding on the strong performance of its subsidiary, Hardcastle Restaurants Pvt. Ltd. (HRPL)
- Operating EBIDTA stood at ₹846.8mn; margins at 7.5% (as % of total revenues)
- Profit/(loss) after tax stood at ₹128.6mn as against loss of ₹121.2mn in the previous year
- Cash profit stood at ₹889.0mn as against ₹559.9mn in the previous year
- Total restaurant network at 277, y-o-y gross additions at 25; Total McCafé count at 149

Consolidated Financial Performance

(₹in mn)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2018
REVENUES		
Sales	9,186.7	11,255.3
Other Operating Income	119.2	93.4
Other Trading Revenues	2.0	-
Total Revenues	**9,307.9**	**11,348.7**
Operating Costs And Expenses		
Store Operating Cost and Expenses		
Food & Paper	3,661.2	4,249.7
Payroll and Employee Benefits	1,089.4	1,311.1
Royalty	365.4	476.7
Occupancy and Other Operating Expenses	3,169.7	3824.5
Total Operating Costs And Expenses	**8285.7**	**9862**
Restaurant Operating Margin	**1,022.2**	**1486.7**
General & Administrative Expenses	525.2	639.9
Other Trading Operating Cost and Expenses	2.0	-
Operating EBITDA	**495.0**	**846.8**
Other (Income)/Expenses, (net)	(200.1)	(175.9)
Extra-ordinary Expenses[1]	25.3	71.4
Financial Expense (Interest & Bank Charges)	153.8	150.1
Depreciation	637.2	672.6
Profit Before Tax	**(121.2)**	**128.6**
Taxes	-	-
Profit After Tax	**(121.2)**	**128.6**
Cash Profit	**559.9**	**889.0**

[1] *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 FY18, Company recorded a revenue growth of 21.9% to ₹11,348.7mn compared to ₹9,307.9mn 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 new restaurants taking the total restaurant count to 277 restaurants across west and south India. In FY18, comparable sales (same-store sales growth) was 15.8% compared to 4.0% 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 ₹4,249.7mn, compared to ₹3,661.1mn in

2016-17. 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 190 bps Y-o-Y to 62.6%, 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 149 restaurants and McDelivery in 165 restaurants. The Company has expanded gross margins by 700 bps over the last six years (FY12-FY18).

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 Chicken Kebab (burger & wrap), Chatpata Naan (veg and chicken) and few limited-time offers like Cream & Onion Fries, Phirni McFlurry, 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 FY18, the Company reported Restaurant Operating Margin of ₹1,486.7mn compared to ₹1,022.2mn in the previous year. RoM amounted to 13.1% compared to 11.0% in fiscal 2017. The increase in restaurant operating margins was largely aided by improvement in gross margins along with operating leverage. This improvement in margins was slightly offset by increase in expenses due to removal of input-tax credits under GST regime.

General & Administration (G&A) Expenses

The Company continued to invest in a talent pipeline to ensure smooth management and operations of its business both present and future. In FY18, General & administrative expenses increased to ₹639.9mn compared to ₹525.2mn in FY17.

General and administrative expenses as a percent of total revenues were flat, 5.6% in FY18 and similar in FY17. The management believes that analysing 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 ₹846.8mn in fiscal 2018 compared to ₹495.0mn in fiscal 2017. Operating EBITDA margin is defined as operating EBITDA as a percent of total revenues. Operating EBITDA margin was 7.5% in fiscal 2018 compared to 5.3% in fiscal 2017.

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, 2018, at a consolidated level, WDL had cash and cash equivalents of ₹1952.2mn. 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 2018, the Company expanded its footprint with gross addition of 25 new restaurants and also invested in re-imaging activities relating to building the interiors and exteriors to enhance the overall dining experience at its restaurants. For purposes of the same the Company invested ₹1016.6mn towards capital expenditure. These were largely funded through internal cash accruals and cash reserves and external bank borrowings. During the year, Company closed/relocated six 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 projected USD 131bn Informal Eating Out (IEO) market by 2022 is dominated by unorganised players. This is estimated to grow by 8.9% during 2017-22, while the Quick service restaurants (QSR) (including chain outlets, standalone eateries, Indian and Western fast food, restaurants and cafés) is estimated to grow by 9.2% to reach USD 21.6bn by 2022. Growth is likely to be driven by an evolution of the country's demographic landscape and changing spending patterns. Further, Western Fast Food (WFF) market is expected to grow the fastest by 13.4% to reach USD 1.8bn in 2022. Also, WFF has grown its share in IEO from 1% in 2014 to 1.3% in 2017 and is expected to grow to 1.6% by 2022. [Source: Euromonitor International 2017 Report – QSR Food Service Market]

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 our key cities (namely Mumbai, Pune, Ahmedabad, Chennai, Bengaluru and Hyderabad) and other urban/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 while:

a) broadening our accessibility and reach through opening new restaurants at the right unit economics and sharper focus on sustainable growth

b) growing our baseline sales through continuous menu innovation, EOTF and brand extensions like McCafé and McDelivery

c) expanding operating margins and enable long-term growth in the QSR industry

d) 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 frame work 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 Company has an Internal Audit cell which supports Audit Committee (AC), besides external firms acting as independent internal auditors that reviews internal controls and operating systems and procedures.

STATUTORY SECTION

Report of the Board of Directors

Dear members

Your Directors are pleased to present their Thirty-Fifth Annual Report and Audited Statement of Accounts for the year ended March 31, 2018

I FINANCIAL DETAILS

Consolidated Financial Highlights (₹ in Millions)

Particulars	2017-18	2016-17
Revenue from Operations (Net)	11,348.74	9,307.86
Total Expenses excluding Depreciation, Interest and Tax	10,575.15	8,838.35
EBITDA	951.30	669.79
Profit / (loss) before tax	128.57	(121.20)
Less : Tax Expenses	-	-
Profit / (loss) after tax	128.57	(121.20)

Standalone Financial Highlights (₹)

Particulars	2017-18	2016-17
EBITDA	(5,267,439)	(3,027,624)
Less : Depreciation	23,155	3,249
Profit/ (Loss) before Tax	(5,290,594)	(3,030,873)
Less : Tax Expenses	-	-
Profit/ (Loss) for the year	(5,290,594)	(3,030,873)
Add : Balance brought forward	(30,833,005)	(27,802,132)
Balance Carried forward	(36,123,599)	(30,833,005)

II PERFORMANCE

Standalone Operating Performance

During the financial year 2017-18, the Company has reported a loss after tax of ₹ 52.91 lakhs as against a loss of ₹ 30.31 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 2017-18 and their contribution to the overall performance of the Company is provided below:

(₹ in millions)

Particulars	2017-18	2016-17
Revenue from Operations (Net)	11,348.74	9,305.90
Total Expenses excluding Depreciation, Interest and Tax	10,569.52	8,831.90
EBITDA	956.56	672.82
Profit / (loss) before tax	133.86	(118.17)
Less : Tax Expenses	-	-
Profit / (loss) after tax	133.86	(118.17)

Subsidiaries, Joint Ventures or Associate Companies

During the year under review no Company has become or ceased to be the Company's subsidiary, joint venture or associate company.

As per the provisions of Section 129 (3) of the Companies Act, 2013 a statement containing salient features of the financial statement of the Company's subsidiary is provided as 'Annexure A' to the consolidated financial statements.

Dividend

Considering the present financial position as on March 31, 2018, no dividend is being recommended.

State of the Company's affairs

Your Company is now classified as a Core Investment Company ('CIC') exempt from registration with the Reserve Bank of India within the meaning of the Core Investment Companies (Reserve Bank) Directions, 2016. 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 March 31, 2018 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 Directors

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the office of Mr Amit Jatia (DIN : 000016871) is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, he offers himself for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has recommended his re-appointment.

The term of office of Mr Padmanabh Ramchandra Barpande (DIN: 00016214), as an Independent Director, will expire on 31st March, 2019. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had recommended reappointment of Mr Padmanabh Ramchandra Barpande as an Independent Director of the Company w.e.f. April 1, 2019 for a second term of 5 (five) consecutive years i.e. upto March 31, 2024.

The term of office of Mr Manish Chokhani (DIN: 00294011), as an Independent Director, will expire on March 31, 2019. The Board of Directors, on the recommendation of the

Nomination and Remuneration Committee, had recommended reappointment of Mr Manish Chokhani as an Independent Director of the Company w.e.f. April 1, 2019 for a second term of 5 (five) consecutive years i.e. upto March 31, 2024.

The term of office of Mr Tarun Kataria (DIN: 00710096), as an Independent Director, will expire on July 31, 2019. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had recommended reappointment of Mr Tarun Kataria as an Independent Director of the Company w.e.f. August 1, 2019 for a second term of 5 (five) consecutive years i.e. upto July 31, 2024.

Number of meetings of the Board

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

Declaration by Independent Directors

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

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 March 31, 2018, 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 March 31, 2018 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 March 31, 2018 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 through online survey (through Survey Monkey) 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**

  B S R & Associates LLP, Chartered Accountants (ICAI Registration No. 116231W/W-100024) were appointed as Statutory Auditors of the Company for a term of 5 (five) years at the 34th Annual General Meeting (AGM) held on September 20, 2017, to hold office from the conclusion of the 34th AGM till the conclusion of the 39th AGM of the Company. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

  The Notes on financial statements referred to in the Auditors' Report are self- explanatory, hence no clarification is required. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

- **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 or disclaimer.

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 Regulations 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 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 Financial Control Systems

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risk. The internal financial controls have been documented and embedded in the business system.

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)

No unpaid and unclaimed dividend is lying with Company.

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 March 31, 2018 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 the 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 wishes to express its gratitude and record sincere appreciation for the dedicated efforts of all employees of the Company. The Board is thankful to the esteemed shareholders for their continued support and confidence reposed in the Company. The Board takes this opportunity to express its gratitude for the valuable assistance and co-operation extended by all stakeholders including government authorities, customers, banks, vendors, advisors, and other business partners.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Banwarilal Jatia	**Amit Jatia**
Director	*Director*
DIN:00016823	DIN:00016871

Place: Mumbai

Date: July 27, 2018

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 March 31, 2018

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 authorised 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 March 31, 2018 ('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 March 31, 2018 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.
3. The Core Investment Companies (Reserve Bank) Directions, 2016

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 : July 27, 2018

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
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	₹ 19,000,208/-
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 on rights basis – conversion of Cumulative Redeemable Preference Shares (CRPS)
c)	Duration of the contracts/ arrangements/ transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 4,20,927,400/-
e)	Date(s) of approval by the Board, if any	February 25, 2018
f)	Amount paid as advance, if any	-

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Banwarilal Jatia	**Amit Jatia**
Date : July 27, 2018	*Director*	*Director*
Place : Mumbai	DIN:00016823	DIN:00016871

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	a. Professional approach b. Good team work c. Good communication skills d. Good knowledge of specific domains related to the business activities of the Company.
3	Independence	Meets the criteria laid down in Section 149 (6) of the Companies Act, 2013 and 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 March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L65990MH1982PLC028593
ii)	Registration Date	October 30, 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	64200	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 April 1, 2017				No. of Shares held at the end of the year. As on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual /HUF	2634486	-	2634486	1.69	2634486	-	2634486	1.69	-
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt(s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	80799729	-	80799729	51.95	80799741	-	80799741	51.95	-
k) Banks / FI	-	-	-	-	-	-	-	-	-
l) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**83434215**	**-**	**83434215**	**53.63**	**83434227**	**-**	**83434227**	**53.632**	**-0.01**
(2) Foreign									
a) NRIs - Individuals	1411621	-	1411621	0.91	1411621	-	1411621	0.91	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	11881640	-	11881640	7.64	11881640	-	11881640	7.64	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**13293261**	**-**	**13293261**	**8.54**	**13293261**	**-**	**13293261**	**8.54**	**0.09**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**96727476**	**-**	**96727476**	**62.19**	**96727488**	**-**	**96727488**	**62.18**	**-0.01**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	13743042	-	13743042	8.83	13571383	-	13571383	8.72	-0.11
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	20750291	-	20750291	13.34	20469693	-	20469693	13.16	-0.18
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**34493333**	**-**	**34493333**	**22.17**	**34041076**	**-**	**34041076**	**21.87**	**-0.29**

Category of Shareholders	No. of Shares held at the beginning of the year. As on April, 1 2017				No. of Shares held at the end of the year. As on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	12229841	-	12229841	7.82	8414234	-	8414234	5.40	-2.45
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1455102	200	1455302	0.93	3021130	200	3021130	1.94	1.01
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10251150	-	10251150	6.59	12665138	-	12665138	8.14	1.55
c) Others (specify)									
i) Non- Resident (Non-repatriation)	178247	-	178247	0.11	238353	-	238353	0.15	0.04
ii) Non- Resident (repatriation)	234156	-	234156	0.15	458776	-	458776	0.29	0.14
Sub-total (B)(2):-	**24348496**	**200**	**24348696**	**15.65**	**24818981**	**200**	**24819181**	**15.95**	**0.30**
Total Public Shareholding (B)= (B)(1)+ (B)(2)	**58841829**	**200**	**58842029**	**37.82**	**58860057**	**200**	**58860257**	**37.83**	**0.01**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**155569305**	**200**	**155569505**	**100**	**155587545**	**200**	**155587745**	**100**	**-**

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	30.4	0.00	47285325	30.4	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	1.20	0.00	0.00
5	Amit Jatia	630000	0.41	0.00	630000	0.41	0.00	0.00
6	Anurag Jatia	1411621	0.91	0.00	1411621	0.91	0.00	0.00
7	Achal Exim Pvt Ltd	160697	0.1	0.00	160697	0.1	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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	
10	Saubhagya Impex Pvt Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
11	Winmore Leasing And Holdings Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
12	Shri Ambika Trading Co Pvt Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
13	Banwarilal Jatia	1176	0.00	0.00	1176	0.00	0.00	0.00
14	Lalita Devi Jatia	50	0.00	0.00	50	0.00	0.00	0.00
15	Usha Devi Jatia	50	0.00	0.00	50	0.00	0.00	0.00
16	Banwari Lal Jatia	11	0.00	0.00	11	0.00	0.00	0.00
17	Amit Jatia	1	0.00	0.00	1	0.00	0.00	0.00
18	Acacia Impex Private Limited	0	0.00	0.00	1	0.00	0.00	0.00
19	Akshay Ayush Impex Pvt Ltd	0	0.00	0.00	1	0.00	0.00	0.00
20	Amit BL Properties Private Limited	0	0.00	0.00	1	0.00	0.00	0.00
21	Anand Veena Twisters Pvt Ltd	0	0.00	0.00	1	0.00	0.00	0.00
22	Concept Highland Business Pvt Ltd	0	0.00	0.00	1	0.00	0.00	0.00
23	Hardcastle And Waud Mfg Co Limited	0	0.00	0.00	1	0.00	0.00	0.00
24	Hardcastle Petrofer Private Limited	0	0.00	0.00	1	0.00	0.00	0.00
25	Hawco Petrofer LLP	0	0.00	0.00	1	0.00	0.00	0.00
26	Hawcoplast Investments And Trading Limited	0	0.00	0.00	1	0.00	0.00	0.00
27	Houghton Hardcastle (India) Pvt Limited	0	0.00	0.00	1	0.00	0.00	0.00
28	Vandeep Tradelinks Private Limited	0	0.00	0.00	1	0.00	0.00	0.00
29	Vishwas Investment & Trading Company Pvt Ltd	0	0.00	0.00	1	0.00	0.00	0.00
	Total	96727476	62.19	0.00	96727488	62.19	0.00	0.00

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

Sl No.		Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1	HAWCO PETROFER LLP	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
2	AMIT BL PROPERTIES PRIVATE LIMITED	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
3	HARDCASTLE PETROFER PRIVATE LIMITED	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
4	VISHWAS INVESTMENT & TRADING COMPANY PVT LTD	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
5	VANDEEP TRADELINKS PRIVATE LIMITED	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
6	ACACIA IMPEX PRIVATE LIMITED	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
7	AKSHAY AYUSH IMPEX PVT LTD	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
8	CONCEPT HIGHLAND BUSINESS PVT LTD	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
9	HARDCASTLE AND WAUD MFG CO LIMITED	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
10	HOUGHTON HARDCASTLE (INDIA) PVT LIMITED	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
11	HAWCOPLAST INVESTMENTS AND TRADING LIMITED	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00
12	ANAND VEENA TWISTERS PVT LTD	0	0.00	01.04.2016	0		0	0.00
		0	0.00	22.09.2017	1	Transfer	1	0.00
		1	0.00	31.03.2018	0		1	0.00

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

Sl No.	Shareholders Name	Shareholding		Date of change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1	SBI MAGNUM BALANCED FUND	13743042	8.83	01.04.2017			13743042	8.83
		13743042	8.83	01.12.2017	-105374	Transfer	13637668	8.76
		13637668	8.76	16.03.2018	-66285		13571383	8.72
		13571383	8.72	31.03.2018			13571383	8.72
2	ARISAIG PARTNERS (ASIA) PTE LTD. A/C ARISAIG INDIA FUND LIMITED	12296550	7.90	01.04.2017	No Movement During The Year			
		12296550	7.90	31.03.2018				
3	RAJIV HIMATSINGKA	8485000	5.45	01.04.2017			8485000	5.45
		8485000	5.45	07.04.2017	3036500	Transfer	11521500	7.40
		11521500	7.40	31.03.2018				7.40
4	BAY CAPITAL INVESTMENTS LTD	4593841	2.95	01.04.2017			4593841	2.95
		4593841	2.95	07.07.2017	-184385	Transfer	4409456	2.83
		4409456	2.83	06.10.2017	-62350	Transfer	4347106	2.79
		4347106	2.79	22.12.2017	-26688	Transfer	4320418	2.78
		4320418	2.78	29.12.2017	-31594	Transfer	4288824	2.76
		4288824	2.76	05.01.2018	-14081	Transfer	4274743	2.76
		4274743	2.76	12.01.2018	-31653	Transfer	4243090	2.73
		4243090	2.73	31.03.2018			4243090	2.73
5	TREE LINE ASIA MASTER FUND (SINGAPORE) PTE LTD	3282296	2.10	01.04.2017			3282296	2.10
		3282296	2.10	06.10.2017	-122296	Transfer	3160000	2.03
		3160000	2.03	03.11.2017	-30000	Transfer	3130000	2.01
		3130000	2.01	31.03.2018			3130000	2.01
6	PRERANA LLP	1436215	0.92	01.04.2017	No Movement During The Year			
		1436215	0.92	31.03.2018				
7	NEW LEAINA INVESTMENTS LIMITED	3225648	2.07	01.04.2017			3225648	2.07
		3225648	2.07	21.04.2017	-10549	Transfer	3215099	2.06
		3215099	2.06	12.05.2017	-2000	Transfer	3213099	2.06
		3213099	2.06	09.06.2017	-31706	Transfer	3181393	2.04
		3181393	2.04	16.06.2017	-66687	Transfer	3114706	2.00
		3114706	2.00	01.12.2017	-1800000	Transfer	1314706	0.84
		1314706	0.84	31.03.2018			1314706	0.84
8	PREMIER INVESTMENT FUND LIMITED	1031998	0.66	01.04.2017			1031998	0.66
		1031998	0.66	02.06.2017	-600	Transfer	1031398	0.66
		1031398	0.66	01.09.2017	-450	Transfer	1030948	0.66
		1030948	0.66	22.09.2017	-450	Transfer	1030498	0.66
		1030498	0.66	06.10.2017	62350	Transfer	1092848	0.70
		1092848	0.70	02.02.2018	-40000	Transfer	1052848	0.68
		1052848	0.68	09.02.2018	-10000	Transfer	1042848	0.67
		1042848	0.67	09.03.2018	7500	Transfer	1050348	0.67
		1050348	0.67	31.03.2018			1050348	0.67

Sl No.	Shareholders Name	Shareholding		Date of change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
9	BAY POND MB	0	0	01.04.2017			0	0
		0	0	24.11.2017	54645	Transfer	54645	0.03
		54645	0.03	01.12.2017	992201	Transfer	1046846	0.67
		1046846	0.67	29.12.2017	-41976	Transfer	1004870	0.64
		1004870	0.64	05.01.2018	-42116	Transfer	962754	0.62
		962754	0.62	12.01.2018	-6784	Transfer	955970	0.61
		955970	0.61	31.03.2018			955970	0.61
10	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	566000	0.36	01.04.2017	No Movement During The Year			
		566000	0.36	31.03.2018				
11	RASHI EQUISEARCH PVT. LTD.	3095849	1.99	01.04.2017			3095849	1.99
		3095849	1.99	07.04.2017	-3095849	Transfer	0	0
		0	0	31.03.2018			0	0
12	VIMLADEVI RAVIKUMAR MOHATTA	1500150	0.96	01.04.2017			1500150	0.96
		1500150	0.96	07.04.2017	-60000	Transfer	1440150	0.93
		1440150	0.93	14.04.2017	-45150	Transfer	1395000	0.81
		1395000	0.81	21.07.2017	-19000	Transfer	1376000	0.88
		1376000	0.88	28.07.2017	-51236	Transfer	1324764	0.85
		1324764	0.85	04.08.2017	-15000	Transfer	1309764	0.84
		1309764	0.84	25.08.2017	-20387	Transfer	1289377	0.83
		1289377	0.83	01.09.2017	-335	Transfer	1289042	0.83
		1289042	0.83	13.10.2017	-1200000	Transfer	89042	0.05
		89042	0.05	03.11.2017	-30000	Transfer	59042	0.04
		59042	0.04	10.11.2017	-59042	Transfer	0	0
		0	0	31.03.2018			0	0
13	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	1067940	0.69	01.04.2017			1067940	0.69
		1067940	0.68	26.05.2017	-13346	Transfer	1054594	0.67
		1054594		30.06.2017	-121074	Transfer	933520	0.60
		933520		07.07.2017	-71951	Transfer	861569	0.55
		861569		28.07.2017	-126877	Transfer	734692	0.47
		734692		18.08.2017	-2106	Transfer	732586	0.47
		732586		25.08.2017	-33920	Transfer	698666	0.44
		698666		01.09.2017	-10551	Transfer	688115	0.44
		688115		08.09.2017	-11327	Transfer	676788	0.43
		676788		15.09.2017	-8295	Transfer	668493	0.42
		668493		22.09.2017	-230048	Transfer	438445	0.28
		438445		29.09.2017	-5304	Transfer	433141	0.28
		433141		06.10.2017	-116149	Transfer	316992	0.20
		316992		13.10.2017	-21219	Transfer	295773	0.19
		295773		20.10.2017	-4441	Transfer	291332	0.18
		291332		27.10.2017	-72062	Transfer	219270	0.14
		219270		03.11.2017	-105652	Transfer	113618	0.07
		113618		10.11.2017	-113618	Transfer	0	0
				31.03.2018			0	0

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Shareholders 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	11	0.00	01.04.2017	No Movement During The Year			
	Director	11	0.00	31.03.2018				
2	Amit Jatia	630000	0.41	01.04.2017	No Movement During The Year			
	Director	630000	0.41	31.03.2018				
3	Smita Jatia	1875250	1.21	01.04.2017	No Movement During The Year			
	Director	1875250	1.21	31.03.2018				
4	Dilip Thakkar	--	0.00	01.04.2017	No Movement During The Year			
	Director	--	0.00	31.03.2018				
5	Padmanabh Barpande	--	0.00	01.04.2017	No Movement During The Year			
	Director	--	0.00	31.03.2018				
6	Manish Chokhani	--	0.00	01.04.2017	No Movement During The Year			
	Director	--	0.00	31.03.2018				
7	Tarun Kataria	--	0.00	01.04.2017	No Movement During The Year			
	Director	--	0.00	31.03.2018				
8	Achal Jatia	--	0.00	01.04.2017	No Movement During The Year			
	Director	--	0.00	31.03.2018				
9	Suresh Lakshminarayanan CFO	2012	0.00	01.04.2018			1012	0.00
		2012	0.00	16.02.2018	2000	ESOP Exercise	4012	0.00
		4012	0.00	31.03.2018			4012	0.00
10	Shatadru Sengupta CS	7860	0.00	01.04.2017			7860	0.00
		7860	0.00	07.07.2017	-3000	Transfer	4860	0.00
		4860	0.00	11.08.2017	-700	Transfer	4160	0.00
		4160	0.00	22.12.2017	940	ESOP Exercise	5100	0.00
		5100	0.00	16.02.2018	850	ESOP Exercise	5950	0.00
		5950	0.00	31.03.2018			5950	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
Indebtedness at the beginning of the financial year				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition • Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount Rupees
1	Independent Directors	Mr P.R. Barpande	Mr Dilip Thakkar	Mr Tarun Kataria	Mr Manish Chokani	
	• Fee for attending board/ committee meetings	1,95,000/-	2,75,000/-	1,30,000/-	2,85,000/-	8,85,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	**1,95,000/-**	**2,75,000/-**	**1,30,000/-**	**2,85,000/-**	**8,85,000/-**
2.	Other Non-Executive Directors	Mr B.L.Jatia	Mr Amit Jatia	Ms Smita Jatia	Mr Achal Jatia	
	• Fee for attending board/ committee meetings	1,20,000/-	2,40,000/-	1,55,000/-	95,000/-	6,10,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**1,20,000/-**	**2,40,000/-**	**1,55,000/-**	**95,000/-**	**6,10,000/-**
	Total (B)=(1+2)	**3,15,000/-**	**5,15,000/-**	**2,85,000/-**	**3,80,000/-**	**14,95,000/-**
	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			
		CEO Amit Jatia	Company Secretary Shatadru Sengupta	CFO Suresh Lakshminarayanan	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**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure 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 utilised :**

Retained earnings shall be utilised 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

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	April 1, 2017 to March 31, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	64200
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Activities of holding company
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 275 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)	31,11,75,890/
2.	Total Turnover (INR)	3,73,871/-
3.	Total profit/(loss) after taxes (INR)	(52,90,594/-)
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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for.......	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.westlife.co.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? **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. 1. 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'16- Mar'17	5,10,19,967	
Apr'17-Mar'18	5,08,15,888	
TOTAL ENERGY SAVED IN UNITS	204,080	0.4%

DETAIL:-

1. Operating of lights is optimised
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. Fan, coolers and AC are switched off 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 : 1,05,400 liters in FY 2017-18

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-authorised 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 –

-7 New stores for 9 months – 18,500 units

-12 New stores for 6 months – 21,600 units

System wide total saving – 40,100 units

Electricity Saving due to air coolers -

Cumulative Savings with air coolers running in old stores is around 10 lakh units

Water Saving due to Waterless Urinals -

-9 New stores for 6 months – 1,05,400 Ltrs

System-wide total saving – 1,05,400 Ltrs

3. 1. 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) The Company 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 the Company's restaurants is purchased only from RSPO certified sustainable sources.

The Company sources only sustainable fish species i.e. Alaskan Pollock for making its 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?

The Company 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.

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. 8719
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. 2299 - 1711 Part Time, 588 Full Time
4. Please indicate the Number of permanent employees with disabilities. 30
5. Do you have an employee association that is recognised by management. No
6. What percentage of your permanent employees is members of this recognised 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 & marginalised stakeholders. - N.A.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised 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 also suppliers. Most of our major 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. – No
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. - No
3. Does the Company identify and assess potential environmental risks? Y/N - No
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. - No
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported? - N.A.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. – N.A.

Principle 7

1. Is your Company a member of any trade and chamber or association? - Yes.

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

   (a) National Restaurant Association of India (NRAI)

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

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

   (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 case 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 carried 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 Disclosure 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 recognised corporate governance practices.

Board of Directors

The Board comprises eight Directors as on March 31, 2018. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below. None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies and 3 Listed Companies in case he/she serves as a Whole Time Director in any Listed Company. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")), across all the Companies in which he/she is a Director.

The Company's Board has four independent non-executive directors as on March 31, 2018, unrelated to each other and not holding any shares in the Company. The Board met four times during the year, on May 11, 2017; August 1, 2017; November 6, 2017; and February 5, 2018.

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	1	13	1	1
Mr Amit Jatia (DIN: 00016871)	Promoter Executive	4	Yes	2	10	2	-
Mr Dilip J Thakkar (DIN: 00007339)	Independent Non-Executive	4	Yes	5	8	6	3
Mr Padmanabh Ramchandra Barpande (DIN: 00016214)	Independent Non-Executive	4	Yes	1	10	11	7

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	4	Yes	1	3	-	-
Mr Manish Chokhani (DIN: 00204011)	Independent Non-Executive	3	No	2	7	5	2
Mr Tarun Kataria (DIN: 00710096) (appointed on August 1, 2014)	Independent Non-Executive	3	No	1	1	-	-
Mr Achal Jatia (DIN: 03587681) (appointed on August 1, 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 and 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 consist of the following Directors viz. Mr P R Barpande (Chairman of the Committee), Mr Dilip J Thakkar, Mr Manish Chokhani, and Mr Amit Jatia. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

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

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

Name of the Committee Members & Chairperson	Date of meeting and attendance during the year			
	May 11, 2017	August 1, 2017	November 6, 2017	February 5, 2018
Mr P R Barpande	Yes	Yes	Yes	No
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 twice during the year, on July 18, 2017 and February 5, 2018.

Details of date of meeting and attendance during the year of the Nomination and remuneration Committee.

Name of the Committee Members & Chairperson	Date of meeting and attendance during the year	
	August 1, 2017	February 5, 2018
Mr P R Barpande	Yes	No
Mr Manish Chokhani	Yes	Yes
Ms Smita Jatia	Yes	Yes

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

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 of performance of the Directors individually. Feedback was sought by means of an online survey (through Survey Monkey) 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.

Via online survey (through Survey Monkey) 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 Board members are provided with necessary documents/brochures, reports and internal policies to enable Independent Directors to familiarize themselves with the Company's procedure and practices.

Towards familiarization of the Independent Directors with the Company, periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risk involved including their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

The details of such programs for familiarisation of the Independent Directors with the Company are available on the website of the Company at the Web link: http://www.westlife.co.in/investors-compliance-and-policies.php

Meeting of Independent Directors

The Independent Directors of the Company meet in a separate meeting, at least once a year, without the presence of non-independent directors and members of management. For the year under reporting, the Independent Directors' separate meeting was held on February 5, 2018.

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, 2018. 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 24, 2015	3.00 p.m.	Nil
2	Fantasy Banquet Room, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai-400018	September 29, 2016	2.30 p.m.	Nil
3	Fantasy Banquet Room, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai-400018	September 20, 2017	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

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

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

c) The Company has made disclosures in compliance with the Accounting Standard on “Related Party Disclosures” in Note. No 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 35th Annual General Meeting being sent along with the Board’s Report.

Communication

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

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

Integrated Reporting

The Securities and Exchange Board of India (SEBI) had, vide its circular No. SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 6, 2017, introduced to Indian listed entities the concept of Integrated Reporting. It advised that Integrated Reporting may be adopted by listed entities on a voluntary basis from the financial year 2017-18 by top 500 companies which are required to prepare Business Responsibility Report (BRR).

The circular states that all organizations depend on various forms of capital for their success and that it is important that all such forms of capital are disclosed to stakeholders to enable informed investment decision making. The International Integrated Reporting Council ('IIRC') has categorised the forms of capital as follows: Financial capital, Manufactured capital, Intellectual capital, Human capital, Social and relationship capital and Natural capital.

IIRC has prescribed certain Guiding Principles which underpin the preparation of an integrated report.

Accordingly, as a good governance measure and as a part of voluntary compliance with Integrated Reporting, below is set out how the Company has contributed to the six kinds of capital mentioned above :

1. **Financial Capital**

   The Company reported an increase in its total revenues by around 22% during the fiscal year ended March 31, 2018, strongest revenue growth in over 5 years led by industry highest same store sales growth (SSSG) of 15.8%. For the year under review, our operating margins improved by around 215 basis points to 7.5% and also, demonstrated significant improvement in our PAT profitability, reporting PAT of ₹ 128.6 million. The Company's cash profit year-on-year increased by 58.8% to INR 889.0 million. A robust financial performance has enabled the Company to access funds from the domestic market at competitive rates.

2. **Manufactured Capital**

   The Company's subsidiary has contributed significantly to the food manufacturing sector in India. In the year 2017-18, we have purchased in excess of 25,000 tons or more of food from the food manufacturing industry in India. This purchase spans 30 food manufacturers and 45 manufacturing facilities across the country. Further, we purchase various agricultural commodities in large quantities such as about 11,000 tons of potatoes, 1,500 tons of vegetables (green peas, carrots, beans etc.), 500 tons of onions, 350 tons of tomatoes, and 1,000 tons of lettuce, thus providing livelihood and an assured source of income for over 700 farmers across India.

3. **Intellectual Capital**

   The Company, through its subsidiary, has innovated its product line and has come up with various new food and beverage products that have delighted its customers. It thereby continues to provide variety to and sustains the interest of consumers across age groups and geographies. We continuously innovate and offer new products to our consumers. In FY 2017-18, through our subsidiary, we launched 30 new products under various categories of food, desserts and beverages.

4. **Human Capital**

   Through its subsidiary, the Company employs over 8,719 persons directly. The employees are provided significant training and learning opportunities within the Company. The training provided includes Food Safety Training and Certification (FoSTaC) training under the auspices of the Food Safety and Standards Authority of India (FSSAI), under which more than 700 individuals in the restaurant leadership teams have received training. Imparting of training apart, the subsidiary has won numerous awards for initiatives in relation to people (employees), the most recent one being the Great Places to Work (GPTW) award. GPTW assesses people initiatives in organisations across all sectors in India and chooses the 100 best. The people initiatives can range from welfare to capability development. Our subsidiary was ranked 2nd in the Retail sector and 30th overall across all sectors across India.

5. **Social and Relationship Capital**

   Through Ronald McDonald House Charities Foundation India (RMHC India), a not-for-profit Company promoted by the Company's subsidiary, the Company has contributed to society by positively impacting the lives of 15,000 cancer affected child patients and their families through the Ronald McDonald Family Room at the Paediatric Oncology Wing of Bai Jerbai Wadia Hospital, Mumbai.

6. **Natural Capital**

   Through its subsidiary, the Company has contributed significantly to the environment by means of the following measures followed by its restaurants at various locations:

   a. In order to conserve water, the Company has taken the following initiatives:

      - Replaced water-based waste disposal system with a waterless urinal, and saved over 4,38,000 litres of water per urinal, per year.
      - Introduced a smart hand-wash system that dispenses water and soap in specific quantities and moderated per restaurant water use by 3,98,000 litres a year.
      - Used Rain Water Harvesting systems for Drive-Through restaurants and as a result recharged the local ground water table with 18,00,000 litres a year, per restaurant.

   b. In order to save electricity, the Company has taken the following initiatives :

      - Use of low energy consumption-based ventilation with Ambient air / Air cooling solutions for kitchens and this led to a reduction in electricity consumption by up to 60 – 100 units per day in restaurants that amounts to savings of up to 36,500 units per year .
      - Use LED (Light-Emitting Diode) lighting, this reduced electricity consumption up to 2% in the restaurants.

General Shareholder Information

(i) Annual General Meeting to be held :

Date	August 29, 2018
Time	2.30 p.m.
Venue	Orchid Hall, 2nd 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,

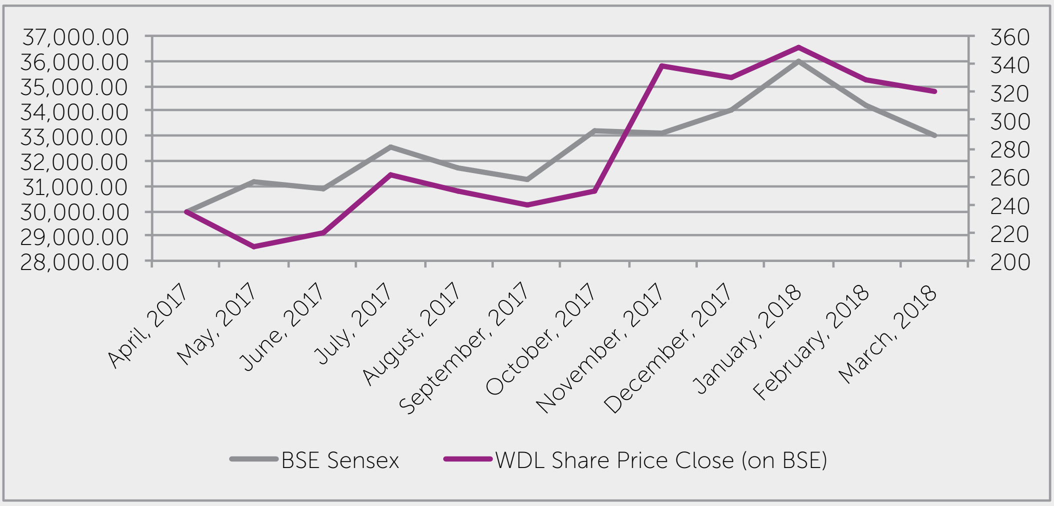
(iv) The Company's shares are listed on the BSE Ltd.

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:



(vi) **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 2017-18 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, 2017	264.25	213.00	235.05	30184.22	29241.48
May, 2017	249.70	201.00	209.80	31255.28	29804.12
June, 2017	244.60	208.00	220.25	31522.87	30680.66
July, 2017	272.00	216.40	260.85	32672.66	31017.11
August, 2017	282.80	219.00	249.80	32686.48	31128.02
September, 2017	272.00	225.25	239.95	32524.11	31081.83
October, 2017	257.10	226.90	249.30	33340.17	31440.48
November, 2017	346.85	242.00	338.40	33865.95	32683.59
December, 2017	388.80	324.00	329.85	34137.97	32565.16
January, 2018	388.85	312.50	351.75	36443.98	33703.37
February, 2018	359.00	315.00	328.00	36256.83	33482.81
March, 2018	343.90	296.00	320.00	34278.63	32483.84

(vii) 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

(viii) Share Transfer System:

As on 31st March, 2018, 100% paid-up capital of the Company (excluding 200 shares which are held in physical form) is in dematerialised form.

For dematerialised 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, 2018:

	No. of Holders	No. of Shares held	Percentage of holding
Promoter Group :			
Individuals/ HUF	10	40,46,107	2.60
Bodies Corporate	19	9,26,81,381	59.57
Non-Promoters :			
Individuals/ HUF	6834	2,40,54,859	15.56
Bodies Corporate	150	7,64,322	0.49
Foreign Institutional Investors	29	2,04,69,693	13.16
Mutual Fund	1	1,35,71,383	8.72
	***7043**	**15,55,87,745**	**100.00**

Distribution of shareholding as at March 31, 2018:

Shareholding	No. of Shareholders	No. of Equity Shares	Shareholding Percentage
1-500	6069	659787	0.4241
501 to 1000	441	361817	0.2325
1001 to 2000	228	347597	0.2234
2001 to 3000	120	307302	0.1975
3001 to 4000	58	209133	0.1344
4001 to 5000	48	228764	0.1470
5001 to 10000	82	603964	0.3882
10001 and above	132	152869381	98.2528
	****7,178**	**1,55,587,745**	**100.00**

Note:

* Details are given on PAN based counts.

** Details are given on Folio based counts.

(x) **Dematerialisation of shares:**

As on 31st March, 2018, shares comprising 100% of the Company's paid-up capital are held in dematerialised 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, 2018.

For Westlife Development Limited

Sd/-
Amit Jatia
Chief Executive Officer

Date: July 27, 2018
Place: Mumbai

Annexure II

CEO and CFO Certificate

To,
The Board of Directors
Westlife Development Ltd, ('the Company')
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/-	Sd/-
Date: July 27, 2018	**Amit Jatia**	**Suresh Lakshminarayanan**
Place: Mumbai	*Chief Executive Officer*	*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, 2018.

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: July 27, 2018

Independent Auditor's Report

To the Members of

Westlife Development Limited

Report on the Audit of Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Westlife Development Limited (hereinafter referred to as "the Holding Company") and its subsidiary, Hardcastle Restaurants Private Limited (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, for the year then ended, including 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 requirements of the Companies Act, 2013 (hereinafter referred to as "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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Rules').

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

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 2018, and the consolidated profit and the consolidated cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Group for the year ended 31 March 2017 included in these consolidated financial statements has been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 11 May 2017 expressed an unmodified opinion.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Rules.
   e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company which is incorporated in India, as on 31 March 2018 and taken on record by the Board of Directors of respective companies, none of the directors of the respective companies is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
   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 Auditor's) 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 the consolidated financial position of the Group. Refer Note 32 to the consolidated financial statements.
      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.
      iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2018.
      iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018 However amounts as appearing in the audited consolidated financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
May 11, 2018

'Annexure A' to the Independent Auditor's Report - 31 March 2018 on the Consolidated Financial Statements

(Referred to in our report of even date)

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 2018, we have audited the internal financial controls with reference to financial statements of Westlife Development Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors 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 controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary company incorporated in India internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 with reference to financial statements of the Holding Company and its subsidiary company incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
May 11, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in Millions)

	Notes	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	311.18	311.14
(b) Reserves and surplus	3	5,111.25	4,964.09
		5,422.43	**5,275.23**
Share application money pending allotment	2 (a)	0.05	–
Non-current liabilities			
(a) Long-term borrowings	4	–	–
(b) Other long-term liabilities	5	3.42	2.73
(c) Long-term provisions	6	15.00	–
		18.42	**2.73**
Current liabilities			
(a) Short-term borrowings	7	1,835.19	1,829.02
(b) Trade payables	8		
· Total outstanding dues to micro enterprises and small enterprises		–	–
· Total outstanding dues to creditors other than micro enterprises and small enterprises		1,083.63	742.12
(c) Other current liabilities	9	874.28	885.31
(d) Short-term provisions	10	57.21	68.46
		3,850.31	**3,524.91**
TOTAL		**9,291.21**	**8,802.87**
ASSETS			
Non-current assets			
(a) Fixed assets	11		
Property, plant and equipment		4,638.53	4,400.26
Intangible assets		900.66	907.17
Capital work-in-progress		197.40	171.57
(b) Non-current investments	12	1,265.55	595.96
(c) Long-term loans and advances	13	1,049.51	947.56
(d) Other non-current assets	14	2.03	0.77
		8,053.68	**7,023.29**
Current assets			
(a) Current investments	12	577.23	1,104.23
(b) Inventories	15	336.82	302.39
(c) Trade receivables	16	64.31	49.22
(d) Cash and bank balances	17	109.42	70.64
(e) Short-term loans and advances	13	111.14	199.94
(f) Other current assets	18	38.61	53.16
		1,237.53	**1,779.58**
TOTAL		**9,291.21**	**8,802.87**
Summary of significant accounting policies	1.2		

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

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Millions)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations (Net)	19	11,348.74	9,307.86
Other income	20	177.71	200.28
Total Revenue (I)		**11,526.45**	**9,508.14**
EXPENSES			
Cost of materials consumed	21	4,249.71	3,661.13
Purchase of traded goods	22	–	1.95
Employee benefits expense	23	1,715.54	1,407.34
Other expenses	24	4,609.90	3,767.93
Total (II)		**10,575.15**	**8,838.35**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) – (II)		**951.30**	**669.79**
Depreciation and amortisation expense	11	672.62	637.24
Finance costs	25	150.11	153.75
Profit / (Loss) before tax		**128.57**	**(121.20)**
Less: Tax Expenses		–	–
Profit / (loss) for the year		**128.57**	**(121.20)**
Earnings per equity share [Face value of ₹ 2 each (Previous Year ₹ 2 each)]	31		
Basic Earnings per share (₹)		0.83	(0.78)
Diluted Earnings per share (₹)		0.83	(0.78)
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 attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

Consolidated cash flow statement for the year ended March 31, 2018

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	128.57	(121.20)
Adjustments for :		
Depreciation and amortisation expense	672.62	637.24
Employee stock compensation expense (refer note 37)	16.22	14.01
Loss on sale / write off of property, plant and equipment	71.37	29.65
Finance costs	150.11	153.75
Interest income	(4.81)	(6.22)
Gain on sale of current investment	(147.90)	(172.37)
Dividend income	–	(0.94)
Operating profit before working capital changes	**886.18**	**533.92**
Movements in Working Capital		
Decrease/(Increase) in inventories	(34.43)	(24.16)
Decrease/(Increase) in trade receivables	(15.09)	(7.18)
Decrease/(Increase) in loans and advances	94.12	102.40
Decrease/(Increase) in other current assets	25.93	(41.85)
(Decrease)/Increase in trade payables	340.22	105.84
(Decrease)/Increase in other liabilities	93.64	(10.04)
(Decrease)/Increase in provisions	3.75	(4.80)
Cash generated from operations	**1,394.32**	**654.13**
Taxes (paid) / refund received	(23.13)	2.55
NET CASH FLOW FROM OPERATING ACTIVITIES	**1,371.19**	**656.68**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets and capital work-in-progress	(1,063.52)	(920.26)
Proceeds from sale of fixed assets	4.17	12.78
Interest income	4.83	3.78
Dividend income	–	0.94
(Investment in) / maturity of fixed deposits	(0.12)	0.20
Purchase of investments	(2,893.38)	(6,200.17)
Proceeds from sale of investments	2,886.97	6,233.86
(With original maturity of three months or more)		
(Increase)/Decrease in long term deposits	(52.89)	(45.75)
NET CASH USED IN INVESTING ACTIVITIES	**(1,113.94)**	**(914.62)**

Consolidated cash flow statement for the year ended March 31, 2018

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	2.46	1.37
Proceeds from short-term borrowings	9,280.00	16,814.02
Repayments of short-term borrowings	(9,273.82)	(16,217.54)
Repayments of long-term borrowings	(75.00)	(187.50)
Interest paid	(150.97)	(150.39)
NET CASH FLOW (USED IN) / GENERATED FROM FINANCING ACTIVITIES	**(217.33)**	**259.96**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**39.92**	**2.02**
Cash and cash equivalents at the beginning of the year	69.47	67.45
Cash and cash equivalents at the end of the year	109.39	69.47
NET INCREASE IN CASH AND CASH EQUIVALENTS	**39.92**	**2.02**
Components of cash and cash equivalents		
Cash and bank balances	109.42	70.64
Less: not considered as cash and cash equivalents		
Fixed deposit with remaining maturity of more than three months	0.03	1.17
Total cash and cash equivalents (refer note - 17.1)	**109.39**	**69.47**

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

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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 prescribed in the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act 2013, read together with Rule 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 ('the Group'). Reference in these notes to the 'Company' or 'WDL' shall mean to include Westlife Development Limited and/or its subsidiary, consolidated in these financial statements unless otherwise stated.

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

Sr. No	Names of the Company	Percentage Holding March 31, 2018	Percentage Holding March 31, 2017
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, 2018.

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 prescribed in the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013, read together with Rule 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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 IGAAP 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) 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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.

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

The Company's gratuity scheme with Life Insurance Corporation of India (LIC) is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Other benefits

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

l) **Income tax**

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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, except where the results would be anti-dilutive.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

p) Contingent liability

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

q) Cash and cash equivalents

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

r) Segment reporting

i. Identification of segments :

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

ii. Segment Policies :

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

s) Employee stock compensation cost

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

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

Employee stock compensation cost related to options granted to the employees of the Company's subsidiary is recovered from the subsidiary.

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, 2018

2. Share Capital

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Authorised shares		
160,925,000 (Previous Year 160,925,000) Equity Shares of ₹ 2 each.	321.85	321.85
460,000 (Previous Year 460,000) 8% Cumulative Redeemable Preference Shares of ₹ 10 each	4.60	4.60
	326.45	**326.45**
Issued, Subscribed and fully Paid-up shares		
155,587,945 (Previous Year 155,569,505) Equity Shares of ₹ 2 each, fully paid up	311.18	311.14
Total issued, subscribed and fully paid-up share capital	**311.18**	**311.14**

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

Particulars	March 31, 2018		March 31, 2017	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
At the beginning of the year	155,569,505	311.14	155,551,795	311.10
Issued during the year - ESOP	18,440	0.04	17,710	0.04
Outstanding at end of the year	155,587,945	311.18	155,569,505	311.14

ii) **Terms/ rights attached to equity shares :**
The Company has only one class of Equity Shares having par value of ₹ 2 (Previous Year ₹ 2) per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 preferential amounts if any. 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	As at March 31, 2018	As at March 31, 2017
Fully paid up to the shareholders of Westpoint Leisureparks Private Limited (WLPL) in accordance with the scheme of arrangement	28,994,852	28,994,852
Fully paid up to the shareholders of Triple A Foods Private Limited (TAF) in accordance with the scheme of arrangement	29,704,100	29,704,100
Equity Shares allotted as fully paid Bonus Shares by capitalisation of General Reserve, Reserve Fund, Securities Premium and Surplus in Statement of Profit & Loss	11,430,050	11,430,050

In addition, the Company has issued total 54,350 equity shares (Previous Year 35,910) 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, 2018

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

Equity Shares of ₹ 2 each fully paid up

Particulars	March 31, 2018		March 31, 2017	
	No. of Shares held	% of shares held	No. of Shares held	% of shares held
Horizon Impex Private Limited	47,285,325	30.39%	47,285,325	30.39%
Subh Ashish Exim Private Limited	33,233,707	21.36%	33,233,707	21.36%
SBI Mutual Funds	13,571,383	8.72%	13,743,042	8.83%
Arisaig Partners (Asia) Pte Ltd. A/c Arisaig India Fund Limited	12,296,550	7.90%	12,296,550	7.90%
Makino Holdings Limited	11,881,640	7.64%	11,881,640	7.64%
Rajiv Himatsingka Beneficial owners AKSR Corporate Advisors Private Limited,Yuthika Properties Private Limited and Rajiv Himatsingka Partners of M/s Decent Enterprises	11,521,500	7.41%	8,485,000	5.45%

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 37).

2(a) Share application money pending allotment

i) Share application money pending allotment represents application money received on account of Employee Stock Option Scheme. During the current year the Company received ₹ 0.05 million (Previous Year ₹ Nil) being the consideration for allotment of 500 equity shares at an exercise price of ₹ 100 per equity share, which has been disclosed under Share application money pending allotment. The Company has made the allotment on May 10, 2018.

3. Reserves and surplus

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
a) Capital reserve		
Balance at beginning and at the end of the year	1,110.25	1,110.25
	1,110.25	**1,110.25**
b) Securities premium account		
Balance at beginning of the year	3,934.42	3,927.67
Add: Additions on ESOP's exercised	2.37	1.74
Add: Transferred from employee stock option outstanding	4.31	5.01
	3,941.10	**3,934.42**
c) Employee stock option outstanding		
Balance at beginning of the year	37.30	28.30
Add : Amortisation of expense related to options granted	16.22	14.01
Less : Transferred to securities premium on account on exercise of stock options	4.31	5.01
	49.21	**37.30**
d) Surplus/ (deficit) in the statement of profit and loss		
Balance at beginning of the year	(120.67)	0.53
Add: Profit/ (Loss) for the year	128.57	(121.20)
Net surplus / (deficit) in the Statement of Profit and Loss	**7.90**	**(120.67)**
e) General reserve		
Balance at beginning and at the end of the year	2.79	2.79
	2.79	**2.79**
Total	**5,111.25**	**4,964.09**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

4. Long-term borrowings

(₹ in Millions)

Particulars	Long-term		Current maturity of long-term Borrowings *	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Secured loan				
Loan from Bank (refer note i below)	–	–	–	75.00
Total	**–**	**–**	**–**	**75.00**

* Amount disclosed under the head "Other Current Liabilities" (refer note 9)

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 created a first pari passu charge on moveable fixed assets (present and future). The Company had drawn ₹ 500 million under the said facility at an interest rate of Nil (Previous Year 9.45% p.a. - 9.75% p.a.). The term loan was repayable in quarterly instalments over a period of 18 to 36 months. As at March 31, 2018 the amount outstanding in respect of the said arrangement is ₹ Nil (Previous Year ₹ 75 million).

5. Other long-term liabilities

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Security deposits	3.42	2.73
Total	**3.42**	**2.73**

6. Long-term provisions

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Provision for gratuity (refer note 29)	15.00	–
Total	**15.00**	**–**

7. Short-term borrowings

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Secured		
Loan from Bank (refer note i, ii and iii below)	1,535.00	1,075.00
Bank overdrafts (refer note ii below)	–	6.79
Unsecured		
Loan from Bank (refer note iv below)	300.00	580.00
Bank overdrafts (refer note v and vi below)	0.19	167.23
Total	**1,835.19**	**1,829.02**

i) The Company had availed a revolving short term loan facility of ₹ 400 million (Previous Year ₹ 200 million) from HDFC Bank Ltd. This facility is sanctioned for the purpose of financing operating capital expenditure. To avail this facility, the Company has created an exclusive charge on the credit / debit card receivables to the extent of ₹ 200 million by way of hypothecation. Interest charged at 7.80% p.a.- 7.85% p.a. (Previous Year 7.85% p.a.- 8.90% p.a.) is payable monthly. The overdraft facility is repayable on demand and short term loan facility is repayable within 180 days with a cooling period of 2 days. During the year, the total facility of ₹ 1,151 million (Previous Year ₹ 950 million) was converted into a mutually interchangeable facility of ₹ 200 million into overdraft and short term loan facility of ₹ 951 million. As at March 31, 2018 the amount outstanding in respect of the said facility is ₹ 440 million (Previous Year ₹100 million).

ii) The Company has availed a revolving short term loan facility of ₹ 1,776 million (Previous Year ₹ 1,776 million) from Australia and New Zealand Banking Group Ltd. (ANZ Bank) for the purpose of financing operating capital expenditure. Interest is charged 7.40% p.a. to 8.25% p.a. (Previous Year 7.90% p.a. to 9.35% p.a.). The loan is repayable within 180 days from the date of any draw down. As at March 31, 2018 the amount outstanding in respect of the said facility is ₹ 1,095 million (Previous Year ₹975 million). The Company has also availed an overdraft facility from ANZ Bank and the amount outstanding in respect of the said facility is ₹ Nil (Previous Year ₹ 6.79 million).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 ₹ 300 million) from Development Bank of Singapore for the purpose of financing operating capital expenditure. During

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

the year the Company has created a first pari-passu charge on all stock and book debts. Interest is charged at 7.75% p.a. to 7.80% p.a. (Previous Year 7.85% p.a. to 7.90% p.a.). The loan is repayable on demand. As at March 31, 2018 the amount outstanding in respect of the said facility is ₹ Nil (Previous Year ₹ 280 million).

iv) The Company has availed an short term loan facility of ₹ 300 million (Previous Year ₹300 million) with Kotak Mahindra Bank Ltd. at an interest rate of 7.70% p.a. to 8.10% p.a. (7.85% p.a. to 9% p.a.). This short term loan facility is for financing the operating capital expenditure and is repayable within a period of 90 days. As at March 31, 2018 the amount outstanding in respect of the said facility is ₹ 300 million (Previous Year ₹ 300 million). During the year the total facility of ₹ 500 million (Previous Year ₹ 500 million) was converted into a mutually interchangeable facility of overdraft and short term loan.

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 9.45% p.a. to 10.50% p.a. (Previous Year 10.30% p.a. to 10.50% p.a.). This overdraft facility is for financing the operating capital expenditure and is repayable on demand. As at March 31, 2018 the Company has utilised ₹ Nil (Previous Year ₹ 167.23 million) under this facility.

vi) During the year the Company has availed an revolving short term loan facility of ₹ 500 million (Previous Year Nil) with Yes Bank Ltd. Interest is charged at 7.80% p.a. to 8.10% p.a. (Previous Year Nil). This short term loan facility is for financing operating capital expenditure and repayable within a period of 12 months. The amount outstanding in respect of the said facility as at March 31, 2018 is ₹ Nil (Previous Year ₹ Nil). This facility includes an overdraft facility of ₹ 150 million (Previous Year Nil). Interest charged on overdraft facility is at 8.85% p.a. (Previous Year Nil). As at March 31, 2018, the Company has utilised ₹0.19 million (Previous Year ₹ Nil).

8. Trade payables

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Trade payables (refer note 39)		
Total dues to micro enterprises and small enterprises	–	–
Total dues to creditors other than micro enterprises	1,083.63	742.12
Total	**1,083.63**	**742.12**

9. Other current liabilities

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Current maturity of long-term borrowings (refer note 4)	–	75.00
Security deposits	4.66	3.30
Book overdrafts	18.64	41.44
Statutory liabilities	104.46	106.61
Liability for capital expenditure	313.07	330.39
Interest accrued but not due on borrowings	6.08	8.55
Employee related liabilities	328.54	225.45
Deferred revenue	2.26	–
Advance received from supplier	5.00	–
Other payables	91.57	94.57
Total	**874.28**	**885.31**

10. Short-term provisions

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
Provision for gratuity (refer note 29)	54.28	59.02
Provision for leave benefits	–	6.51
Other provisions		
Provision for taxation (net of advance tax of ₹ 3.75 million (Previous Year ₹ 3.75 million))	2.93	2.93
Total	**57.21**	**68.46**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

11. Property, plant and equipment and Intangible assets

(₹ in Millions)

Particulars	Gross Block (At cost)				Depreciation / Amortisation				Net Block	
	As at 01-Apr-2017	Additions / Adjustments	Deductions/ Adjustments	As at 31-Mar-2018	As at 01-Apr-2017	For the year	Deductions/ Adjustments	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2017
Property, Plant and equipment										
Lease hold Land	10.50	–	–	10.50	2.53	0.17	–	2.70	7.80	7.97
	10.50	–	–	*10.50*	*2.36*	*0.17*	–	*2.53*	*7.97*	*8.14*
Buildings	142.33	–	(7.20)	135.13	90.90	5.08	(4.39)	91.59	43.54	51.43
	142.33	–	–	*142.33*	*85.66*	*5.24*	–	*90.90*	*51.43*	*56.67*
Leasehold Improvements	3,216.68	422.28	(87.52)	3,551.44	944.11	208.78	(38.16)	1,114.73	2,436.71	2,272.57
	2,899.67	*379.44*	*(62.43)*	*3,216.68*	*778.65*	*210.80*	*(45.34)*	*944.11*	*2,272.57*	*2,121.02*
Restaurant Equipments	3,144.74	391.21	(45.17)	3,490.78	1,441.28	324.74	(36.00)	1,730.02	1,760.76	1,703.46
	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*
Furniture & Fixtures	662.07	97.49	(11.06)	748.50	313.09	64.55	(7.23)	370.41	378.09	348.98
	592.40	*90.19*	*(20.52)*	*662.07*	*274.35*	*56.19*	*(17.45)*	*313.09*	*348.98*	*318.05*
Office Equipments	28.48	1.29	(0.05)	29.72	21.62	3.18	(0.02)	24.78	4.94	6.86
	28.01	*0.47*	–	*28.48*	*16.52*	*5.10*	–	*21.62*	*6.86*	*11.49*
Computers	50.07	5.81	–	55.88	48.32	5.30	–	53.62	2.26	1.75
	48.51	*2.73*	*(1.17)*	*50.07*	*46.78*	*2.71*	*(1.17)*	*48.32*	*1.75*	*1.73*
Motor Vehicles	41.89	2.01	(8.05)	35.85	34.65	3.93	(7.16)	31.42	4.43	7.24
	61.20	–	*(19.31)*	*41.89*	*44.08*	*9.43*	*(18.86)*	*34.65*	*7.24*	*17.12*
Sub Total	**7,296.76**	**920.09**	**(159.05)**	**8,057.80**	**2,896.50**	**615.73**	**(92.96)**	**3,419.27**	**4,638.53**	**4,400.26**
	6,565.69	*868.95*	*(137.88)*	*7,296.76*	*2,415.66*	*592.38*	*(111.54)*	*2,896.50*	*4,400.26*	*4,150.03*
INTANGIBLE ASSETS										
Goodwill on consolidation	465.97	–	–	465.97	–	–	–	–	465.97	465.97
	465.97	–	–	*465.97*	–	–	–	–	*465.97*	*465.97*
Initial Location & License Fee	562.35	37.07	–	599.42	165.10	39.77	–	204.87	394.55	397.25
	512.54	*49.81*	–	*562.35*	*134.55*	*30.55*	–	*165.10*	*397.25*	*377.99*
Computer Software	124.80	13.31	–	138.11	80.85	17.12	–	97.97	40.14	43.95
	97.16	*27.64*	–	*124.80*	*66.54*	*14.31*	–	*80.85*	*43.95*	*30.62*
Sub Total	**1,153.12**	**50.38**	**–**	**1,203.50**	**245.95**	**56.89**	**–**	**302.84**	**900.66**	**907.17**
	1,075.67	*77.45*	–	*1,153.12*	*201.09*	*44.86*	–	*245.95*	*907.17*	*874.58*
TOTAL	**8,449.88**	**970.47**	**(159.05)**	**9,261.30**	**3,142.45**	**672.62**	**(92.96)**	**3,722.11**	**5,539.19**	**5,307.43**
Previous Year	*7,641.36*	*946.40*	*(137.88)*	*8,449.88*	*2,616.75*	*637.24*	*(111.54)*	*3,142.45*	*5,307.43*	–

(figures in italics pertain to previous year)

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

12. Investments

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Non-Trade Investments				
a) Investments in Mutual Funds (unquoted) (valued at cost or fair value whichever is lower)				
Face Value of ₹ 100 each				
262,981.63 (Previous Year 90,765.829) units of Birla Sunlife Floating Rate Fund Short Term plan- Growth-Regular Plan	–	–	60.57	19.62
Nil (Previous Year 114,473.321) units of Birla Sun Life Cash Plus-Growth-Regular Plan	–	–	–	29.81
Nil (Previous Year 24,622.56) units of ICICI Prudential - Liquid Plan- Growth	–	–	–	5.91
Nil (Previous Year 38,624.457) units of Reliance Liquid Fund- Treasury Plan-Growth Plan	–	–	–	152.67
Nil (Previous Year 6,296,341.07) units of BSL Medium Term Plan Growth Regular Plan	–	–	–	125.00
Face Value ₹ 10 each				
15,633.235 (Previous Year 15,633.235) units of HDFC Cash Management Fund- Savings Plan - Direct Plan - Growth Option	–	–	50.95	50.95
Nil (Previous Year 5,000,000) units of Reliance Fixed Horizon Fund XXIV Series-Series 22-Growth Plan	–	–	–	66.63
Nil (Previous Year 6,321,472.144) units of ICICI Prudential Regular Income Fund - Regular Plan- Growth	–	–	–	100.00
Nil (Previous Year 3,569,367.69) units of ICICI Prudential Regular Savings Fund - Growth	–	–	–	60.00
Nil (Previous Year 10,000,000) units of IIFL Income Opportunities Series- Debt Advantage (Category II)	–	–	–	100.00
Nil (Previous Year 9,816,906.904) units of Edelweiss Government Securities (erstwhile J.P. Morgan India Government Securities Fund) - Regular Plan Growth Option	–	–	–	108.46
b) Investments in Mutual Funds (unquoted) (valued at cost)				
Face Value of ₹ 100 each				
5,000,000 (Previous Year 5,000,000) units of HDFC FMP 1309D September 2016 (1) Series 37 Regular Plan Growth	56.72	52.53	–	–

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

12. Investments

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
20,000,000 (Previous Year 20,000,000) units of HDFC FMP 1161 Days Feb 2016 (1) Growth	305.87	226.01	–	–
14,518,585 (Previous Year 12,650,585) units of ICICI Prudential FMP series 79-1218 days Plan A-Cumulative	170.80	137.42	–	–
10,000,000 (Previous Year 10,000,000) units of HDFC FMP 1188 D March-2017- Series 38-Regular Plan- Growth	107.54	100.00	–	–
c) Investment in structured products (unquoted) (valued at cost or fair value whichever is lower)				
Debt				
Nil (Previous Year 1000) units of IIFL Wealth Finance Limited of ₹107,640 each	–	–	–	107.64
Nil (Previous Year 1000) units of ECL Finance Limited of ₹104,365 each	–	–	–	104.36
Nil (Previous Year 335) units of ECL Finance Limited of ₹117,451 each	–	–	–	39.35
Nil (Previous Year 289) units of Edelweiss Finance & Investments Limited of ₹117,061 each	–	–	–	33.83
18,227,685 (Previous Year Nil) units of IIFL Dynamic Bond Fund Growth Regular of ₹ 13.715 each.	–	–	250.00	–
4,816,000 (Previous Year Nil) units of ICICI Prudential Fixed Maturity Plan - Series 76 - 1185 Days - Plan H - Regular Plan - Growth of ₹13.33 each	–	–	64.20	–
1,392,447.37 (Previous Year Nil) units of HDFC Equity Savings Fund-Direct Plan- Growth Option of ₹35.91 each	–	–	50.00	–
1,000 (Previous Year Nil) units of Ecap Equities Limited of ₹101,507 each	–	–	101.51	–
d) Investment in structured products (unquoted) (valued at cost)				
Debt				
50,000,000 (Previous Year Nil) units of Reliance Fixed Horizon Fund XXXI Series 2- Growth Plan of ₹11.633 each	58.16	–	–	–
100 (Previous Year Nil) units of IIFL Wealth Finance Ltd. of ₹1,037,056 each	103.71	–	–	–

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

12. Investments

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
50 (Previous Year Nil) units of State Bank of India 8.15% BD Perpetual of ₹970,822 each	48.54	–	–	–
800 (Previous Year 800) units of IIFL Wealth Finance Ltd. of ₹100,000 each	80.00	80.00	–	–
50 (Previous Year Nil) units of ICICI Bank Limited at 9.2% BD Perpetual of ₹ 999,904 each.	50.00	–	–	–
50 (Previous Year Nil) units of Axis Bank Limited 8.75% NCD Perpetual of ₹982,256 each	49.11	–	–	–
50 (Previous Year Nil) units of HDFC Bank Base III 8.85% Perpetual Bond Series I of ₹995,848 each.	49.79	–	–	–
15,900,000 (Previous Year Nil) units of DSP Blackrock FMP Series of ₹11.655 each	185.31	–	–	–
e) Investments in equity instruments (unquoted) (valued at cost)				
1 (Previous Year 1) equity share of Hawcoplast Investments and Trading Private Limited of ₹ 100/- fully paid	–*	–*	–	–
Total	**1,265.55**	**595.96**	**577.23**	**1,104.23**
* Denotes amount less than ₹1,000/-				
Aggregate amount of unquoted investments	1,265.55	595.96	577.23	1,104.23

13. Loans and advances *(Unsecured, considered good unless otherwise stated)*

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Security deposits to lessors *	665.20	612.32	9.45	16.24
Security deposits to others	41.46	38.64	–	–
Employee advances	–	–	2.04	3.89
Lease hold improvement contributions receivable	–	–	27.10	30.76
Capital advances	39.21	7.94	–	–
Balances with statutory/government authorities	189.60	169.76	1.12	44.65
Advances to suppliers **	–	–	31.52	69.51
Advance income tax	44.14	21.14	–	–
MAT credit entitlement	35.25	35.25	–	–
Loans to others	30.83	56.48	13.91	18.60
Prepaid expenses	3.82	6.03	26.00	16.29
Total	**1,049.51**	**947.56**	**111.14**	**199.94**

* Security deposits to lessors include ₹ 35 million (Previous Year ₹ 15.50 million) deposit given to related party (refer note 26).

** Advance to suppliers includes ₹ 5.98 million (Previous Year ₹ 5.95 million) advance given to related party (refer note 26).

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

14. Other non-current assets *(Unsecured, considered good unless otherwise stated)*

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Deposits with bank with remaining maturity for more than 12 months *	2.03	0.77
Total	**2.03**	**0.77**

*includes fixed deposits with lien in favour of statutory authorities ₹ 0.52 million (Previous Year ₹ 0.77 million)

15. Inventories *(valued at lower of cost and net realisable value)*

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Raw materials		
Food items (Includes goods in transit ₹17.42 million (Previous Year ₹ 6.22 million))	195.41	150.22
Paper products (Includes goods in transit ₹ 2.51 million (Previous Year ₹ 0.72 million))	60.36	47.63
Toys & premiums	52.23	50.94
Stores, spares & consumables (Includes goods in transit ₹ 0.38 million (Previous Year ₹ Nil))	28.82	53.60
Total	**336.82**	**302.39**

16. Trade receivables *(Unsecured, considered good unless otherwise stated)*

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Other receivables *	64.31	49.22
Total	**64.31**	**49.22**

* Other receivables includes ₹ 0.03 million (Previous Year ₹0.01 million) receivable from related party (refer note 26).

17. Cash and bank balances

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
17.1 Cash and cash equivalents		
Balances with banks:		
- Cash on hand	76.25	48.72
- In current accounts	33.14	20.75
	109.39	**69.47**
17.2 Other bank balances		
– Deposits with remaining maturity for less than 12 months**	0.03	1.17
	0.03	**1.17**
Total	**109.42**	**70.64**

** includes fixed deposits with lien in favour of statutory authorities ₹ Nil (Previous Year ₹ 0.15 million)

18. Other current assets *(Unsecured, considered good unless otherwise stated)*

(₹ in Millions)

	As at March 31, 2018	As at March 31, 2017
Other receivables	28.38	53.01
Interest accrued on fixed deposits	0.12	0.15
Interest accrued on investments	10.11	–
Total	**38.61**	**53.16**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

19. Revenue from operations (Net)

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (refer note i below)	11,255.31	9,188.67
Other operating revenue (refer note ii below)	93.43	119.19
	11,348.74	**9,307.86**
i) Sale of products		
Food	7,766.53	6,539.98
Beverages, desserts, others	3,488.78	2,646.73
Traded goods	–	1.96
	11,255.31	**9,188.67**
ii) Other operating revenue		
Conducting fees	2.04	1.65
Franchising income	6.00	5.00
Scrap sales	12.19	9.20
Space rentals and alliances income	37.35	88.74
Miscellaneous provisions written back	35.85	14.60
Total	**93.43**	**119.19**

20. Other income

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- on bank deposits	0.14	0.16
- Others	5.04	6.06
Dividend income on current investment	–	0.94
Gain on sale of current investment	147.90	172.37
Exchange differences (net)	–	0.15
Insurance claim received	20.60	18.87
Other non-operating Income	4.03	1.73
Total	**177.71**	**200.28**

21. Cost of materials consumed

(₹ in Millions)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
Inventory at beginning of the year	248.79		219.33	
Add: Purchases during the year	4,308.92		3,690.59	
	4,557.71		3,909.92	
Less: Inventory at end of the year	308.00		248.79	
	4,249.71		**3,661.13**	
21.1 - Details of materials consumed				
Food	3,723.29		3,187.77	
Paper	436.97		378.11	
Toys & premiums	89.45		95.25	
	4,249.71		**3,661.13**	
21.2 -Value of Imported and indigenous materials consumed:				
Imported	78.54	1.85%	82.04	2.24%
Indigenous	4,171.17	98.15%	3,579.09	97.76%
Total	**4,249.71**	**100.00%**	**3,661.13**	**100.00%**

22. Purchase of traded goods

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases (textile materials)	–	1.95
Total	**–**	**1.95**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

23. Employee benefits expense

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	1,400.62	1,147.95
Contribution to provident and other funds (refer note 29)	132.38	116.52
Employee stock compensation expense (refer note 37)	16.22	14.01
Gratuity expense (refer note 29)	19.31	12.72
Staff welfare expenses	147.01	116.14
Total	**1,715.54**	**1,407.34**

24. Other expenses

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Electricity utilities	822.74	751.56
Gas utilities	120.64	100.05
Other utilities	45.57	50.59
Conducting charges	1,009.16	815.31
Advertising and sales promotion	629.67	546.59
Royalty fee	476.66	365.42
Maintenance and repairs - restaurant equipments	217.79	174.52
Maintenance and repairs - others	141.61	116.07
Operating supplies at stores	174.15	138.29
Travelling and conveyance	63.29	64.10
Legal and professional fees	94.38	78.41
Rent	46.74	43.69
Loss on sale / write off of property, plant and equipment	71.37	29.65
Training and development expenses	41.57	27.83
Communication cost	33.60	22.69
Logistics service charges	167.68	112.94
Rates and taxes	18.85	18.96
Insurance	12.79	9.28
Exchange differences (net)	0.81	–
Miscellaneous expenses	420.83	301.98
Total	**4,609.90**	**3,767.93**

25. Finance costs

(₹ in Millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest		
- Bank overdraft	11.98	12.26
- Term Loan	135.98	139.18
- Others	0.54	0.54
Bank charges	1.61	1.77
Total	**150.11**	**153.75**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

26 Related party disclosure

Names of related parties and 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
		Hardcastle Petrofer Private Limited
		Ronald McDonald House Charities Foundation India (RMHC India)

Related party transactions

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

(₹ in Millions)

Particulars	Vishwas Investment & Trading Company Private Limited		Hardcastle Petrofer Private Limited		Ronald McDonald House Charities Foundation India (RMHC India)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Rent expense	3.86	3.10	–	–	–	–
Electricity charges	0.28	0.07	–	–	–	–
Water charges	0.07	0.02	–	–	–	–
Security deposit given	19.50	12.00	–	–	–	–
Advances given	–	–	–	–	0.03	5.95
Rent income	–	–	0.12	0.12	–	–
Outstanding balance included in loans and advances	35.00	15.50	–	–	5.98	5.95
Outstanding balance included in other receivables	–	–	0.03	0.01	–	–

b) **transactions with KMP and their relatives** (₹ in Millions)

Particulars	Key Management Personnel (KMP)							
	B. L. Jatia		Amit Jatia		Smita Jatia		Others	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Remuneration Paid*	–	–	11.20	16.32	14.77	13.27	8.65	7.80
Advisory cum consultant fees	–	–	4.00	6.00	–	–	–	–
Director's sitting fees	0.12	0.10	0.24	0.23	0.16	0.15	–	–
Recovery of excess managerial remuneration paid in earlier years.**	–	–	14.59	7.63	4.86	1.79	–	–

*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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

** In the earlier years, Hardcastle Restaurants Private Limited, the subsidiary company had applied for the approval of the Central Government for payment of remuneration in excess of the limit specified under the applicable Companies Act to its two whole time directors. During the year, the application for the period April 2013 to March 2014 and for the period April 2014 to March 2015 was disposed off by the Central Government by partly approving payment of excess remuneration. Consequently, the unapproved amount of excess remuneration of ₹ 19.45 million has been recovered back from the directors and credited to Employee benefits expense account. During the previous year, 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 was credited to miscellaneous provisions written back.

27 Deferred taxes:

Break-up of Deferred tax assets and liabilities:- (₹ in Millions)

Particulars		2017-18	2016-17
Deferred Tax liability recognised for timing differences due to:			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for financial reporting	(A)	36.99	43.57
Deferred tax assets recognised due to:			
a. Expenses allowable for tax purposes on payment basis		36.99	43.57
b. Unabsorbed depreciation*		–	–
Total	**(B)**	**36.99**	**43.57**
Net deferred tax	**(A)–(B)**	**–**	**–**

*Hardcastle Restaurants Private Limited, the Company's subsidiary has carried forward unabsorbed depreciation upto March 31, 2018, deferred tax assets on unabsorbed carried forward depreciation has been recognised only to the extent of deferred tax liability. The deferred tax amounting to ₹ 116.19 million (Previous Year ₹ 225.19 million) as at March 31, 2018 has not been recognised and the same will be available to offset tax on future taxable income.

28 Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at March 31, 2018 is ₹ Nil (March 31, 2017 is ₹ Nil)

b) Un-hedged foreign currency exposure as at balance sheet date : (₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Advances recoverable in cash/kind	–	1.72 (USD 0.03 million @ ₹64.84)

29 Employee benefits

Defined Contribution Plan

Amount recognised and included in Note 23 "Contribution to provident and other funds" - ₹ 132.38 million (Previous Year ₹ 116.52 million).

Defined Benefit Plan

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

I) Expenses recognised in statement of profit and loss

Gratuity expense (₹ in Millions)

Particulars	2017-18	2016-17
Current service cost	11.39	12.91
Interest cost	4.32	4.35
Expected return on plan assets	(0.38)	(0.40)
Net Actuarial (gain) or loss	1.28	(4.14)
Past Service Cost-Vested Benefit recognised during the period	2.70	–
Expense recognised in Statement of Profit & Loss	19.31	12.72
Actual return on plan assets	0.31	2.63

II) Amount recognised in Balance sheet (₹ in Millions)

Particulars	2017-18	2016-17
Present value of defined benefit obligation	77.93	64.75
Fair value of plan assets	8.65	5.73
Amount recognised in Balance Sheet	**69.28**	**59.02**

III) Changes in present value of defined benefit obligation (₹ in Millions)

Particulars	2017-18	2016-17
Opening defined benefit obligation	64.75	55.35
Interest cost	4.32	4.35
Current service cost	11.39	12.91
Past Service Cost-Vested Benefit recognised during the period	2.70	–
Benefit paid directly by employer	(0.05)	–
Benefit paid from the fund	(6.39)	(5.95)
Actuarial (gains)/losses	1.21	(1.91)
Closing defined benefit obligation	**77.93**	**64.75**

IV) Changes in fair value of plan assets (₹ in Millions)

Particulars	2017-18	2016-17
Opening fair value of plan assets	5.73	5.05
Expected return on plan assets	0.38	0.40
Contributions by employer	9.00	4.00
Benefit paid from the fund	(6.39)	(5.95)
Actuarial gains/(losses)	(0.07)	2.23
Closing fair value of plan assets	**8.65**	**5.73**

The Company expects to contribute ₹ 5 million (Previous Year ₹ 5 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	2017-18	2016-17
Insurer managed funds	45%	45%
Bank Balance with gratuity trust	55%	55%

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

VI) Actuarial assumptions used in determining gratuity benefit obligations for the Company's defined benefit plan :

Particulars	2017-18	2016-17
Discount rate	7.18%	6.67%
Expected rate of return on assets	7.18%	6.67%
Salary escalation	6.50%	6.50%
Attrition Rate		
Crew Part time	30.00%	30.00%
Others	12.00%	12.00%
Retirement Age	58 Years	58 Years
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

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

Amounts for current period and previous four years are as follows (₹ in Millions)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Gratuity					
Defined benefit obligation	77.93	64.75	55.35	50.88	37.50
Plan assets	8.65	5.73	5.05	4.14	3.39
Surplus / (deficit)	(69.28)	(59.02)	(50.30)	(46.74)	(34.11)
Experience adjustments on plan liabilities (gain) / loss	3.24	0.58	(6.90)	2.19	2.24
Experience adjustments on plan assets gain/ (loss)	(0.07)	2.23	0.10	(0.02)	(0.55)

30 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.

31 Earnings per share:

Particulars	As at March 31, 2018	As at March 31, 2017
Profit / (Loss) after tax (₹ million)	128.57	(121.20)
Weighted average number of equity shares for computing EPS		
Shares for basic earnings per share	155,578,963	155,141,439
Add : Potential diluted equity shares on account of ESOP	279,975	145,711
Shares for diluted earnings per share	155,858,938	155,287,150
Earnings per share		
Nominal value per share	2	2
Basic (in ₹)	0.83	(0.78)
Diluted (in ₹)	0.83	(0.78)

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

32 Contingent Liabilities not provided for in the accounts:

(₹ in Millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts*		
Excise related matters	45.07	45.07
Sales tax / VAT related matters	939.53	938.01
	984.60	**983.08**

*Claims against the Company not acknowledged as debt:

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

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

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

iv. The Company had preferred an appeal before the Maharashtra Sales Tax Tribunal against a demand of ₹ 2.41 million (Previous Year: 2.41 million) against the appeal order passed by the Joint Commissioner of Sales Tax (Appeal) II Mumbai on account of disallowance of resale of toys and cheese and taxability of birthday party Income for the years 2003-04. The Maharashtra Sales Tax Tribunal has partly allowed the appeal in case of Birthday party income and dismissed the claim of resale of toys and cheese. The Company is the process of filing an appeal to High Court based on the advice of external counsel, the Company believes that it has good grounds for quashing of the impugned order. Secondly, the Company has preferred an appeal before Joint Commissioner of Sales Tax (Appeal) II Mumbai against demand of ₹ 1.64 million (Previous Year 1.64 million) as per order passed by assessing officer on account of disallowance of resale of toys and cheese and taxability of birthday party Income for the year 2004-05. The appeal is pending before the Joint Commissioner of Sales tax. The Company has deposited an aggregate amount of ₹ 1.53 million as part payment as directed by the said authorities for both the years.

v. During the financial year 2013-14, the Company had received demand notices aggregating to ₹ 97.39 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 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 ground for appeal to be decided in its favour. Accordingly, no provision is considered necessary in this matter.

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 account 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 the case back to the Assessing Officer for fresh consideration. The Company has maintained proper books of account and produced the same before the Assessing Officer for the years 2008-09 to 2012-13. The Assessing Officer has verified the books of account and found them to be in order. The Assessing Officer has passed the order wherein refund of ₹ 31.46 million is granted being the amount that was paid under protest during the course of the appellate proceedings.

vi. During the year 2013-14, the Company had received demand notices/order 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 avail the benefits of lower rate of tax under the composition scheme contemplated under the Karnataka Value Added Tax Act, 2003. In respect of the various notices, the Company filed two writ petitions before the High Court of Karnataka.

Upon hearing, both petitions were admitted and the Court granted an interim stay on the operation of all the notices and order passed for the FY 2012-13 and any proceedings in connection therewith. The said writ petitions came to be disposed of by a single judge of the Hon'ble High Court of Karnataka wherein the interim stay granted by the High Court earlier was vacated and with a direction to the petitioner to approach the respective Appellate authorities as mandated under the provisions of the Karnataka Value Added Tax, 2003. The Company accordingly preferred an appeal before the Joint Commissioner of Commercial Tax, Appeals-1 against the Order passed for the financial year 2012-13 after fulfilling the mandatory condition of depositing 30% of the total demand of ₹189.72 million i.e. an amount of ₹19.41 million was deposited after considering the deposit of ₹ 37.50 million made earlier. Thereafter, the Company also preferred a writ appeal before the Division Bench of the High Court inter alia seeking stay on operation of the various notices/order issued by the Deputy Commissioner of Commercial Taxes, Karnataka. The High Court granted an interim stay on operation of the various notices/order conditional upon deposit of 30% of the amount demanded. The Company has deposited a total sum of ₹ 56.91 million. Pending disposal of the writ appeal and based on the advice of external counsel, the Company believes that it has good grounds for quashing of the impugned notices/order. Accordingly, no provision is considered necessary in this matter.

33 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 60.42 million (Previous Year ₹ 25.83 million).

34 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;

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(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.

35 Operating leases disclosure:

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

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

(₹ in Millions)

Particulars	2017-18	2016-17
Fixed Lease payments for the year	649.86	561.53
Lease payments based on percentage of revenue	406.04	297.47
Total	**1,055.90**	**859.00**

Sub Leases

The Company has sub leased premises to others on operating lease. There is no escalation clause in the lease agreement and such leases are cancellable in nature. There are no restrictions imposed by the lease arrangement.

Sub-lease income recognised in the Statement of Profit and Loss are as follows:

(₹ in Millions)

Particulars	2017-18	2016-17
Rent based on percentage of revenue	2.04	1.65
Total	**2.04**	**1.65**

36 Managerial remuneration

In the earlier years, Hardcastle Restaurants Private Limited, the subsidiary company had applied for the approval of the Central Government for payment of remuneration in excess of the limit specified under the applicable Companies Act to its two whole time directors. During the year, the application for the period April 2013 to March 2014 and for the period April 2014 to March 2015 was disposed off by the Central Government by partly approving payment of excess remuneration. Consequently, the unapproved amount of excess remuneration of ₹19.40 million has been recovered back from the directors and credited to employee benefits expense account. During the previous year, 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 was credited to miscellaneous provisions written back.

37 Employee stock option plan

a) The Company provides share-based payment schemes to its employees. During the year ended March 31, 2018, 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

its subsidiary company. According to the Scheme 2013, the employees selected by the Nomination and Remuneration Committee from time to time would 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 9 years. The other relevant terms of the grant are as below:

Vesting period	Graded vesting – 20% every year
Exercise period	9 years

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

Particulars	2017-18		2016-17	
	No of Shares	Weighted average exercise price (₹)	No of Shares	Weighted average exercise price (₹)
Outstanding at the beginning of the year	450,890	192.24	473,600	189.59
Granted during the year	302,000	238.00	–	–
Forfeited during the year	33,500	267.33	5,000	268.02
Exercised during the year	18,440	130.73	17,710	100.00
Expired during the year	–	–	–	–
Outstanding at the end of the year	700,950	209.99	450,890	192.24
Exercisable at the end of the year	200,825	160.70	133,090	148.95

For options exercised during the period, the weighted average share price at the exercise date was ₹ 284.01 per share (Previous Year: ₹ 197.08 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 6.82 years (Previous Year: 6.81 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	2017-18	2016-17
Total Employee Compensation Cost pertaining to share option plans	16.22	14.01
Liability for Employee Stock Options Outstanding at year end	49.21	37.30

d) The weighted average fair value of stock options granted during the year was ₹ 238 (Previous Year ₹ Nil). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2018	March 31, 2017*
Dividend yield (%)	0%	–
Expected volatility (%)	54.49%	–
Risk-free interest rate (%)	6.64%	–
Weighted average share price (₹)	238.00	–
Exercise Price (₹)	238.00	–
Expected life of options granted in years	5.76	–

*No options were granted during the previous 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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	2017-18	2016-17
Profit / (Loss) after tax as reported	128.57	(121.20)
Add: ESOP cost using the intrinsic value method	16.22	14.01
Less: ESOP cost using the fair value method	(27.59)	(20.44)
Proforma profit after tax	117.20	(127.63)
Earnings per share		
Basic		
- As reported	0.83	(0.78)
- Proforma	0.75	(0.82)
Diluted		
- As reported	0.83	(0.78)
- Proforma	0.75	(0.82)

38 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:

(₹ in Millions)

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

39 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006:

(₹ in Millions)

Particulars	2017-18	2016-17
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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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

Name of the entity	2017-18				2016-17			
	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 net assets	₹ in millions	As % of consolidated net assets	₹ in millions	As % of consolidated net assets	₹ in millions
Parent								
Westlife Development Limited	2.00%	108.61	-4.11%	(5.29)	1.03%	54.17	2.50%	(3.03)
Subsidiaries								
Hardcastle Restaurants Private Limited	98.00%	5,313.82	104.11%	133.86	98.97%	5,221.05	97.50%	(118.17)
Total	**100.00%**	**5,422.43**	**100.00%**	**128.57**	**100.00%**	**5,275.23**	**100.00%**	**(121.20)**

@ net of elimination of intercompany balances.

41 Pursuant to the resolutions passed by the Board of Directors on November 06, 2017 and February 05, 2018, the Company has been classified as a Core Investment Company ('CIC') exempt from registration with the Reserve Bank of India within the meaning of the Core Investment Companies (Reserve Bank) Directions, 2016. The Company having been classified as a CIC is mandated to adopt Indian Accounting Standards ('Ind AS') only from accounting periods beginning on or after 1st April, 2019, as per the provisions of Rule 4 (1)(iv)(b)(A) of the Companies (Indian Accounting Standards) Rules, 2015 ('the Rules'). The Company has therefore prepared and presented these financial in accordance with the accounting standards prescribed in the Companies (Accounting Standard) Rules, 2006 notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

42 All assets and liabilities have been classified as current and non-current as per the criteria in Schedule III of Companies Act, 2013.

43 Previous year figures

Previous year's figures have been regrouped /reclassified wherever necessary to make them comparable with current year's figures. The previous year's figures were audited by auditors other than B S R & Associates LLP, Chartered Accountants.

As per our report of even date

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of

Westlife Development Limited

Report on the Audit of the Standalone 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 2018, the Statement of Profit and Loss and the Cash Flow statement for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('the Rules').

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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 the 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 standalone financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 aforesaid 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 2018, its loss and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 included in these standalone financial statements has been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 11 May 2017 expressed an unmodified opinion.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

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 in terms of Section 143(11) of the Act, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss and the 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 Rules.
    e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company does not have any pending litigations which would impact its financial position.
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
        iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
11 May 2018

'Annexure A' to the Independent Auditor's Report - 31 March 2018 on the Standalone Financial Statements

(Referred to in our report of even date)

With reference to Annexure A referred to in the Independent Auditors' Report to the Members of Westlife Development Limited ('the Company') on the standalone financial statements for the year ended 31 March 2018, we report the following:

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

(b) We are informed that the Company physically verifies its assets annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this policy, the Company has physically verified all fixed assets during the year and no material discrepancies were identified on such physical verification.

(c) According to the information and explanations given to us, the Company does not hold any immovable properties. Accordingly, paragraph (i)(c) of the Order is not applicable to the Company.

(ii) The Company does not hold any physical inventories. Accordingly, paragraph (ii) of the Order is not applicable to the Company.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph (iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or provided any guarantee or security in respect of which provisions of Section 185 of the Act are applicable and hence not commented upon. The Company has complied with the applicable provisions of Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph (v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, duty of excise, duty of custom, value added tax and employees' state insurance.

(a) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and services tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any dues to banks, debentureholders, Government or to any financial institutions during the year. Accordingly, paragraph (viii) of the Order is not applicable to the Company.

(ix) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has not paid/ provided remuneration to managerial person. Accordingly, paragraph (xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and Section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
11 May 2018

'Annexure B' to the Independent Auditor's Report - 31 March 2018 on the Standalone Financial Statements

(Referred to in our report of even date)

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 with reference to financial statements of Westlife Development Limited ("the Company") as of 31 March 2018 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
11 May 2018

Balance Sheet as at March 31, 2018

(₹)

	Notes	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	311,175,890	311,139,010
(b) Reserves and surplus	3	4,498,266,642	4,484,961,482
		4,809,442,532	**4,796,100,492**
Share application money pending allotment	2 (a)	50,000	–
Current liabilities			
(a) Trade payables	4		
· Total outstanding dues to micro enterprises and small enterprises		–	–
· Total outstanding dues to creditors other than micro enterprises and small enterprises		207,326	714,258
(b) Other current liabilities	5	156,671	69,386
		363,997	**783,644**
TOTAL		**4,809,856,529**	**4,796,884,136**
ASSETS			
Non-current assets			
(a) Fixed assets	6		
Property, plant and equipment		–	–
Intangible assets		85,803	5,458
(b) Non-current investments	7	4,700,835,808	4,700,835,808
(c) Long-term loans and advances	8	461,257	1,343,226
		4,701,382,868	**4,702,184,492**
Current assets			
(a) Current investments	7	50,950,509	50,950,509
(b) Cash and bank balances	9	368,956	2,243,435
(c) Short-term loans and advances	8	1,142,840	412,806
(d) Other current assets	10	56,011,356	41,092,894
		108,473,661	**94,699,644**
TOTAL		**4,809,856,529**	**4,796,884,136**
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 attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

Statement of Profit and Loss for the year ended March 31, 2018

(₹)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	11	–	1,955,820
Other income	12	373,871	1,457,552
Total Revenue (I)		**373,871**	**3,413,372**
EXPENSES			
Purchase of traded goods	13	–	1,953,826
Other expenses	14	5,641,310	4,487,170
Total (II)		**5,641,310**	**6,440,996**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) – (II)		**(5,267,439)**	**(3,027,624)**
Depreciation and amortisation expense	6	23,155	3,249
Profit / (loss) before tax		**(5,290,594)**	**(3,030,873)**
Less: Tax Expenses		–	–
Profit / (loss) for the year		**(5,290,594)**	**(3,030,873)**
Earnings per equity share [Face value of ₹ 2 each (Previous Year ₹ 2 each)]	31		
Basic Earnings per share (₹)		(0.03)	(0.02)
Diluted Earnings per share (₹)		(0.03)	(0.02)
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 attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

Cash flow statement for the year ended March 31, 2018

(₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	(5,290,594)	(3,030,873)
Adjustments for:		
Depreciation and amortisation expense	23,155	3,249
Dividend income	–	(940,029)
Operating profit / (loss) before working capital changes	**(5,267,439)**	**(3,967,653)**
Movements in working capital		
Decrease/(increase) in loans and advances	(735,434)	286,278
Decrease/(increase) in other current assets	1,303,422	2,574,732
(Decrease)/increase in trade payables	(506,932)	186,581
(Decrease)/increase in current liabilities	87,285	(3,393)
Cash (used in) operations	**(5,119,098)**	**(923,455)**
Taxes refund received	887,369	2,525,707
Net cash flow (used in) / from operating activities (A)	**(4,231,729)**	**1,602,252**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(103,500)	–
Investment in equity share capital of subsidiary company	–	(4,125,002,724)
Repayment received of inter corporate deposit given to subsidiary company	–	4,125,000,000
Purchase of investments	–	(50,950,509)
Proceeds from sale of investments	–	47,010,480
Dividend income received	–	940,029
Net cash used in investing activities (B)	**(103,500)**	**(3,002,724)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	2,460,750	1,371,000
Net cash from financing activities (C)	**2,460,750**	**1,371,000**
Net decrease in cash and cash equivalents (A+B+C)	**(1,874,479)**	**(29,472)**
Cash and cash equivalents at beginning of the year	2,243,435	2,272,907
Cash and cash equivalents at end of the year	368,956	2,243,435
	(1,874,479)	**(29,472)**
Components of cash and cash equivalents :		
Cash on hand	42,064	42,064
With banks - on current account	326,892	2,201,371
Total cash and cash equivalents (refer note - 9)	**368,956**	**2,243,435**

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

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

Notes to the Financial Statements for the year ended March 31, 2018

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 prescribed in the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act 2013, read together with Rule 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 the 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 assets, 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 taxes.

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 fixed assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Software is depreciated over a period of 5 years.

(f) Impairment of 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

Notes to the Financial Statements for the year ended March 31, 2018

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.

(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 reflects 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

Notes to the Financial Statements for the year ended March 31, 2018

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.

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, except where the results would be anti-dilutive.

(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 option 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 issued by the Institute of Chartered Accountants of India ('ICAI'), 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

Notes to the Financial Statements for the year ended March 31, 2018

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.

Employee stock compensation cost related to options granted to the employees of the Company's subsidiary is recovered from the subsidiary.

(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.

2. Share Capital

(₹)

	As at March 31, 2018	As at March 31, 2017
Authorised shares		
160,925,000 (Previous Year 160,925,000) Equity Shares of ₹ 2 each.	321,850,000	321,850,000
460,000 (Previous Year 460,000) 8% Cumulative Redeemable Preference Shares of ₹ 10 each	4,600,000	4,600,000
	326,450,000	**326,450,000**
Issued, Subscribed and fully Paid-up shares		
155,587,945 (Previous Year 155,569,505) Equity Shares of ₹ 2 each, fully paid up	311,175,890	311,139,010
Total issued, subscribed and fully paid-up share capital	**311,175,890**	**311,139,010**

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

Particulars	March 31, 2018		March 31, 2017	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	155,569,505	311,139,010	155,551,795	311,103,590
Issued during the year - ESOP	18,440	36,880	17,710	35,420
Outstanding at end of the year	**155,587,945**	**311,175,890**	**155,569,505**	**311,139,010**

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. 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 preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Financial Statements for the year ended March 31, 2018

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, 2018	March 31, 2017
Fully paid up to the shareholders of Westpoint Leisureparks Private Limited (WLPL) in accordance with the composite scheme of arrangement	28,994,852	28,994,852
Fully paid up to the shareholders of Triple A Foods Private Limited (TAF) in accordance with the composite scheme of arrangement	29,704,100	29,704,100
Fully paid Bonus Shares by capitalisation of General Reserve, Reserve Fund, Securities Premium and Surplus in Statement of Profit & Loss	11,430,050	11,430,050

In addition, the Company has issued total 54,350 equity shares (Previous Year 35,910) 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.

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

Equity Shares of ₹ 2 each fully paid up

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of shares held	No. of Shares held	% of shares held
Horizon Impex Private Limited	47,285,325	30.39%	47,285,325	30.39%
Subh Ashish Exim Private Limited	33,233,707	21.36%	33,233,707	21.36%
SBI Mutual Funds	13,571,383	8.72%	13,743,032	8.83%
Arisaig Partners (Asia) Pte Ltd. A/c Arisaig India Fund Limited	12,296,550	7.90%	12,296,550	7.90%
Makino Holdings Limited	11,881,640	7.64%	11,881,640	7.64%
Rajiv Himatsingka Beneficial owners AKSR Corporate Advisors Private Limited, Yuthika Properties Private Limited and Rajiv Himatsingka Partners of M/s Decent Enterprises	11,521,500	7.41%	8,485,000	5.45%

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.

2(a) Share application money pending allotment

i) Share application money pending allotment represents application money received on account of Employee Stock Option Scheme. During the current year, the Company received ₹ 0.05 million (Previous Year ₹ Nil) being the consideration for allotment of 500 equity shares at an exercise price of ₹ 100 per equity share, which has been disclosed under Share application money pending allotment. The Company has made the allotment on May 10, 2018.

Notes to the Financial Statements for the year ended March 31, 2018

3. Reserves and surplus

(₹)

	As at March 31, 2018	As at March 31, 2017
a) Capital reserve		
Balance at beginning and at the end of the year	(2,519,607,727)	(2,519,607,727)
	(2,519,607,727)	**(2,519,607,727)**
b) Securities premium account		
Balance at beginning of the year	6,995,319,589	6,988,572,964
Add: Additions on ESOP's exercised	2,373,870	1,735,580
Add: Transferred from employee stock option outstanding	4,310,224	5,011,045
	7,002,003,683	**6,995,319,589**
c) Employee stock option outstanding		
Balance at beginning of the year	37,295,885	28,294,704
Add : Amortisation of expense related to options granted	16,221,884	14,012,226
Less : Transferred to securities premium on account on exercise of stock options	4,310,224	5,011,045
	49,207,545	**37,295,885**
d) Surplus/ (deficit) in the statement of profit and loss		
Balance at beginning of the year	(30,833,005)	(27,802,132)
Add: Profit/ (Loss) for the year	(5,290,594)	(3,030,873)
Net surplus / (deficit) in the Statement of Profit and Loss	**(36,123,599)**	**(30,833,005)**
e) General reserve		
Balance at beginning and at the end of the year	2,786,740	2,786,740
	2,786,740	**2,786,740**
Total	**4,498,266,642**	**4,484,961,482**

4. Trade payables

(₹)

	As at March 31, 2018	As at March 31, 2017
Trade payables (refer note 39)		
· Total dues to micro enterprises and small enterprises	–	–
· Total outstanding dues of creditors other than micro enterprises and small enterprises	207,326	714,258
Total	**207,326**	**714,258**

5. Other current liabilities

(₹)

	As at March 31, 2018	As at March 31, 2017
Statutory liabilities	156,671	69,386
Total	**156,671**	**69,386**

Notes to the Financial Statements for the year ended March 31, 2018

6. Property, plant and equipment and Intangible assets

(₹)

Particulars	Gross Block (At cost)				Depreciation / Amortisation				Net Block	
	As at 01-Apr-2017	Additions / Adjustments	Deductions/ Adjustments	As at 31-Mar-2018	As at 01-Apr-2017	For the year	Deductions/ Adjustments	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2017
Property, Plant and equipment										
Office Equipments	15,250	–	–	15,250	15,250	–	–	15,250	–	–
	15,250	–	–	*15,250*	*15,250*	–	–	*15,250*	–	–
Computers	73,000	–	–	73,000	73,000	–	–	73,000	–	–
	73,000	–	–	*73,000*	*73,000*	–	–	*73,000*	–	–
Sub Total	**88,250**	**–**	**–**	**88,250**	**88,250**	**–**	**–**	**88,250**	**–**	**–**
	88,250	–	–	*88,250*	*88,250*	–	–	*88,250*	–	–
Intangible Assets										
Computer Software	16,243	1,03,500	–	1,19,743	10,785	23,155	–	33,940	85,803	5,458
	16,243	–	–	*16,243*	*7,536*	*3,249*	–	*10,785*	*5,458*	*8,707*
Sub Total	**16,243**	**103,500**	**–**	**119,743**	**10,785**	**23,155**	**–**	**33,940**	**85,803**	**5,458**
	16,243	–	–	*16,243*	*7,536*	*3,249*	–	*10,785*	*5,458*	*8,707*
TOTAL	**104,493**	**103,500**	**–**	**207,993**	**99,035**	**23,155**	**–**	**122,190**	**85,803**	**5,458**
Previous Year	*104,493*	–	–	*104,493*	*95,786*	*3,249*	–	*99,035*	*5,458*	–

(figures in italics pertain to previous year)

Notes to the Financial Statements for the year ended March 31, 2018

7. Investments

(₹)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
(A) Trade Investments (valued at cost)				
Investments in Subsidiary Company				
Preference shares (unquoted)				
Nil (Previous Year 1,345,000) cumulative redeemable preference shares (CRPS) of Hardcastle Restaurants Private Limited of ₹ 1000/- each fully paid.	–	420,927,400	–	–
Equity Instruments (unquoted)				
1,747,628 (Previous Year 402,628) equity shares of Hardcastle Restaurants Private Limited of ₹ 1000/- each fully paid up.	4,700,835,788	4,279,908,388	–	–
(B) Non Trade Investments				
Unquoted				
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)				
15,633.235 (Previous Year 15,633.235) units of HDFC Cash Management Fund- Savings Plan - Direct Plan - Growth Option	–	–	50,950,509	50,950,509
Total	**4,700,835,808**	**4,700,835,808**	**50,950,509**	**50,950,509**
Aggregate amount of unquoted instruments	4,700,835,808	4,700,835,808	50,950,509	50,950,509

8. Loans and advances *(Unsecured, considered good unless otherwise stated)*

(₹)

Particulars	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Balances with statutory/government authorities	170,494	165,094	1,123,255	339,754
Advance income tax (net of provisions)	290,763	1,178,132	–	–
Prepaid expenses	–	–	19,585	73,052
Total	**461,257**	**1,343,226**	**1,142,840**	**412,806**

9. Cash and bank balances

(₹)

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Cash on hand	42,064	42,064
Balances with banks:		
– in current accounts	326,892	2,201,371
Total	**368,956**	**2,243,435**

Notes to the Financial Statements for the year ended March 31, 2018

10. Other current assets *(Unsecured, considered good unless otherwise stated)*

(₹)

	As at March 31, 2018	As at March 31, 2017
Other receivables (refer note 15)	56,011,356	41,092,894
Total	**56,011,356**	**41,092,894**

11. Revenue from operations (Net)

(₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of traded goods (refer note 11.1)	–	1,955,820
Total	**–**	**1,955,820**

11.1 Details of sale of traded goods

(₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Textile materials	–	1,955,820
Total	**–**	**1,955,820**

12. Other income

(₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend income on current investment (Non trade)	–	940,029
Interest income on income tax refund	373,871	517,523
Total	**373,871**	**1,457,552**

13. Purchase of traded goods

(₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases (refer note 13.1)	–	1,953,826
Total	**–**	**1,953,826**

13.1 Details of purchases of traded goods

(₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Textile materials	–	1,953,826
Total	**–**	**1,953,826**

14. Other expenses

(₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Payment to auditors (refer note 14.1)	660,625	579,040
Legal and professional fees	1,842,146	1,259,510
Printing and stationery	242,563	231,874
Director's sitting fees	1,710,100	1,350,000
Listing and membership fees	373,068	458,364
Communication costs	83,862	52,566
Travelling expenses	173,460	–
Advertisement expenses	148,825	87,499
Insurance	109,113	121,172
Web designing and maintenance	119,738	202,506
Miscellaneous expenses	177,810	144,639
	5,641,310	**4,487,170**

Notes to the Financial Statements for the year ended March 31, 2018

14.1 Payment to auditors (₹)

	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor :		
Statutory audit fees	613,045	550,000
In other capacity :		
Other services (certification fees)	25,000	25,000
Reimbursement of expenses	22,580	4,040
	660,625	**579,040**

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 Amit Jatia (Vice Chairman)
Relatives of KMP	Mr Banwari Lal Jatia (Chairman)
	Mr Amit Jatia (Vice Chairman)
	Mrs Smita Jatia (Director)
	Mr Achal Jatia (Director)

Transactions with related parties during the year (₹)

	2017-18	2016-17
(A) Transaction with Subsidiary Company- Hardcastle Restaurants Private Limited		
(i) Recovery of employee stock option cost	19,000,208	16,114,060
(ii) Investments in equity share capital	–	4,125,002,724
(iii) Investments in equity share capital - conversion from preference share capital	420,927,400	–
(iv) Repayment of inter corporate deposit given to subsidiary company	–	4,125,000,000
(B) Transactions with KMP #		
(i) Director's sitting fees		
Mr Banwari Lal Jatia	120,000	100,000
Mr Amit Jatia	240,000	225,000
Mrs Smita Jatia	155,000	150,000
Mr Achal Jatia	95,000	75,000
(C) Outstanding balance included in other current assets	56,011,356	41,092,894

There is no managerial remuneration paid to the directors.

Notes to the Financial Statements for the year ended March 31, 2018

16 Earnings per share (EPS):

(₹)

Particulars	2017-18	2016-17
Profit / (Loss) after tax	(5,290,594)	(3,030,873)
Weighted average number of equity shares for computing EPS		
Shares for basic earnings per share	155,578,963	155,141,439
Add : Potential diluted equity shares on account of ESOP	279,975	145,711
Shares for diluted earnings per share	155,858,938	155,287,150
Earnings per share		
Nominal value per share	2	2
Basic	(0.03)	(0.02)
Diluted	(0.03)	(0.02)

17 Contingent Liabilities:

Contingent liabilities as at March 31, 2018 ₹ Nil (Previous Year ₹ Nil).

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 2018	Maximum Balance during the financial year 2017-18	As at March 31 2017	Maximum Balance during the financial year 2016-17
Hardcastle Restaurants Private Limited	-		-	4,125,000,000

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

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

(₹)

Particulars	2017-18	2016-17
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.

Notes to the Financial Statements for the year ended March 31, 2018

20 Employee stock option plans

a) The Company provides share-based payment schemes to its employees. During the year ended March 31, 2018, 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 9 years. The other relevant terms of the grant are as below:

Vesting period	Graded vesting – 20% every year
Exercise period	9 years

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

Particulars	2017-18		2016-17	
	No of Shares	Weighted average exercise price (₹)	No of Shares	Weighted average exercise price (₹)
Outstanding at the beginning of the year	450,890	192.24	473,600	189.59
Granted during the year	302,000	238.00	–	–
Forfeited during the year	33,500	267.33	5,000	268.02
Exercised during the year	18,440	130.73	17,710	100.00
Expired during the year	–	–	–	–
Outstanding at the end of the year	700,950	209.99	450,890	192.24
Exercisable at the end of the year	200,825	160.70	133,090	148.95

For options exercised during the period, the weighted average share price at the exercise date was ₹ 284.01 per share (Previous Year: ₹ 197.08 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 6.82 years (Previous Year: 6.81 years). The range of exercise prices for options outstanding at the end of the year was ₹ 100 to ₹ 300 (Previous Year: ₹100 to ₹ 300).

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

(₹)

Particulars	2017-18	2016-17
Total Employee Compensation Cost pertaining to share option plans	–	–
Liability for Employee Stock Options Outstanding at year end	49,207,545	37,295,885

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 ₹ 19,000,208 (Previous Year ₹ 16,114,060) (including applicable taxes) from its subsidiary company towards ESOP cost. Thus the cost included in the Statement of Profit and Loss of the Company is ₹ Nil.

Notes to the Financial Statements for the year ended March 31, 2018

20 Employee stock option plans *(Continued)*

d) The weighted average fair value of stock options granted during the year was ₹ 238 (Previous Year ₹ Nil). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2018	March 31, 2017*
Dividend yield (%)	0%	–
Expected volatility (%)	54.49%	–
Risk-free interest rate (%)	6.64%	–
Weighted average share price (₹)	238.00	–
Exercise Price (₹)	238.00	–
Expected life of options granted in years	5.76	–

*No options were granted during the previous 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	2017-18	2016-17
Profit / (Loss) after tax as reported	(5,290,594)	(3,030,873)
Add: ESOP cost using the intrinsic value method	16,221,884	14,012,226
Less: Recovered from subsidiary, Hardcastle Restaurants Private Limited	(16,221,884)	(14,012,226)
Less: ESOP cost using the fair value method	(27,593,936)	(20,445,835)
Add: Recovered from subsidiary, Hardcastle Restaurants Private Limited	27,593,936	20,445,835
Proforma Profit /(Loss) after tax	(5,290,594)	(30,30,873)
Earnings per share		
Basic		
- As reported	(0.03)	(0.02)
- Proforma	(0.03)	(0.02)
Diluted		
- As reported	(0.03)	(0.02)
- Proforma	(0.03)	(0.02)

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

Notes to the Financial Statements for the year ended March 31, 2018

22. Pursuant to the resolutions passed by the Board of Directors on November 06, 2017 and February 05, 2018, the Company has been classified as a Core Investment Company ('CIC') exempt from registration with the Reserve Bank of India within the meaning of the Core Investment Companies (Reserve Bank) Directions, 2016. The Company having been classified as a CIC is mandated to adopt Indian Accounting Standards (Ind AS) only from accounting periods beginning on or after 1st April, 2019, as per the provisions of Rule 4 (1)(iv)(b)(A) of the Companies (Indian Accounting Standards) Rules, 2015 ('the Rules'). The Company has therefore prepared and presented these financial statements in accordance with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

23. All assets and liabilities have been classified as current and non-current as per the criteria in Schedule III of Companies Act, 2013.

24. Previous year's figures have been regrouped /reclassified wherever necessary to make them comparable with current year's figures. The previous year's figures were audited by auditors other than B S R & Associates LLP, Chartered Accountants.

For B S R & Associates, LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

ANNEXURE A

(Pursuant to first provisio to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(₹ in Millions)

1	Name of the subsidiary	Hardcastle Restaurants Private Limited
2	The date since when subsidiary was acquired	13-Nov-11
3	Financial year ending on	31-Mar-18
4	Reporting Currency	Indian Rupees
5	Share capital	1,747.63
6	Reserves and surplus	3,100.22
7	Total assets	8,772.24
8	Total Liabilities	8,772.24
9	Investments	1,791.83
10	Turnover	11,348.74
11	Profit before taxation	133.86
12	Provision for taxation	-
13	Profit after taxation	133.86
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	99%

Notes :

1 There are no subsidiaries which are yet to commence operations

2 There are no subsidiaries which have been liquidated or sold during the year.

3 Tunrover includes other operating revenue.

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Notes :

1 There are no associates or joint ventures which are yet to commence operations.

2 There are no associates or joint ventures which have been liquidated or sold during the year.

As per our report of even date attached

For B S R & Associates, LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Place : Mumbai
Date : May 11, 2018

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, 2018

NOTES

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593
Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of Westlife Development Limited will be held at Orchid Hall, 2nd Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai 400 018 on Wednesday, the 29th day of August, 2018 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 March 31, 2018 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 March 31, 2018.
2. To appoint a Director in place of Mr Amit Jatia (DIN: 00016871), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To reappoint Mr Padmanabh Ramchandra Barpande (DIN: 00016214) as an Independent Director and in this regard, to pass the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Padmanabh Ramchandra Barpande (DIN: 00016214), who had been appointed as Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible, be reappointed as an Independent Director of the Company w.e.f. April 1, 2019, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. upto March 31, 2024."

4. To reappoint Mr Manish Chokhani (DIN: 00294011) as an Independent Director and in this regard, to pass the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Manish Chokhani (DIN: 00294011), who had been appointed as Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible, be reappointed as an Independent Director of the Company w.e.f. April 1, 2019, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. upto March 31, 2024."

5. To reappoint Mr Tarun Kataria (DIN: 00710096) as an Independent Director and in this regard, to pass the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Tarun Kataria (DIN: 00710096), who had been appointed as an Independent Director and who holds office as an Independent Director upto July 31, 2019 and being eligible, be reappointed as an Independent Director of the Company w.e.f. August 1, 2019, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. upto July 31, 2024.

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the 'Act'), relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

2. 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 Wednesday, August 27, 2018. 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.

3. In case of joint holders, only the member whose name appears as the first holder in order of names as per the Register of Members of the Company will be entitled to vote.

4. This Notice is being sent to all members of the Company whose names appear in the Register of Members/lists of beneficiaries received from the depositories as on July 27, 2018.

5. The entry to the meeting venue will be regulated by means of Attendance Slips. For attending the meeting, members, proxies and authorised representatives of members, as the case may be, are requested to bring the enclosed Attendance Slip completed in all respects, including Client ID and DP ID, and signed. Duplicate Attendance Slips will not be issued.

6. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and participate on their behalf at the Meeting.

7. This Notice along with the relevant financial statements and annexures thereto are being sent in electronic mode to those members whose email addresses are registered with the depositories, unless any member has requested a physical copy of the same. Physical copies are being sent to other members. All members are requested to support the Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses as aforesaid to receive all these documents electronically from the Company, in accordance with Rule 18 of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014. All the aforesaid documents have also been uploaded on and are available for download from the Company's website, being www.westlife.co.in. Kindly bring your copy of the Annual Report to the meeting.

8. Rule 3 of the Companies (Management & Administration) Rules, 2014 mandates that the Register of Members of all companies should include details pertaining to e-mail address, Permanent Account Number or CIN, Unique Identification Number, if any, Father's/Mother's/Spouse's name, Occupation, Status, Nationality, in case member is a minor, name of the guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository participant.

9. Members are requested to notify any change of address and update bank account details to their respective depository participant directly.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to Unit: Westlife Development Ltd, Link Intime India Pvt Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083.

11. Members may, pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, file nomination in the prescribed Form SH-13 with the respective depository participant.

12. There is no unpaid or unclaimed dividend lying with the Company.

13. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting has been done away with vide notification No. S.O. 1833 (E) dated May 7, 2018 issued by the Ministry of Corporate Affairs, Government of India. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who had been appointed at the Annual General Meeting held on September 20, 2017.

14. No gifts shall be provided to members before, during or after the Annual General Meeting.

15. 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 Sunday August 26, 2018 at 9.00 a.m. and ends on Tuesday, August 28, 2018 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of August 22, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting.

ii. Log on to the e-voting website www.evotingindia.com

iii. Click on "Shareholders" tab.

iv. Now Enter your User ID

  a) For CDSL: 16 digits beneficiary ID,

  b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the votes cast by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non-Individual Shareholders and custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- They should email a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a compliance user using the admin login and password who would be able to link the account(s) which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding remote e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

xxi. Members may alternatively cast their votes using the Ballot Form which is enclosed with this Notice, which is also available on the website of the Company. Please refer to instructions under the heading "B" below for more details.

B. **Members who wish to vote using Ballot Form:**

Members may fill in the Ballot Form and submit the same in a sealed envelope to the Scrutinizer, Mr Shailesh Kachalia, Practising Company Secretary, Unit: Westlife Development Ltd 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 August 29, 2018. 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. August 22, 2018, may obtain the User ID and password in the manner as mentioned on the CDSL'S website i.e. www.cdslindia.com.

c. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 29, 2018.

d. Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.westlife.co.in and on the website of CDSL www.cdslindia.com within two days of the passing of the Resolutions at the 35th 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	Manager
iii)	Address	Central Depository Services (India) Limited A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013
iv)	Email Id	helpdesk.evoting@cdslindia.com
v)	Phone No.	1800 200 5533

16. Details of Director retiring by rotation / seeking re-appointment at the forthcoming Annual General Meeting are furnished below:

(i)	**Name of Director**	**Mr Amit Jatia**
	Date of Birth	February 11, 1967
	Date of Appointment	November 21, 2012
	Expertise in Specific Functional areas	General Management
	Qualifications	B.Sc in Business Administration (Finance) from the University of Southern California, USA
	Other Public Limited Companies in which Directorship held	i. Inox Leisure Ltd. ii. V.I.P. Industries Ltd.
	Chairman/ Member of Committees of Boards of other Companies	Inox Leisure Ltd. i. Audit Committee-Member ii. Stakeholder Relationship Committee - Member
	Shares held in the Company	6,30,000 (0.40%)
	Relationship with other directors	Mr B.L. Jatia (son); Ms Smita Jatia (husband); Mr Achal Jatia (brother)

(ii)	Name of Director	Mr Padmanabh Ramchandra Barpande
	Date of Birth	November 29, 1947
	Date of first Appointment on the Board	November 24, 2012
	Date of appointment on the Board as Independent Director	April 1, 2014
	Expertise in Specific Functional areas	Finance, Accounts and Audit
	Qualifications	Chartered Accountant (FCA)
	Other Public Limited Companies in which Directorship held	Fairchem Speciality Ltd
	Chairman/ Member of Committees of Boards of other Companies	Fairchem Speciality Ltd i. Audit Committee- Chairman
	Shares held in the Company	Nil
	Relationship with other directors	Nil

(iii)	Name of Director	Mr Manish Chokhani
	Date of Birth	October 14, 1966
	Date of first Appointment on the Board	September 18, 2013
	Date of appointment on the Board as Independent Director	April 1, 2014
	Expertise in Specific Functional areas	General Management
	Qualifications	B.Com, MBA, London Business School, Chartered Accountant
	Other Public Limited Companies in which Directorship held	i. Shoppers Stop Ltd ii. Zee Entertainment Enterprises Ltd
	Chairman/ Member of Committees of Boards of other Companies	Shoppers Stop Ltd i. Audit Committee- Member ii. Risk Management Committee- Member Zee Entertainment Enterprises Ltd i. Audit Committee - Member
	Shares held in the Company	Nil
	Relationship with other directors	Nil

(iv)	Name of Director	Mr Tarun Kataria
	Date of Birth	September 17, 1958
	Date of first Appointment on the Board	August 1, 2014
	Date of appointment on the Board as Independent Director	August 1, 2014
	Expertise in Specific Functional areas	General Management
	Qualifications	B.Com, C.A., MBA (Finance), Wharton School, University of Pennsylvania, USA
	Other Public Limited Companies in which Directorship held	Sterlite Investment Managers Ltd listed as IndiaGrid Ltd
	Chairman/ Member of Committees of Boards of other Companies	Nil
	Shares held in the Company	Nil
	Relationship with other directors	Nil

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

By Order of the Board of Directors

Sd/-

Dr Shatadru Sengupta
Company Secretary

Mumbai
July 27, 2018

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item 3:

Mr Padmanabh Ramchandra Barpande (DIN: 00016214) had been appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to March 31, 2019 ('first term').

The Nomination and Remuneration Committee ("the NRC Committee") of the Board of Directors of the Company, on the basis of the report of performance evaluation, has recommended reappointment of Mr Padmanabh Ramchandra Barpande (DIN: 00016214) as an Independent Director for a second term of 5(five) consecutive years on the Board of the Company w.e.f. April 1, 2019 upto March 31, 2024.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, is of the view that, given his background and experience and the valuable contributions made by him during his tenure, the continued association of Mr Padmanabh Ramchandra Barpande would be beneficial to the Company. Accordingly, it is proposed to reappoint Mr Padmanabh Ramchandra Barpande as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1, 2019 upto March 31, 2024.

Except for Mr Padmanabh Ramchandra Barpande, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested in this item of business.

The Board commends the special resolution for members' approval.

Item 4:

Mr Manish Chokhani (DIN: 00294011) had been appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to March 31, 2019 ('first term').

The NRC Committee of the Board of Directors of the Company, on the basis of the report of performance evaluation, has recommended reappointment of Mr Manish Chokhani (DIN: 00294011) as an Independent Director for a second term of 5(five) consecutive years on the Board of the Company w.e.f. April 1, 2019 upto March 31, 2024.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, is of the view that, given his background and experience and the valuable contributions made by him during his tenure, the continued association of Mr Manish Chokhani would be beneficial to the Company. Accordingly, it is proposed to reappoint Mr Manish Chokhani as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 1, 2019 upto March 31, 2024.

Except for Mr Manish Chokhani, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested in this item of business.

The Board commends the special resolution for members' approval.

Item 5:

Mr Tarun Kataria (DIN: 00710096) had been appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to August 31, 2019 ('first term').

The NRC Committee of the Board of Directors of the Company, on the basis of the report of performance evaluation, has recommended reappointment of Mr Tarun Kataria (DIN: 00710096) as an Independent Director for a second term of 5(five) consecutive years on the Board of the Company w.e.f. August 1, 2019 upto July 31, 2024.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, is of the view that, given his background and experience and the valuable contributions made by him during his tenure, the continued association of Mr Tarun Kataria would be beneficial to the Company. Accordingly, it is proposed to reappoint Mr Tarun Kataria as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. August 1, 2019 upto July 31, 2024.

Except for Mr Tarun Kataria, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested in this item of business.

The Board commends the special resolution for members' approval.

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593

Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

FORM NO. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : ....

Registered address : ....

Email Id : ....

Folio No. / Client Id : ....

DP ID : ....

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name:.. Address:..

   E-mail Id:.. Signature:.., or failing him

2. Name:.. Address:..

   E-mail Id:.. Signature:.., or failing him

3. Name:.. Address:..

   E-mail Id:.. Signature:.., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Wednesday, the 29th day of August, 2018 at 2.30 p.m. at Orchid Hall, 2nd 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 Amit Jatia (DIN: 00016871) as Director
3	Re-appointment of Mr Padmanabh Ramchandra Barpande (DIN: 00016214) as an Independent Director
4	Re-appointment of Mr Manish Chokhani (DIN: 00294011) as an Independent Director
5	Re-appointment of Mr Tarun Kataria (DIN: 00710096) as an Independent Director

Signed this.. day of..2018

Signature of shareholder(member)..

Affix Revenue Stamp

Signature of Proxy holder(s)..

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593
Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

FORM NO. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER / BALLOT FORM

S No	Particulars	
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialised form)	
4.	Class of Share	

hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

S No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1	Adopting Accounts and Reports			
2	Reappointment of Mr Amit Jatia (DIN: 00016871) as Director			
3	Re-appointment of Mr Padmanabh Ramchandra Barpande (DIN: 00016214) as an Independent Director			
4	Re-appointment of Mr Manish Chokhani (DIN: 00294011) as an Independent Director			
5	Re-appointment of Mr Tarun Kataria (DIN: 00710096) as an Independent Director			

Place:...

Date:...

(Signature of the shareholder)

Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593

Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013
Tel : 022-4913 5000 | Fax : 022-4913 5001
Website :www.westlife.co.in | E-mail id : shatadru@westlife.co.in

Attendance Slip

DP ID.. Client ID .... No. of Shares held...
....

Name of the Member (in BLOCK LETTERS):..

I hereby record my presence at the 35th ANNUAL GENERAL MEETING of the Company held at Orchid Hall, 2nd Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai 400 018 on Wednesday, 29th August, 2018 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:

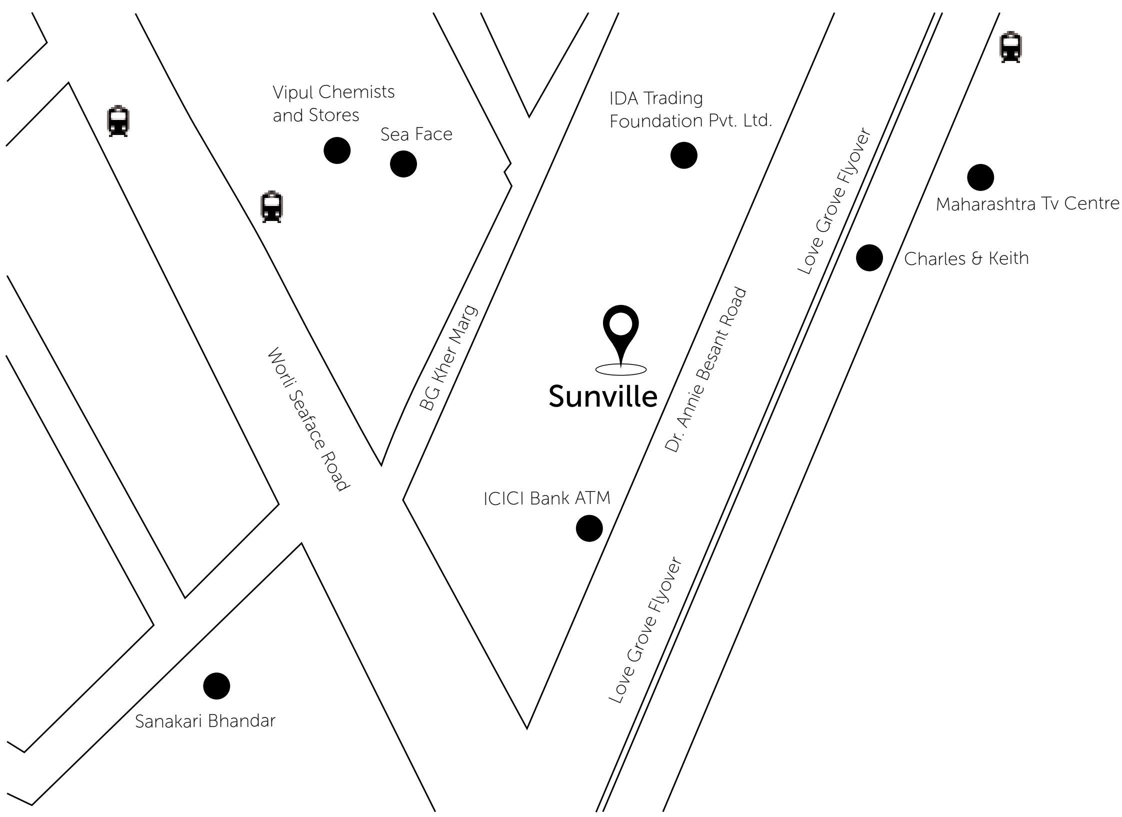
Venue address:

Orchid Hall, 2nd Floor, Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400018.

Prominent Landmarks:

1. Near Poonam Chambers.

A route map for the venue is provided along with this notice and on the Company's website, being www.westlife.co.in.



A TRISYS PRODUCT
info@trisyscom.com

OUR JOURNEY TOGETHER.
FOR GOOD.

FOOD SOURCING PLANET PEOPLE COMMUNITY

Westlife Development Ltd.
1001, Tower-3, 10th Floor
Indiabulls Finance Centre
Senapati Bapat Marg, Elphinstone
Road, Mumbai – 400013
T: +91 22 49135000 F: +91 22 49135001

westlife www.westlife.co.in