

# less is more

**Westlife Development Limited**  
Annual Report  
**2018-19**





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## 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 2018-19.

Less is more

**Despite the population of China being 1.1 times that of India, an average Chinese eats out about 50 times a month; an average Indian eats out only three to four times a month.**

**This validates the commitment of our Company to widen footprint, commission more restaurants, strengthen the menu and invest deeper in people and processes.**

**The result: We are not just focused on increasing our market share; we are engaged in the bigger goal of creating a larger market.**

At Westlife,  
'Less is More' is  
not a fashionable  
statement. It  
represents the core  
of our operating  
philosophy.

**Making it possible to believe that today's sectoral under-penetration holds out prospects of multi-year growth.**

**Making it possible to generate more out of given resources.**

**Making it possible to minimise our carbon footprint even as we increase output.**

**Making it possible to enhance our profitability in a competitive space.**

**Making it possible to maximize efficiencies and strengthen the business.**



# 4 things you need to know about Westlife Development Limited

## 1 Background

Westlife Development Limited (or WDL or Westlife), through its wholly-owned subsidiary, Hardcastle Restaurants Pvt. Ltd (HRPL), owns and operates a chain of McDonald's restaurants in West and South India. The Company enjoys a master franchisee relationship with McDonald's Corporation USA, through the latter's Indian subsidiary.

In this section, as also elsewhere in this document as may be relevant to the context, 'the Company' or 'the Company' shall mean or include HRPL in addition to WDL. The terms 'store' and 'outlet' shall each mean 'restaurant'.

## 2 Footprint

Westlife, through its subsidiary HRPL, serves over 200 mn customers annually at 296 company-owned McDonald's restaurants and 190 company-owned McCafes located in the states of Andhra Pradesh, Telangana, Gujarat, Karnataka, Maharashtra, Tamil Nadu, Kerala and parts of Madhya Pradesh. The Company's 9,537 member strong workforce ensures world-class customer service, giving consumers enough reasons to re-visit time and again.

## 3 Offerings

McDonald's provides various formats and brand extensions that comprise standalone restaurants, Drive-thrus, and mall and food court restaurants. The brand extensions include **McCafe**, the Company's in-house coffee chain, **McDelivery** that facilitates website and the app-based ordering of food delivery, and **McBreakfast**, an exclusive wholesome and nutritious breakfast menu.

## 4 Servicing multiple segments

Burger | Wraps | Rice | Chicken | Sides | Pizza puffs | Coffee | Coolers | Desserts | Delivery | Breakfast





# How we have grown over the years

2004

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

2011

Achieved the 'Highest Annual Sales per Store' as per Fortune India

2016

Presented with the 'Great Place to Work' award for the best Company to Work For in the retail industry

2016

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

2016

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

2018

Ranked 11th globally as the most valuable brand as listed on Forbes' 2018 Brand Ranking

2019

Ranked as one of the top 30 companies by 'Great Places to Work' under the retail segment

2019

Recognized as one of the best brands in the QSR industry by The Economic Times – Brand Equity

# The new pillars of our re-energised company



## Our brand

We stand for trust and permissibility

We make customers comfortable with our menu nutrition and hygiene

We entertain our patrons by always serving with a smile

We reinvented our core offering around 'menu plus value'

We extended our brand across more formats

## Our people

We are a happy company because we have happy employees

We retain people effectively through sensitive policies

We foster a high-performance culture

We have programs to impart 'Skills for life' training and multi-level functional training for all our employees. All our Restaurant Managers are Restaurant Learning Program (RLP)-certified.

## Our restaurants

We provide a contemporary restaurant ambience

We enhance customer access by being present in popular and strategic locations across our markets

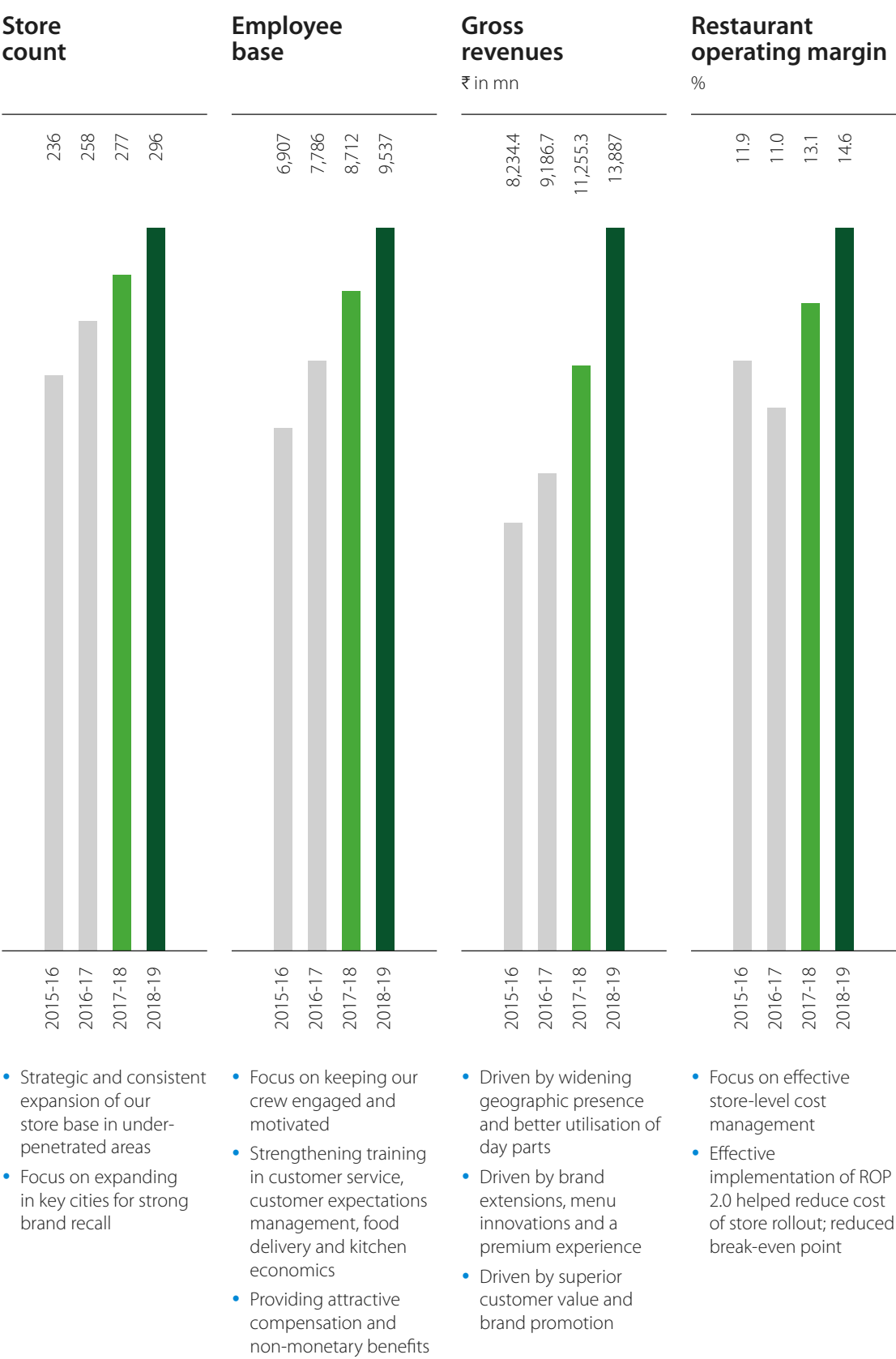
We protect restaurant profitability through long-term property agreements

We are proactive in ensuring that our business is good for our people, our community and our planet



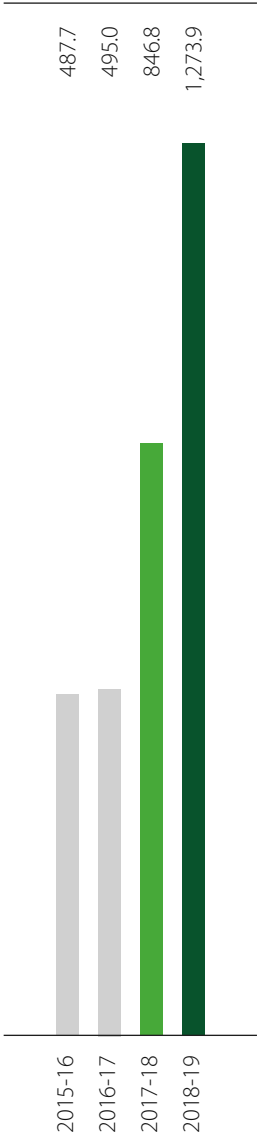


# This is where we are



**Operating EBITDA**

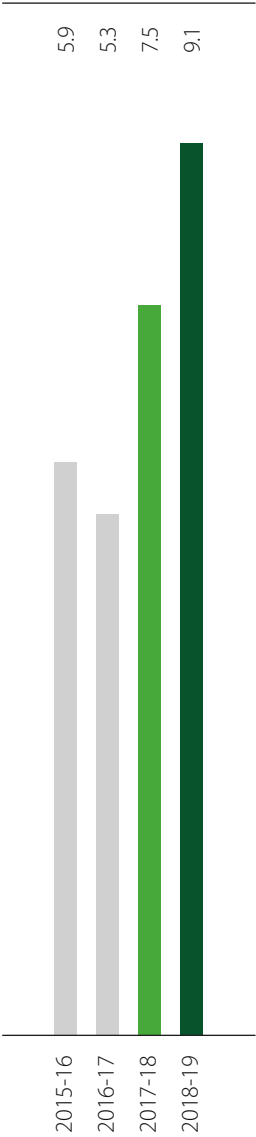
₹ in mn



- We optimized our cost structures to emerge as leaner and fitter
- With scale and fixed cost coverage, topline growth is translating into sharper bottom-line growth

**Operating profit margin**

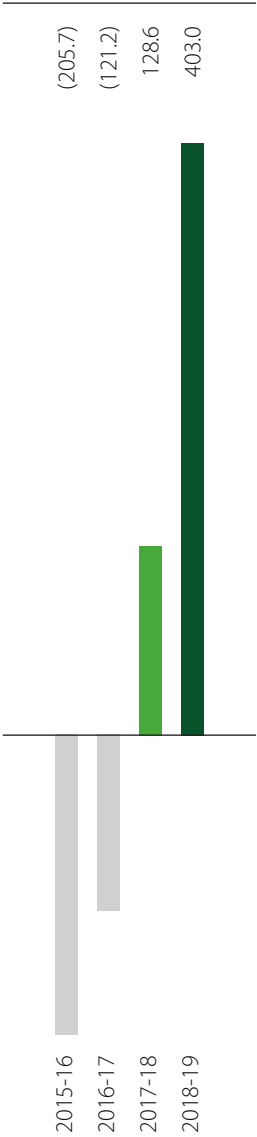
%



- Low leverage; revenue upside translating faster to earnings

**Net profit**

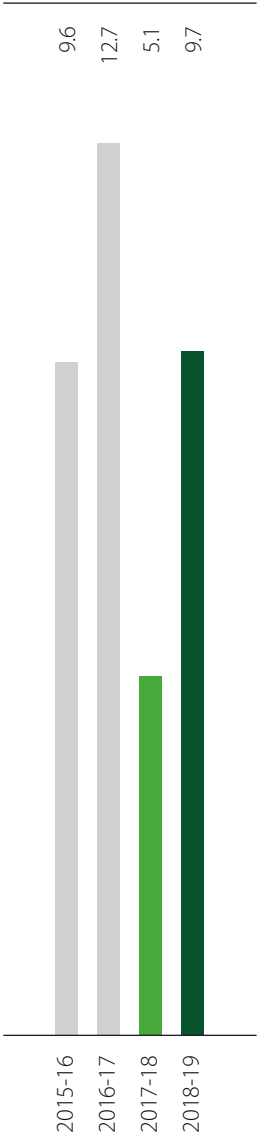
₹ in mn



- Enhanced focus on profitability across the organisation
- Relentless focus on enhancing same-store revenue growth – generating a compounding effect

**Return on capital employed**

%



- Capital allocation strategy focused on sustainable returns
- Investing across market cycles; visible margin growth in sectoral rebounds
- Long-term negotiation of attractively low rentals

Note: These numbers are normalised

# This is where we expect to go by 2022



Low-to-mid-teens  
Projected EBIDTA, 2022



9.75

EBIDTA margin, %, 2018-19



Mid-to-high single digit  
%, projected same store  
growth, 2022



17

%, same store growth,  
2018-19



300-350

Projected number of McCafé  
outlets, 2022



190

Number of McCafé outlets,  
2018-19

300-325

Projected outlets with  
McDelivery option, 2022



216

McDelivery hubs in 2018-19

450-500

Projected number of  
restaurants, 2022



296

Number of restaurants,  
March 31, 2019

# The 8 Cs of our business





# Vice-Chairman's **overview**



## 23.5%

Revenue growth in 2018-19

## 137 bps

Growth in EBITDA margin in 2018-19

I am pleased to report that your Company reported an attractive profit during the year under review. This validates what we had always emphasised: that during a sector slowdown we would be the last person standing and during periods of sectoral rebound we would be among the first off the block.

The Company capitalised on the fact that the market grew 10-12%, which was better than the 7% growth in the previous year. This was the result of the return of a feel-good sentiment among consumers, the like of which we last saw between 2004 and 2006. The QSR sector is more attractively placed at this point to sustain the improvement on account of a decline in the stigma associated with eating out, growing focus on wholesome meals, wider menu ordering formats and growing premium on time, incentivising consumers to turn to QSR during the busy hours.

The sectoral turnaround was showcased across our financials as the Company reported 23.5% revenue growth on a base of ₹11,255.32 crore. This validates the positioning and promotion of our brand, selection of cities of presence, our ability to bridge terrain gaps with restaurant locations, the multi-ages relevance of our offerings and our menu affordability, addressing a wide societal cross-section.

This sharp growth in revenues provided us with a wider berth to amortise our fixed costs coupled with our consistent focus on cost management. As a result, we generated a superior volume-value proposition that translated into an EBITDA margin that grew 137 bps to 9.75% during the year under review.

The Company demonstrated a positive traction between revenue and profit growth. The growth that we reported was profitable – percentage growth in profit after tax was higher than the percentage growth in revenues during the year

under review – and this translated into a swing of 213% profit growth YoY.

This performance validates our ability to keep the faith during the challenging sectoral downtrend, justifies our patient business-building, emphasises the robustness of our business model and indicates that our Vision 2022 is on its way to becoming a reality.

## The 8Cs of our business

In addition to the sectoral tailwind that revived consumer spending, the improvement in our financials was principally due to our ability to have consistently invested in our business during the preceding downtrend.

Our investment in the business was driven by our 8Cs priority - commissioning, convenience, contemporarisation, complement, carbon minimisation, choice, cost and controls.

**Commissioning:** At a time when it would have been easy to freeze capital expenditure and perhaps even shut some restaurants, your Company did the opposite. We fundamentally believed in an overarching reality: India is an extensively under-penetrated market when it comes to eating out on account of a social preference for home-cooked food. We also believed that with social modes transforming, there would be an increased eating out incidence. We continued to invest during the downtrend, opening 75 new restaurants in the three years ending March 31, 2019. We believe that this contrarian approach made it possible for us to enter locations not addressed by competition and freeze attractively low rentals for the next 20-25 years. The result is that the downtrend provided us with a remarkable opportunity to build restaurant visibility in a number of prominent urban locations that should translate into sustained same-store growth across the foreseeable future.

**Convenience:** At a time when one would have focused on the tried and tested conventional restaurant, we went one step further. We made it possible for customers to order food from home, order online, enter drive-thru restaurants without stepping out of their vehicles and order from kiosks that reduced their turnaround time.

**Contemporarisation:** In a dynamic world marked by a restaurant boom, where consumers are exposed to rising standards of decor and service, there is a premium in providing customers with a contemporary experience. At Westlife, we addressed this challenge by going one decisive step ahead - we launched EOTF (Experience of the Future) restaurants. This futuristic positioning of our restaurant achieved a number of things. With greater speed, greater convenience, self-ordering kiosk, wider payment choice, table service and the use of cutting-edge technologies, it extended the predictability of our restaurants to a new freshness and extended our ambience distinctiveness to service differentiation.

**Complement:** In a flexibility-driven world, there is a greater incidence of a consumer walking in for a meal and also staying back for a beverage. This recognition promoted our extension into restaurant complements. We extended from the position that a customer would only need a snack or meal at lunch or dinner time; we believed that there was a vast audience that needed a hygienic location and organised brand that offered breakfast as well; we believed that there was an entire community waiting to be serviced for their beverage appetite. This understanding translated into the launch of our brand extensions:

- McBreakfast that gives our customers a range of wholesome and easy to consume breakfast options

- McCafe that provides a range of premium, specialty hand-crafted coffees and a range of fruit and dairy based beverages at an outstanding value
- McDelivery that gives our customers an easy and convenient way to order and consume our food in the comfort of their homes and offices

The result is that these complements increased the utilisation of different day-parts, emerged as revenue drivers, increased cross-sale and generated incremental revenues with minimal cost increase, enhancing organisational value.

**Carbon minimisation:** In a world where success is going to be increasingly defined by carbon footprint (lower the better), we recognised that we needed to be progressively clean in our business practices. When this intent was articulated, the question was 'Will it not increase costs? What is the payback? Why do we need to do it when most requirements are not even statutory?' At Westlife, we took a bold call; we didn't just resolve to be responsible; we focused on emerging as a benchmark. We believe that this approach would initially increase costs but eventually, when seen in the overall sum of things, our material consumption across the entire consumption life cycle would be cleaner, our costs better amortised and corporate respect enhanced across customers, neighbourhoods and the broader community.

**Choice:** In our business it would have been easy staying with a winning menu formula on the grounds that what had worked for us in the past would continue to work for us in the future. At Westlife, we took a contrarian view. We continued to believe that if there was something in the marketplace growing faster than the incidence of eating out, it was the widening palate preference of our consumers. The result is that we restructured our menu around food-based platforms, we deepened each platform with the introduction of new menu items (rice in 2018, for instance) and, in doing so, we provided consumers with a widening choice – along the ‘X’ axis and within each point on this axis, a long ‘Y’ axis. The result is that we delighted consumers by providing a number of contemporary international flavours around familiar Indian formats, and when they had broadly decided what they would like to eat, we provided them with a range of choices. In doing so, we didn’t just provide consumers what they wanted; we provided them what we believed they would love to eat.

**Cost:** In an inflation-influenced business, it would have been an achievement to hold our costs. At Westlife, we took a contrarian perspective: we believed that in a business that enjoyed scale at one level and menu cum process consistency at the other, we needed to reduce costs. The consequent re-engineering exercise examined virtually every business component. For every existing option, we examined a better and lower-cost alternative. When we aggregated these findings, we achieved a lower cost of restaurant rollout and a lower cost of restaurant operations, reducing our break-even point. This translated into a larger number of restaurants either turning around or reporting higher profits, creating the foundation of our company’s turnaround during the last financial year.



**Controls:** In a business where store locations could be dispersed across distances, there is a premium in comprehending cost structures with the objective to benchmark performance and identify aberrations. At Westlife, we extended beyond what could have been a conventional spreadsheet-based reactive approach. The Company invested in Internet of Things (IoT)-based platform that concurrently monitored Westlife restaurant locations, comparing their real-time systemic performance with benchmarks and identifying deviations for corrective actions. This ‘third eye’ made it possible to diagnose equipment or utility under-performance from a remote location, mine relevant data to highlight menu profit-drivers and establish a basis for best practices. It also helped sensitise executives about the impact of a change in inputs on eventual profits and prompt timely equipment replacement – an unprecedented control system in India’s QSR sector.

At Westlife, we believe that the interplay of the 8Cs turned the Company around faster than the sectoral curve and the result was that 2018-19 proved to be a year of attractive growth marked by profitability and business sustainability.

17%

Same-store revenue growth in 2018-19

25

Number of EOTF restaurants in 2018-19



## Keeping faith

### I have often been asked: What drives Westlife?

The answer is simple. India's food service market is pegged at US\$ 61 bn in 2018-19, China at US\$ 8,154 bn and Brazil at US\$ 2,284 bn. This shows that Indian food service market has a lot of catching up to do.

India has only 461 McDonald's restaurants compared with a country like China (with a near-equivalent population) with more than 3,000 McDonald's outlets or a market like USA at the upper end with about 14,000 McDonald's restaurants. The conclusion is that we are not just mildly optimistic about our prospects; we believe that India is sitting at the bottom-end of a long J-curve from this point onwards.

### So what will this require of a company like Westlife?

I believe that the present excitement will largely warrant two things: the ability to focus on the eye of the overhead model of a spinning fish before shooting it, much to the exclusion of every other distraction at a time when we are faced with a substantial under-penetration within our sector. Besides, we believe that every initiative covered by the 8Cs will count, though some of

the trickle-down impact may not be immediately visible in our financials. It is impossible to move a 5,000-tonne flywheel until more people put their shoulders to it, but once they do, what could not be budged for long acquires a strong momentum. Our company accelerated over the last 15 years and as we put more might and muscle behind it, we are sure that it will acquire an unstoppable momentum in the foreseeable future.

## Attractively positioned and placed

The Westlife of today is a full-service company where small-margin shifts can translate into large profit growth; where the introduction of different formats has resulted in an increased utilisation of restaurant day-parts; where the power of compounding has accelerated our same-store revenue growth from 1.8% in 2015-16 to 17% in 2018-19; where capacity utilisation has increased; where a straightforward menu has now been built around platforms, with long-term growth journeys built into each.

From a macro perspective, the extensive under-penetration is expected to translate into a multi-year growth cycle. Besides, India is a large consumption market with long-term shock-absorbers and aspiring youth that has grown up on our exciting, contemporary and local taste-relevant menu offerings.

At Westlife, we are attractively placed to capitalise on a transforming reality and an improving sector.

We possess a positive momentum that will only accelerate;

We are recognised as a modern burger company at the cutting-edge of consumer preferences;

We have demonstrated a distinctive ability in being able to bring global gastronomic trends to India and

then democratise it for a larger Indian audience;

We operate a number of profitable restaurants even as the sector is only beginning to rise out of the bottom-end of a long growth curve.

We believe that the break-even point of our restaurants would decline further, increasing the number of profitable restaurants and stronger margins.

Since a number of restaurants have been front-expensed, it means that as revenues rise, these restaurants are potentially placed to report a sharp increase in profitability.

## Outlook

We expect to sustain this momentum into 2019-20. We expect to grow same-store revenues between mid to high single-digits in our eco-system of restaurants across West and South India. We intend to launch around 25-30 new restaurants every year. We intend to increase the coverage of EOTF restaurants from 25 at the close of 2018-19 to around 60 at the close of 2019-20 and the number of McCafe outlets from 190 in 2018-19 to over 200 in 2019-20.

We believe that the complement of these initiatives should accelerate revenue growth, enhance margins and help us report profitable growth in 2019-20.

In doing so, we expect to strengthen our bottomline and enhance value for all the stakeholders associated with our company.

**Amit Jatia,**  
Vice-Chairman

# How we built Westlife into a contrarian outperformer

<p>Most companies would have frozen their investments in a down cycle.</p>	<p>Most companies would have responded to the immediate needs of the next quarter.</p>	<p>Most companies would have waited for the sectoral tide to turn.</p>
<p>We launched a new brand extension - McCafe in 2013, with a conviction that when the market revived, this new format would grow exponentially.</p>	<p>We were driven by our long-term vision.</p>	<p>We chose to row harder.</p>
<p>Most companies would have been largely influenced by the realities of the day.</p>	<p>Most companies are driven by taste and taste alone.</p>	<p>Most brands do not run end-to-end supply chains.</p>
<p>We were inspired by the fact that the incidence of Indians eating out was way below the international standard, an aberration bound to correct.</p>	<p>We pioneered the NTA quotient (nutrition, taste, affordability) quotient.</p>	<p>We manage an integrated farm-to-fork supply chain.</p>
<p>Most brands focus on opportunistic purchases.</p>	<p>Most brands focus on a cost-based supply chain.</p>	<p>Most brands negotiate tenancy deals of around a decade.</p>
<p>We have invested in robust supply chains across categories (agriculture, packaging and equipment).</p>	<p>We have created relationship-based long-term supply chains.</p>	<p>We have entered into value-enhancing 20-25 year property agreements.</p>
<p>Most brands enter new towns and cities that are currently in favour.</p>	<p>Most brands have simple menus comprising items.</p>	<p>Most brands invest in conventional restaurant formats.</p>
<p>70% of our restaurants are in only six key cities, strengthening our economies.</p>	<p>We have created scalable menu platforms.</p>	<p>We have engaged customers through the high street, mall, food court, drive-thru and transit formats as well.</p>



# At Westlife, it is no longer enough to be profitable; **the new focus is comprehensive business sustainability**

## What drives us

Can we transform all our processes around sustainability?

Can we design restaurants around 'green' from the design stage itself?

Can we emerge as a benchmark for the QSR industry?

## Overview

A genuine commitment to sustainability does a number of things for an organisation and its stakeholders: enhances strategic clarity, brings performance stability, moderates carbon footprint, reduces long-term costs of staying in business and enhances sectoral respect as a responsible corporate citizen. More importantly, a commitment to sustainability makes stakeholder partners feel good about their association with the Company, strengthening the overall ecosystem.

At Westlife, sustainability was embedded into our business model from the outset. Over the last few years, the Company created a thought leading 'green design' concept, with an objective to seed environmentally-responsible thinking into new restaurants in an uncompromising way, from the design stage itself.

These Westlife stores therefore moderate the use of air-conditioners, without

compromising comfort; they moderate the use of a finite resource like water, without compromising convenience; they reduce the use of packaging without compromising product integrity; they moderate the use of energy across the range of operations, without compromising service.

In doing so, Westlife has demonstrated today the restaurant standards of tomorrow.

At Westlife, we believe that green business is good business. A green design in our restaurants will help enhance cost visibility by the virtue of bringing more cost items under our direct control. The coverage will help convert a number of variable costs into fixed expenses, strengthening resource stability. The concept is directed at reducing erratic supply and pricing of variables. The concept enhances operational ease.

Westlife will aggregate all responsible restaurant design components into a model restaurant.



## BUILDING SUSTAINABILITY

# Building long-term sustainability through cutting-edge technologies

### Overview

In the QSR sector where the business could be dispersed across restaurants and regions, there is a premium in knowing whether the restaurant operation is efficient or not.

This knowledge is critical as a timely understanding of where inefficiencies lie within restaurants could translate into prompt

correction and savings, translating into increased cash flows and profitability.

In view of this priority, Westlife invested proactively in an Energy Management System (EMS) with the objective to concurrently monitor in-store resource consumption (power, gas, diesel and electricity) across the system, a pioneering initiative in India's QSR sector.

### What drives us

- How do we enhance an understanding of where inefficiencies lie?
- How do we create a system where inefficiencies are identified and addressed with speed?
- How do we derive a holistic cost understanding that extends from resource to menu to equipment to restaurant?

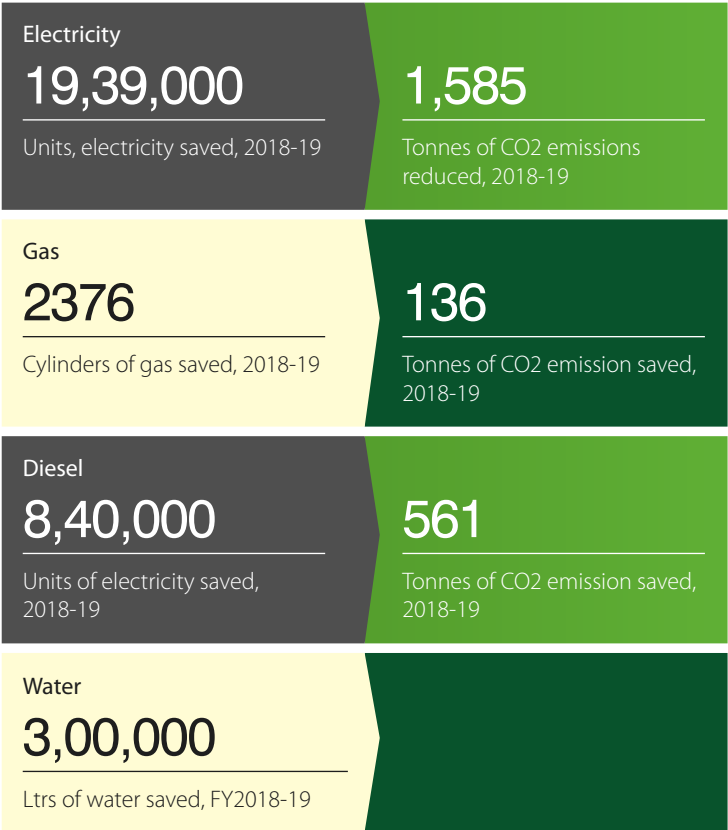
The effectiveness of this EMS was derived from a proactive investment in cutting-edge technologies – the Internet of Operations. What makes this approach distinctive is that it is remote, wireless, scalable, monitors utilities consumption and issues timely alerts for immediate corrective actions.

The effectiveness of the EMS enhanced an understanding of costs across equipment, restaurants, day-parts, volume and input costs, resulting in customised intervention and responsiveness across the Company's eco-system.

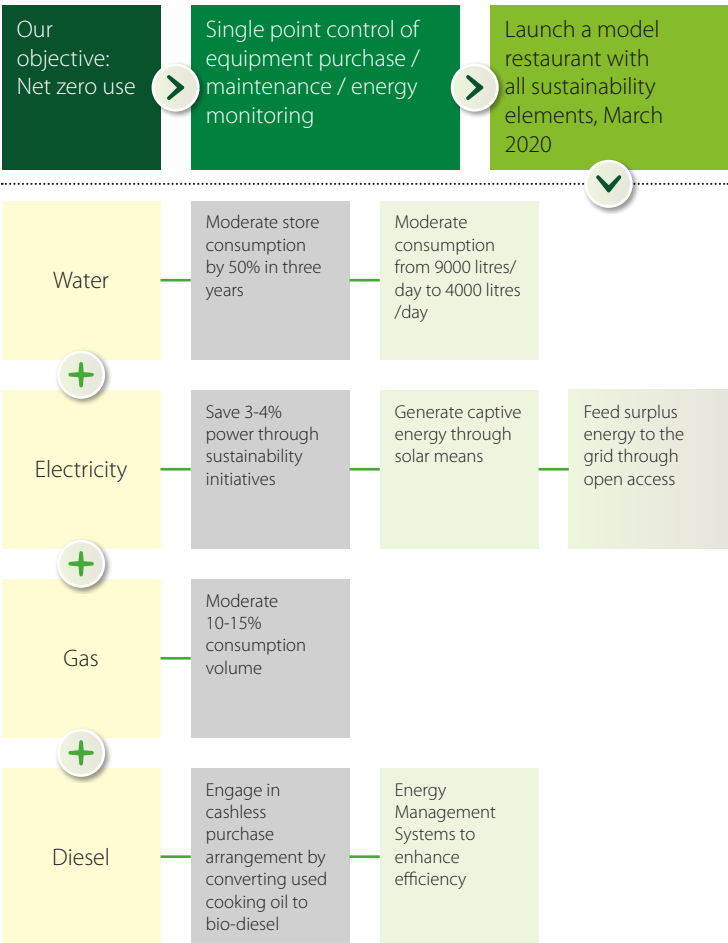
At a deeper level, the EMS provided an extrapolated understanding: a movement of costs from food resource to menu to equipment to restaurants, establishing item-wise understanding of profitability. Such an understanding is also helping the Company make timely modifications across its extensive supply chain with the objective to enhance product availability. Besides, the EMS is also providing a deeper understanding of equipment-wise efficiency, prompting an informed basis for equipment replacement or addition with a desired payback.

The green shoots of this system are already evident: the implementation of evaporative cooling across restaurants moderated electricity consumption by 10% without inconveniencing customers. As electricity savings increased, the Company saved close to 2,300 tonnes of carbon dioxide emissions in 2018-19.

### The savings we made in 2018-19



### Our sustainability vision at Westlife





# Building long-term sustainability through our captive supply chain



## What drives us

What initiatives can we take to control food costs across the long-term?

How can we inspire our partners to grow or develop new inputs?

How can we ensure that our food produce is of the highest sustainable quality?

## Overview

In the business of quick service restaurants marked by more than 100 food items being consumed, there is a premium on a responsible supply chain management.

At Westlife, we, along with our partners, have invested over ₹1,000 crore in building a robust supply chain. This backbone represents our most effective insurance against evolving consumer preferences,

food inflation and climactic vagaries. Our supply chain ensures that we provide consistent menu quality across restaurants, geographies and time. This has made it possible for us to enhance product availability and quality on the one hand and reduce costs and delivery tenure on the other.

Westlife's supply chain also provides relationship stability. The Company possesses years of experience in

working with specialised pan-India food suppliers, who, in turn, work with competent farmers specialising in growing crops – the best quality of an adequate volume grown in the most hygienic conditions using globally validated processes. Over time, this eco-system has demonstrated the capability to

respond to the changing palates of Indian consumers through a proactive development of pioneering food products.

The Company is also an evangelist of sustainable community building. The Company sources coffee beans from regions once marked by low farmer incomes, helping extend

higher urban lifestyle spending with increased rural prosperity.

The result: we source more than 95% of the produce used in our food locally and directly – from seed to spoon - reinforcing our commitment to deliver good food.

<b>Challenges</b> Westlife's supply chain encountered the following challenges:	The need to address mismatches (quality, quantity, time and cost) between desire and delivery	The need to address unforeseen climatic variations with minimal cost impact and without menu revisions	The need to address legacy attitudinal and cultural issues that could potentially translate into inconsistent quality
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<b>Strengths</b> <b>One</b> , the Company entered into relationship-driven multi-year engagements with ecosystem stakeholders <b>Two</b> , the Company grew its stakeholder members in line with its corporate growth, strengthening their relationship <b>Three</b> , the spirit of mutual dependability helped grow volumes for partners and moderate costs for the Company	<b>Four</b> , the Company selected its eco-system partners with considerable prudence, a decision based on competence, progressiveness and ability to invest in the future <b>Five</b> , Westlife pioneered the multi-temperature cold chain distribution network <b>Six</b> , the Company built a robust eco-system of local and global suppliers	(incentivised to launch their Indian presence through us) <b>Seven</b> , the Company created a tiered functional architecture comprising best-in-class suppliers who engage with a number of farmers and growers <b>Eight</b> , the Company created a scalable foundation to generate a growing throughput of products required to service growing	and evolving palate preferences <b>Nine</b> , the Company's supply chain was built around an effective contingency plan, enabling the Company to maintain assured supplies in the case of unforeseen circumstances <b>Ten</b> , the Company developed a proprietary capability to mobilise the largest volume of the best quality products at the lowest cost
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**Achievements, 2018-19**

The Company strengthened its capacity to replace, recycle, reuse and reduce  The Company created the supply chain for rice, a	new menu platform  The Company strengthened its 'good food' journey through the introduction of the whole wheat bun	The Company reinforced its recycling commitment, processing used cooking oil into 100% bio-diesel, used in its transportation vehicles	The Company strengthened its replacement commitment by eliminating all single-use customer-facing plastic in the restaurants
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**Supply chain built around discipline**





## The next time you buy lettuce, think for a second how it got to you in the first place

When we went into business, lettuce was not grown in India. Naturally, one of our principal challenges was: 'Where will we procure our lettuce from?'

The reason: lettuce was grown only within a small 60-day window in a year. Miss that window for some reason and we would be compelled to import at prohibitive costs.

We got down to work. We worked extensively with aggregators who worked with hundreds of farmers.

We convinced farmers about the lettuce-growing prospects. We persuaded them to shift the harvest from the plains to hills and then again to the plains to adapt to changing temperatures.



We planned. We persevered. We persisted. The result is that we didn't just help farmers produce lettuce in India; we helped create an entire lettuce growing eco-system.

Even better, we helped strengthen a downstream eco-system that has enhanced lettuce visibility, availability and affordability in India.

## Each time you say 'And yes, I need to order some French fries as well,' a farmer goes to bed in peace



The French fries we make are special.

Because they are not made from the usual potatoes. They are made from a customised variety that can only be grown in exacting soil and weather conditions – long warm days and cold nights. When we first proposed that this special potato be grown in India, the verdict was: Impossible.

Following an extensive analysis, we realised that perhaps there was just one pocket in India where this experiment could be attempted.

And that is how we zeroed in on a pocket of Gujarat in 2004. Then, commenced the big battle. Engaging in four plantings and re-plantings to get to our first round of final seed. We got our first indigenous potato that

could go into our French fries only in 2007.

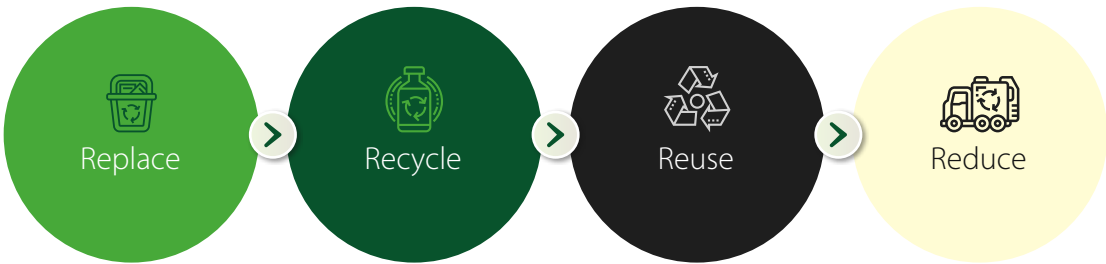
It took another six years before every single French fry order at our McDonald's stores was backed by completely indigenous potatoes.

We could have said our work was completed. We didn't.

Because we embarked then on evangelising this specialised potato across more farmers, helping widen their acreage, helping plan their farm space allocation and helping enhance rural prosperity.

Today, there are thousands of farmers in India who earn better than the prevailing average because someone across the counter says '...and yes, can I order some French fries as well?'

The 4Rs approach at Westlife

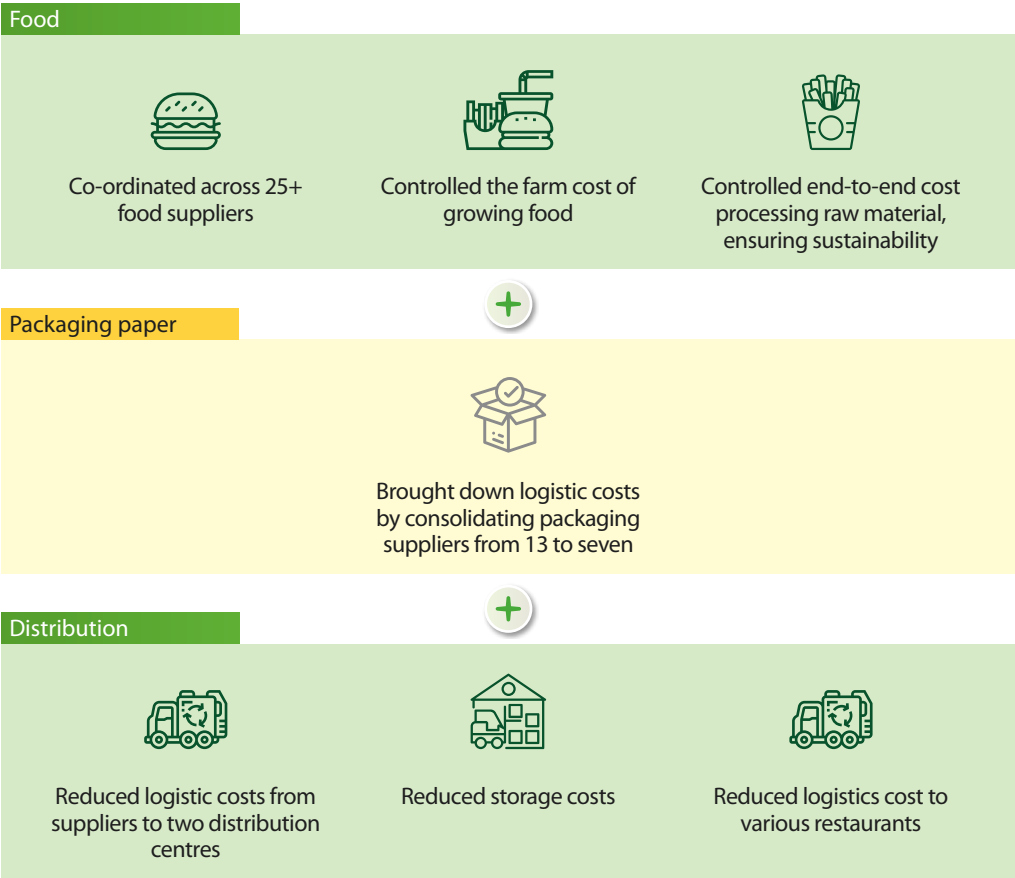


How we leveraged the 4Rs - Replace, Recycle, Reuse and Reduce- approach to make improvements across the board

<div>Electricity</div> <div>Strengthened energy management across 170 restaurants</div> <div>Invested in solar energy to address restaurant needs</div> <div>Invested in LED energy management system to moderate consumption</div>	<div>Packaging</div> <div>Prioritised the use of paper / biodegradable material (corn starch extract)</div> <div>Eliminated single-use customer-facing plastic in restaurants, replacing plastic cutlery (including straws and cups) with wooden / PLA / paper equivalents</div> <div>Utilised fibre-based paper for packaging</div> <div>Responsible forest-to-customer sourcing of food-safe paper, certified by Forest Stewardship Council (FSC)</div> <div>First phase focused on integrity of material outflow to customer</div>	<div>Oil</div> <div>Focused on responsible and habitat-friendly palmolein oil sourcing</div> <div>Got certified (RSPO and Mass Balance Certification) for responsible forest-to-customer sourcing</div> <div>Implemented Total Polar Material (TPM)-based oil discard standards across all our restaurants</div>
<div>Fresh produce</div> <div>Focused on lettuce, tomato, potato and onions</div> <div>Explored futuristic technologies (hydroponics) to enhance long-term sustainability</div> <div>Encouraged the use of drip irrigation to minimise water consumption</div> <div>Encouraged crop rotation, enhancing soil freshness</div> <div>Implemented protected, pest-resistant farming for tomato to enhance food safety</div> <div>Incorporated good agricultural practices recommended by McDonald's Corporation</div>	<div>Poultry</div> <div>Implemented strong animal welfare policies; ensured complete compliance; audited farms stringently</div> <div>Continued to follow McDonalds' best practices - responsible antibiotic use; administered no hormones; provided vegetarian feed only</div> <div>Increased hygiene practices; strengthened bio-security around international best practices</div>	<div>Fish</div> <div>Sourced from globally-approved suppliers</div> <div>Sourced only sea water fish (not from farms)</div> <div>Sourced only approved varieties (no endangered species)</div>
		<div>Bio-diesel</div> <div>Measured oil properties and discarded as prescribed</div> <div>Pooled used oil from more than 100 restaurant locations, converted into bio-diesel</div> <div>Pioneered the use of 100% bio-diesel as transportation and refrigeration fuel</div> <div>Largest such conversion in India; now an FSSAI best practice</div>

 <p>When we first proposed to convert the used cooking oil from our kitchens into the fuel that would run our transportation vehicles, the cynics smirked.</p>	 <p>We didn't lose hope. We believed that it was possible.</p>
 <p>We researched. We experimented. We failed. But we persevered.</p>	 <p>Today, we have full-fledged success to report.</p>
 <p>Nearly 10 of our transportation vehicles cover at least 3.85 lakhs kms a year – on the bio-diesel that we manufacture within.</p>	 <p>We recovered potential kitchen waste that would have affected the environment.</p>

The robustness of our long-term supply chain



BUILDING SUSTAINABILITY

# Providing our customers a futuristic store experience



## What drives us

What can we do to create a 'Wow!' experience for any customer?

What kind of an environment can we create to keep customers inside our restaurants longer?

How do we evolve our restaurants from a place where people come to eat to a place where people like to unwind?

## Overview

In the QSR sector, there is a growing premium on the need to attract customers and then keep them in for as long as possible.

There is a good reason for this. The longer customers sit within, the greater the possibility that they will order more menu offerings, the greater the possibility of carving out a larger wallet share and the greater the possibility that the individual

would soon revisit joined by friends or relatives, resulting in the next round of orders.

At Westlife, we embarked on refurbishing our restaurant interiors a few years ago with the objective to graduate it from a place where customers came only to eat to a destination where customers preferred to hang out because they felt most comfortable being there.

The Company's refurbishment agenda extended beyond the cosmetic to the intrinsic. The Company did not just provide a futuristic ambience in these restaurants, but introduced a number of features and conveniences for the first time in India's mature QSR sector.

- The first time that a superior dining experience was fused into the QSR format in India
- The first time a sit-down service was provided in India's QSR sector
- The first time that a superior dining experience was provided without increasing prices

- The first time that a GST-inclusive menu price was provided in the QSR space – 'What you see is what you pay'

Besides, the employees in our Experience of the Future (EOTF) restaurants were trained to serve with speed and a smile. The Company institutionalized its specialised Shift Management Excellence or 'SMEX' training for the entire crew. EOTF also represented a futuristically responsible way of doing things, helping reduce in-store electricity consumption, substantially lower restaurant water use and report a moderated carbon footprint.



## How we transformed our in-store experience

<b>Provided superior service</b>	<ul style="list-style-type: none"> <li>• Positioned as a brand differentiator</li> <li>• Marked by a diversified food menu, effective queue management, quick delivery, table service and ecological initiatives</li> <li>• Pioneered a superior dining experience in the Indian QSR space without compromising the value-for-money proposition</li> <li>• Widened the menu and payment formats</li> <li>• Enhanced contemporary décor elements</li> </ul>
<b>Invested in modern technologies</b>	<ul style="list-style-type: none"> <li>• Provided air-chargers and tablets for gaming (with wi-fi)</li> <li>• Pioneered the introduction of self-operating order placement kiosks</li> <li>• Extended to home delivery, online orders, drive-thrus and kiosks</li> </ul>
<b>Timely and prudent investment</b>	<ul style="list-style-type: none"> <li>• Introduced McCafé, providing hand-crafted coffee</li> <li>• Introduced McDelivery to enhance online-ordered home delivery</li> <li>• Introduced McBreakfast to give customers an extensive, wholesome and easy-to-consume breakfast menu</li> </ul>

## 5 reasons for customers to visit our EOTF restaurants

### We made ordering fun

- Touch-screen self-ordering kiosk

### We made it possible for customers to customise menus – mix and match

- Selection from a variety of quality tasteful ingredients
- Created fresh
- Customised across a range of sandwiches, salads, buns and dressings

### We made it possible for customers to pay through multiple payment options

- Ease of payment through various payment modes
- Pay with your card at the kiosk or use e-wallets or cash

### We provided table service

- Made the dine-in experience more comfortable, relaxed, convenient and hassle-free

### We curated experiences around customers

- 'Happy Table' concept to keep families entertained while eating
- 'Happy Table' features a tablet on which guests can play games





## BUILDING SUSTAINABILITY

# How we outperformed a sluggish market **to report superior revenues, margins and surplus**

### Overview

The Indian economy was affected by the demonetisation, GST implementation and NBFC-induced liquidity crisis in the last few years, affecting disposable incomes and consumption confidence.

At Westlife, we recognised that the only effective way to counter the sluggishness was through a capacity to examine market preferences and offer customised menus. The result of this consistent focus was that the Company evolved its menu mix, offered one of the most compelling price-value propositions, priced products lower than most peer countries, widened the market and, in doing so, outperformed market growth.

### Restaurant Operating Platform or ROP 2.0: Examining every detail

At Westlife, the overriding commitment was to not only launch new stores but in turning

them around to profitability in the shortest time, enhancing cash flows for onward reinvestment. The introduction of the ROP 2.0 helped moderate the break-even point of new and existing stores through a continuous cost examination discipline.

The ROP 2.0 initiatives comprised the following initiatives:

- Restructured store opening process, operations and financial management
- Strengthened real estate portfolio management
- Entered into long-term agreements with prominent local equipment manufacturers for better procurement, maintenance and servicing, maximising equipment utilization
- Localized seating and kitchen equipment procurement
- Re-vamped the delivery app to further ease the ordering and delivery process

- Created format complements that made it possible to increase services from the same store space, increasing revenues without a corresponding increase in costs, thereby widening margins
- Strengthened the supply chain to negotiate volume-based discounts
- Invested in energy-saving equipment
- Redesigned HVAC (Heating, Ventilation and Air Conditioning) basis heat map
- Improved labour productivity

The result is that the Company rationalized the cost of opening a store and moderated the store break-even point to around 20 months. Besides, new restaurants launched in FY2016-17 began to contribute to cash flows during the year under review that was available for accelerating store rollout and reinforcing business sustainability.

# Our integrated value-creation report

The Integrated Value-Creation Report is being increasingly recognised as an effective communication format. It overcomes the shortcomings of the conventional communication approach with a comprehensive integrated framework.

The Integrated Reporting approach explains the sectoral context, analyses corporate strategy and competitiveness leading to different

reporting standards (financial, management commentary, governance and remuneration, and sustainability reporting) integrated to express an organization's holistic ability to enhance value.

Integrated Reporting explains to providers of financial capital how an organization enhances value. Its impact extends beyond financial stakeholders; it enhances understanding across all

stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organization's ability to improve value across time. This shift from the 'hard' to 'soft' (non-financial data) helps screen a Company more comprehensively, addressing the growing needs of external stakeholders.

## What went into our business: The causes

### Our sectoral landscape

**Per capita:** India's private final consumption expenditure is estimated to be ₹113.33 lakhs crore compared with ₹64.85 lakhs crore in 2013-14, indicating growth in the consumption.

**Per capita income:** India reported a year-on-year growth in incomes – from ₹80,388 in 2013-14 to ₹1,26,699 in 2018-19 (provisional)

**Global growth:** The Indian QSR sales are expected to grow at 9.2% a year by 2022; the global QSR industry is expected to sustain 6.5% growth from 2017-2026.

**Habit:** Eating out tops the list priorities as soon as individuals begin earning in India, topping even items like smartphone and vehicle acquisition.

**Indian population:** India is the second most populous country, grew at an average annual rate of 1.2% from 2010- 2019 -the largest annual population addition anywhere

**Urbanisation:** India is the fastest urbanising country, with an urbanisation rate of 2.28% (2015-2020 est.)

**Demographics:** India is possibly the youngest country with a median age of 27.9 years and 67% of its population between the ages of 35 and 64 years – a vast productive population segment

**Smartphone:** India is one of the penetrated mobile phone users in the world with a smartphone proportion climbing rapidly, exposing users to new technologies and online purchase options.

(Source: CSO provisional estimate, May 2019, The Economic times, Globenewswire, The Hindu Businessline, Indexmundi)

## Our intangible strengths

**Brand:** Westlife commands strong dependability and popularity across customers – the best standardised quality delivered at one of the lowest costs in the shortest tenures

**Commitment:** Westlife proactively expanded its restaurant rollout during the sectoral slowdown without stretching its Balance Sheet or diluting its equity capital

**Systems-driven:** Westlife represents a combination of promoter-directed and professionally-managed capabilities in a systems-driven environment, an effective combination.

**Outperformance:** Westlife is driven by a commitment to reinforce its QSR leadership and outperform across market cycles.

**Knowledge:** Westlife leveraged its proprietary knowledge to grow its

business, resulting in the launch of a number of pioneering features, initiatives and products

**Flexible:** Westlife demonstrated a high degree of adaptability and flexibility in the face of evolving customer needs.

**Responsible:** Westlife practiced the highest standards of governance, benchmarked with the statutory requirements of the day



## Our business model

**Location:** Westlife scouts for prominent urban locations based on visibility, accessibility, store size, catchment area and footfalls.

**Negotiation:** Westlife negotiates real estate locations with optimal commercial terms.

**Aggressive store rollout:** At the close of 2018-19, Westlife had 296 outlets and intends to establish 400-450 restaurants by 2022.

**Supply chain:** Westlife sourced 95% of its raw material resource directly

from farmers. This guarantees no stock-out at any of the Company's stores, providing an assured supply throughout the year across all our restaurants. Besides, temperature-controlled logistics (cold chains) ensure zero wastages and farm-freshness.

**Menu and pricing:** Westlife's menu is positioned around a value-for-money proposition. So while the McSaver combos at the entry level are priced at ₹99, the top-end combos, constituting a full-fledged meal, are priced at ₹200.

**Complement:** Westlife extended to the specialty coffee market through the launch of McCafé with existing restaurants (without needing to lease additional space) - a brand-within-a-brand at established points-of-sale.

**Maximising day-parts:** Westlife maximised store utilisation by serving food across all day parts – breakfast in the mornings, snacks mid-morning, lunch, snacks mid-afternoon, dinner and late evening with the addition of a new day-part through McCafé.

## Westlife's business

**Principal's brand:** The McDonald's brand is arguably the most valuable global QSR brand, a generic name for fast food the world over and universally admired.

**Scale:** Westlife operates 296 restaurants, arguably among one of the largest QSR chains in India resulting superior economies of scale, brand and procurement.

**Scope:** Westlife enjoys a seed-to-spoon value chain that helps control quality, product availability and margins

**Gearing:** Westlife had ₹4,813.72 mn in net worth as on March 31, 2019.

**Positioning:** Westlife's restaurants are respected for the best value proposition across India's organised QSR sector.

**Technology:** Westlife has introduced cutting-edge surveillance technology developed with proprietary capabilities, helping locate and eliminate resource wastage.

**Competitive:** Westlife re-invested accruals generated during the down cycle in capacity expansion, enhancing its market presence and competitiveness.

**Footprint:** Westlife's McDonald's franchise extended across South and West India, two of the most prosperous and progressive zones in India marked by rising disposable incomes

**Lean company:** Westlife reinforced a culture of low overheads, strengthening its any-market viability.

## Westlife's performance

**Market capitalisation:** Westlife's market capitalisation was ₹6,670.71 crore as on March 31, 2019.







# Our strategy

Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizenship	Value-creation
<b>Key enablers</b>	Nurturing a culture of process and product excellence; reflected in the launch of new menu platforms and platform constituents that are expected to remain relevant in the long-term	Focused on leveraging economies of scale and cutting-edge technology investments that enhanced procurement economics and systemic efficiency	Westlife protected its brand through a superior price-value menu proposition, which resulted in sectoral outperformance	Westlife remained an employer of more than 9,000 people in an environment marked by training, reward, delegation, empowerment, responsibility and accountability	Westlife is a responsible corporate citizen engaged in clean manufacturing processes and community development	Westlife enhances value through its quality-intensive menu across a wide economic audience
<b>Material issues / addressed</b>	Superior use of cutting-edge technology leading to product differentiation	Creating the basis of long-term viability through a market agnostic competitiveness	Enhancing revenue visibility through multi-year vendor agreements; focusing on a sell-and-make approach	Creating a professional culture seeking overarching excellence in everything the Company does	Engaged deeply with the community, widening prosperity in a holistic way	Addressing customer needs for a customised quality product
<b>Capitals impacted</b>	Manufactured, intellectual, financial	Financial, intellectual, natural, social and relationship	Intellectual, manufactured, social and relationship	Intellectual, human	Social and relationship, natural	Intellectual, manufactured, social and relationship



# The capitals we enhanced:

## Outcome

	Our resources	Value created	Value shared with
	<b>Financial capital</b> The financial resources that we seek are based on funds we mobilise from investors and promoters, in the form of net worth or accruals.	<b>Financial capital</b> Turnover: ₹14,016.05 mn Cash profit: ₹1,258.18 mn ROCE: 9.09%	<b>Investors</b> The Company enriched investors through capital appreciation.
	<b>Manufactured capital</b> Our store assets, technologies and equipments for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.	<b>Manufacturing capital (2018-19)</b> Quantum of iceberg lettuce procured annually: More than 1,000 tonnes Quantum of potatoes procured: 12,800 tonnes Quantum of French fries procured: 6,400 tonnes Quantum of milk purchased: 3 mn litres Quantum of patties procured: 7,300 tonnes Number of restaurants: 296	<b>Suppliers</b> The Company sourced materials worth ₹5,055.21 mn from suppliers in 2018-19.
	<b>Human capital</b> Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.	<b>Human capital</b> Direct and indirect employees: 9,537 Total remuneration, 2018-19: ₹1,971.11 mn	<b>Employees</b> The Company provided remuneration worth ₹1,971.11 mn and provided stable employment.
	<b>Intellectual capital</b> Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.	<b>Intellectual capital</b> Cumulative senior management experience: 275 years Growing iceberg lettuce: Pioneers in India Started growing a special variety of potato to be used for our French fries	<b>Customers</b> The Company provided meal options across platforms, generating ₹13,887 mn in revenues and serving more than 200 mn happy customers in 2018-19.
	<b>Natural capital</b> We depend on raw materials sourced sustainably from nature, indicating a moderate impact on the natural environment.	<b>Natural capital</b> Quantum of bio-diesel produced in 2018-19: 550,000 litres Customer facing Single use plastic packaging: Eliminated Reduced carbon emissions by: 4,300 tonnes Quantity of water saved: 300,000 litres	<b>Government and regulations</b> The employment catalyzed the local community through downstream economic benefits.
	<b>Social and relationship capital</b> Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.	<b>Social and relationship capital</b> Number of customers: 200 mn Number of real estate owners engaged with: 250	<b>Distributors, and suppliers</b> The Company enhanced value for distributors and retailers through sustained resource off take.  <b>Society</b> Through the Company's charity arm, Ronald McDonald House Charities (RMHC) a number of children and their families were positively impacted through valuable resources and support.



# Profile of the Board of Directors



**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).



**Amit Jatia**

*Vice-Chairman*

Mr. Amit Jatia has over 25 years of experience in the QSR industry. As Vice-Chairman of Westlife Development Ltd., he has been responsible for 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.



**B.L. Jatia**

*Chairman*

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



### **Smita Jatia**

*Director*

Ms Smita Jatia comes with over 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.



### **Tarun Kataria**

*Independent Director*

Mr Kataria is also a Non-Executive Director of Sterlite Investment Managers Ltd (the manager for India Grid Trust) where he also Chairs the Audit Committee) and Poddar Housing and Development Ltd. In Singapore, he is on the board of HSBC Bank (Singapore) Ltd where he also chairs its Audit committee; Mapletree Logistics Trust Management Pte. Ltd., the manager of Mapletree Logistics Trust and Jubilant Pharma Ltd.

Between 2010 and 2013, Mr Kataria was the Chief Executive Officer, India of Religare Capital Markets Ltd. Prior to joining Religare Capital Markets, Mr Kataria held various senior positions within HSBC Group which included the roles of Chief Executive, Global Banking and Markets, HSBC India, Vice-Chairman of HSBC Securities and Capital Markets India Pvt. Limited, Non-Executive Director of HSBC InvestDirect Limited and Managing Director, Asia Head of Institutional Sales, HSBC Global Markets based in Hong Kong.

Mr Kataria holds a Master of Business Administration (Finance) from The Wharton School, University of Pennsylvania. He is a Chartered Accountant of Institute of Chartered Accountants of India. His charitable giving is directed at environmental protection and the health and education of girl children.



### **P.R. Barpande**

*Independent Director*

Mr. P.R. Barpande was an audit partner with Deloitte Haskins & Sells, Chartered Accountants, Mumbai and has an experience of more than 30 years in the areas of accounts and audit. He has wide experience of serving the domestic and international clients such as Reliance, Lupin, Tech Mahindra, Jet Airways, and Bridgestone etc 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 Member of the Institute of Chartered Accountants of India. He is also an Independent Director in some of the listed and private companies.



## Manish Chokhani

*Independent Director*

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

He was CEO of Enam Securities, India's leading investment bank. He led its US\$ 400 mn merger in 2011 with Axis Bank to create Axis Capital Ltd., which he led as MD & CEO until the end of 2013. Under his leadership, Enam/Axis mobilized ~ 25% of all equity funds raised in India and were the house banker to several leading Indian business groups.

From 2014 to 2016, he served as Chairman of TPG Growth in India and is a Senior Advisor to TPG Group, one of the world's largest PE firms.

He serves as independent director on boards that include Zee Entertainment, Westlife Development (McDonalds), Shoppers Stop among others. He also serves on the Governing Board of Flame University.

He is a Board Member of Livinguard AG, a healthcare technology company based in Switzerland.

Mr. Chokhani is a member of the Young Presidents' Organization. He has served as a member of SEBI's Alternative Investment Promotion Advisory Committee and also as Co-Chairman of the Capital Markets Committee at the IMC. He has been a visiting faculty member at IIM-K and has served on the International Alumni Board and scholarship panels of the London Business School.

He practices Vipassana meditation, is a trained singer and enjoys travel, reading, cricket and tennis. He is married and has one son.



## Dilip J. Thakkar

*Independent Director  
(retd. March 31, 2019)*

Mr Dilip J. Thakkar is a practicing Chartered Accountant with over 57 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.



## Amisha Jain

*Independent Director  
(w.e.f April 1, 2019)*

Amisha Jain, CEO of Zivame, is extremely passionate about building innovation-led consumer centric brands. She is now leading the fastest growing women's organization for intimate wear and is all set to catapult the business to greater heights. She is a firm believer of "One Team, One Voice". And this has been her foundation to build teams that are all individually strong and collectively effective at delivering business results.

An alumna of INSEAD and McKinsey, she has over 16 years of experience in technology, consumer and retail sectors. Prior to joining Zivame, Amisha was heading the Arvind Sports Lifestyle business and the Digital Centre of Excellence for the Arvind Group. Through the course of her career, she has been leading the growth and transformation initiatives for multinational consumer goods, and apparel brands. During her stint as the Head of Sales at Nike, she was also chosen for the prestigious '40 under 40: India's Hottest Business Leaders 2015' and 'India Inc's rising women business leaders 2015' award by the Economic Times & Spencer Stuart, respectively.

In her spare time, she enjoys reading and camping with her husband and her three-year-old son.

# Management discussion and analysis

## Global economic overview

The global economy grew 3.6% in 2018 compared with 3.8% in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth is estimated at 3.3% in 2019 and 3.6% in 2020 on account of a sustained weakening in advanced economies.

(Source: World Economic Outlook).

### Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3	3.6

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

## Indian economic overview

India emerged as the sixth-largest economy in the world and retained its position as the fastest-growing trillion-dollar economy. However, after growing 7.2% in 2017-18, the Indian economy grew 6.8% in 2018-19 as per the provisional second advanced estimates of the Central Statistics Office released in February 2019.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates, and weakened consumer sentiment starting from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities.

In 2018, the country attracted ~US\$ 42 bn in FDI inflows as per the World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the ease of doing business that captured the performance of 190 countries. The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded to ₹69.44 on 31.03.2019 after touching a low of ₹74.45 in the year under review.

During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

(Source: Provisional CSO advanced estimate, May 2019)

## Key government initiatives

The Indian Government embarked on a number of initiatives to accelerate economic reform.

**Bank recapitalisation scheme:** In addition to infusing ₹2.1 Lakhs crore in public sector units, the Indian Government announced a capital infusion of ₹41,000 crore through recapitalisation bonds in FY2018-19. The Budget 2019-20 mandated that the Union Government will infuse ₹70,000 crore to strengthen and enhance their landing capacity.

**Expanding infrastructure:** The Government of India invested ₹1.52 tn to construct 6460 kilometres of roads in 2018. Its expenditure of ₹5.97 tn (US\$ 89.7 bn) towards infrastructural development for 2018-19 is expected to strengthen the national economy.

**Increasing MSP:** The Government fixed Minimum Support Prices (MSPs) of 22 mandated Kharif and Rabi crops and Fair & Remunerative Prices (FRP) for Sugarcane. The government committed to provide farmers with a 50% return over the cost of production for all mandated crops, strengthening the rural economy.

**The Insolvency and Bankruptcy Code (Amendment), Ordinance 2018:** Passed in June 2018, the ordinance provides significant relief to home buyers by recognizing their status as financial creditors. The major beneficiary comprised Micro, Small and Medium Sector Enterprises (MSME), empowering the Government to provide a special dispensation under the Code.

**Minimum income for farmers:** The Indian Government announced in February 2019 the Pradhan Mantri Kisan Samman Nidhi, a scheme promising an annual assured income of ₹6,000 (US\$ 84.5) for any farmer owning up to 2 hectares of farmland. The budget for fiscal year 2020 allocated ₹75,000 crore for the scheme, benefiting an indicative 120 mn land-owning farmer households.

**Direct Benefit Transfer:** The Direct Benefit Transfer initiative has re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. In 2018-19 alone, this scheme is estimated to have transferred more than ₹3,11,764 crore and the accrued gains since scheme implementation are estimated more than ₹120,46916 crore.

### Outlook

Assuming no major global and domestic political shocks, India's markets are expected to perform better due to projected earnings revival in 2019. Revenue growth for corporate India is strengthening across the previous quarters. The growth of India's manufacturing sector is estimated at 6.9% this fiscal, up from 5.9% in 2017-18. This acceleration reflects a rebound from transitory shocks (the currency exchange initiative and implementation of the GST), with strengthening investment

and robust private consumption. The fiscal deficit for FY2019-20 is pegged at 3.4% with a target of 3% by the FY2020-21. India is expected to grow at 7.4% in FY2019-20, benefiting from the ongoing structural reforms.

(Source: CMIE, Poundsterlinglive, Livemint, IBEF, pib.nic)

### India's food services sector

The Indian food services market reported steady year-on-year growth. As the eating out phenomenon deepened in India,

the country's restaurant sector continued to grow during the year under review in line with the projected compounded annual 10% growth. The Indian food services (organized and unorganized) market is expected to grow from an estimated ₹4,23,865 crore in FY2018-19 to ₹5,99,782 crore by FY2022-23 (9% CAGR).

(Source: NRAI Technopak India Food Service Report 2016, mydigitalfc, NRAI 2019)

### The Indian food industry...

Accounts for 2% of India's GDP

Is 1.6x Indian Railways

Is 8x India's hotel industry

Is 23x the Hindi film industry

The biggest driver of India's QSR growth is increased incomes and aspirations, moderating the share of India's unorganized players in the food service sector (roadside stalls and dhabas) from 66% of the total sectoral share in 2017 to an estimated 57% by 2022.

On the other hand, the country's organized segment in the food service sector is expected to grow at a CAGR of 16% between 2017 and

2022, enhancing its market share from 34% in 2017 to 43% in 2022. This transition is likely to accelerate on account of a growing preference for food hygiene, improved restaurant ambience and a superior price-value proposition. Within the organised sector, the share of India's quick service restaurants is expected to sustain growth to around 13% of the organized market.

### Personal consumption expenditure per capita by category, US\$, 2015

	India	Equivalent year for China	China	Korea	Japan	USA
Eating better	332	2006	854	1,913	3,120	3,132
Food	303	2007	676	1,516	2,424	2,122
Packaged food	32	Before 2000	179	452	1,246	1,129
Fresh food	271	2008	496	1,064	1,178	993
Non-alcoholic beverage	6	1994	74	126	202	267
Alcoholic drinks	8	1997	29	131	357	401
Tobacco	16	1997	76	140	137	342

(Source: Goldman Sachs)



## Key food sector influences

India is one of the fastest growing food services markets on account of varied reasons:

**Economic growth:** The GDP and economic reform programmes of the Central Government indicate recovery. Consumer price inflation is expected to remain subdued, interest rates could steady and global crude oil prices could remain stable. Besides, factors like bank recapitalisation, rural consumption revival and Insolvency and Bankruptcy Code reform could strengthen the economy. (Source: Economic Times)

**Rising incomes:** India's per capita income increased from ₹1,14,958 in 2017-18 to an estimated ₹1,26,406 in 2018-19, growing at a rate of 10.2 %. The increased disposable incomes catalysed consumption.

**Urbanisation:** India is arguably the fastest urbanizing country, catalyzing the food sector. In FY2017-18, 34% of India's population was urbanised (3% increase since 2011 Census) and this number is anticipated to reach 36% by 2020 (compared to 59.3 % urban population in China, 2018).

**Working population:** India's urban middle-class workforce (over US\$ 11,000 annual income) stands at 27 mn or 2% of its population with a large growth headroom that could accelerate consumption. This growth is likely to be catalyzed by an increase in the number of working women and youth, strengthening the food sector growth.

**Demographic mix:** India is a young country with a median age of 27.9 years. Almost half its population is under the age of 25

and two-thirds less than the age of 35. India is expected to possess the world's largest workforce by 2027, with 67% of its population in the economically productive age range of 15 to 64, strengthening consumption.

**Rural market:** The rural population of India, accounting for 68.86% of the national population, represents a large relatively under-penetrated market, offering the potential for sustained growth.

**Growing middle-class:** Since 2000, India's wealth has grown 9.2% per annum, faster than the global average of 6%, even after considering an annual population growth of 2.2%. This has strengthened indulgence spending on eating out, luxury products, consumer durables and other categories.

**Growing nuclearisation:** Growing family nuclearisation is increasing the number of families and their respective spending on eating out. Nearly 74% urban households have five or less members compared to 65% in 2001. The increased disposable income and the reduction in the average household size are catalysing discretionary spending on eating out.

**Changing preferences:** Exposure to global cuisines and increased international travel are catalyzing the market for global cuisine and contemporary design of restaurants, driving increased spending on eating out. There is also a growing preference for regional cuisine in India, marked by a wide variety of ethnic communities and traditions.

**Technology:** The Indian food services market is being increasingly driven by smart phone-based technologies (mobile apps) enhancing ordering conveniences

and widening the market. This is increasingly relevant in congested urban markets where commutes are getting longer or where working / lifestyle schedules are busier. The emergence of restaurant marketplaces and Cloud kitchens has led to a reduction in delivery costs and increased penetration.

**Start-ups:** There is a growth in the number of food tech start-ups in India, contributing to the growth of the downstream food services market.

**Curation and personalization:** An increasing number of food delivery platforms are being curated around convenience, reliability and selection.

**Wellness:** The health and wellness food service industry could continue to grow around the concept of food hygiene, marked by farm-to-table meals, growing garden herbs and preference for organic produce.

**Social media and IT:** The increased use of social media, especially Instagram, is accelerating the growth of the organized segment of India's food services sector. A superior use of IT has resulted in a lower waiting time and improved ordering, enhancing a customer's time efficiency.

**Tourism boom:** Tourism, domestic and international, has reported a spike. In 2017, the number of Indian nationals departing from India was 23.94 mn and the number of domestic tourists was estimated at 1652.4932 mn. – catalysed by cheaper air travel, rising disposable incomes and affordable hotel accommodation. This has helped enhance exposure to international cuisines and widen the country's food services sector.

**Hang out:** The QSR format has evolved from merely servicing the food requirements of customers to providing a place to hang out with friends, colleagues and family.

**Formats:** The preference for entering in brick-and-mortar restaurants yielded to relatively asset-light formats like McCafe and home delivery.

**Price-value proposition:** India's QSR sector demonstrated its capacity to provide a superior price-value proposition for all economic classes by under-performing general inflation and helping widen the market.

**Festive season:** A culture of round-the-year celebration and festivals

strengthened the food services market.

(Source: Provisional CSO estimate, May19, The Economic Times, Worldometers, Countrymeters, Indexmundi, Livemint, Statistic times, Credit Suisse Report, 2017, Census of India 2011, Tourism.gov)

## The Indian quick service restaurant (QSR) sector

The quick service restaurant (QSR) segment provides food to customers with speed. North America accounts for a significant global market share of this segment, followed by Europe, even as the Asia Pacific is projected to grow fastest on account of growing incomes, aspirations and urbanization. The global QSR segment is expected to grow at a CAGR of 4.61% between 2018 and 2022.

The QSR segment is nascent in India even as a large number of global QSR brands have established their presence through franchisees. The Indian market is marked by increased urbanization, modernization and commercialization, shifting the consumption needle from leisure meals to the QSR format. India's QSR format has been catalyzed by informality, affordability, child-friendliness, delivery speed, compelling marketing, food standardization and youthfulness. Besides, QSR preference has been catalyzed by a growing incidence of working women, reducing their

time allocation for home-cooked preparations. India's QSR sector has also been driven by the availability of abundant and affordable labor.

### Market share & growth

India's food services market is spread across the organised and unorganised segments. Even as the unorganised segment was large and growing for long, there has been a trend reversal in the last couple of decades. This has been on account of consumer preference for enhanced food hygiene and improved restaurant ambience. As a result, the share of unorganized sector in India's food services market declined from 70% in 2013 to 66% in 2017. Besides, the unorganised segment grew at a CAGR of 6% while the organised market grew at 43% in 2017.

### Projected market size and growth rates (2017-2022)

In 2017, the market size of Informal Eating Out (IEO) industry in India was US\$ 131 bn while the size of the QSR segment was placed at US\$ 21.6 35 bn, indicative of significant category scope.

The growing entry of national and international players into India's food services market increased restaurant chains. This growth addressed a fast-expanding Indian middle-class, urbanisation, youth population, increased population of young earners and enhanced aspirations. The result is that approximately 50% of India's population selects to eat out at least once every three months, while this figure in metro cities is eight times a month as compared to the US (14 times), Brazil (11 times), Thailand (10 times) and China (9 times), presenting room for multi-year growth.

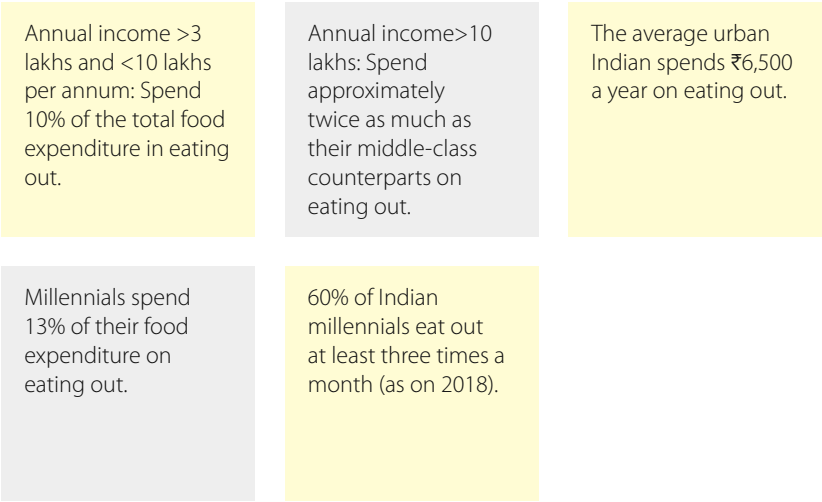
(Source: PRnewswire, NRAI Report, 2016, Euromonitor, ASSOCHAM)

'Best categories (in India) positioned for profit pool expansion: packaged snacks, baby products, premium personal care, scooters, SUVs and jewellery. But one profit pool may grow faster than them all: restaurants.'

Goldman Sachs 2016

## Indian preference for eating-out

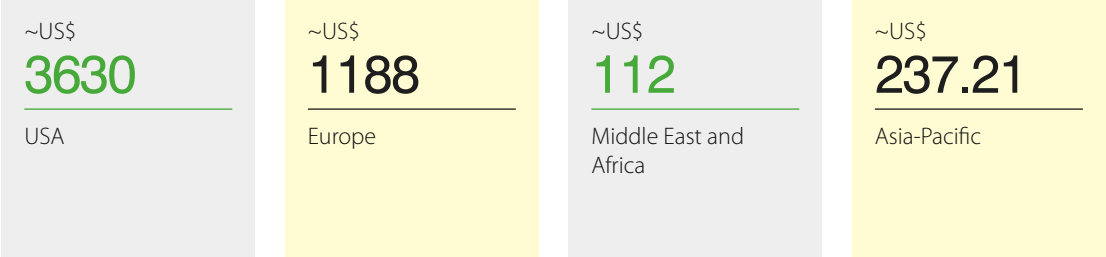
### Trends of Indians eating out



### Restaurant eating trends, 2018



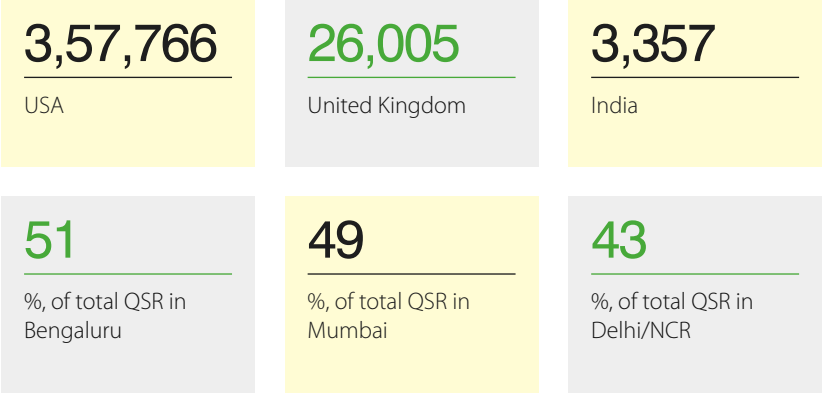
### Per capita spending on eating out



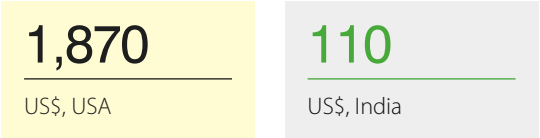
### Home delivery order trends



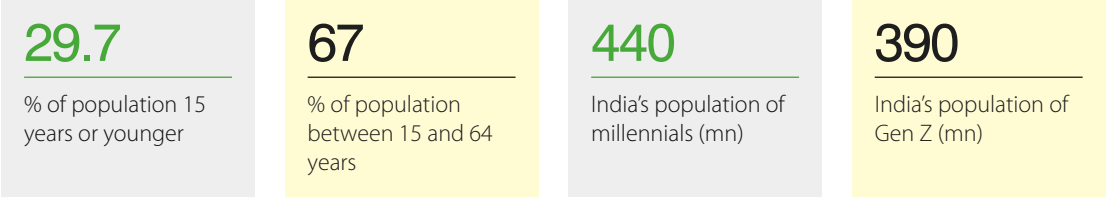
Number of QSR, 2018



Average annual dining-out expenditure



India's favourable demographics



Outlook

India has the world's second largest population and is expected to emerge as the world's largest by 2024. A larger workforce and greater employment generation could result in increased discretionary spending on eating-out. Consumer spending in India is expected to touch US\$ 3.6 tn by 2020. The consumer spending on food formed 13% of average expenditure in 2017. India could emerge as the fifth-largest consumer market by 2030. This interplay is expected to sustain the food services industry momentum.

**'Eating out is now a way of life in India.'**

– Dineout

(Source: Forbes, Business standard, yourstory, Cushman & Wakefield, 2017, Worldometers, Npd, NRAI Report, 2018, Statista, qz, Countrymeters, Nielson, IBEF, Deloitte)

## The Company's overview

Westlife Development Limited (WDL), belonging to the B.L. Jatia Group, is one of the fastest growing companies in India's QSR sector. The Company's business is operated through Hardcastle Restaurants Private Limited (HRPL), a wholly-owned subsidiary. The principal objective of WDL is to establish the Company's chain of QSR restaurants as the preferred eating out destination in the areas of its presence.

## Business overview

HRPL operates in the QSR sub-segment of India's informal eating out industry, capitalizing on the urban Indian's preference for branded food chains and a superior price-value proposition. As master franchisee, HRPL operates the McDonald's restaurants in western and southern India.

McDonald's is the world's most prominent QSR brand, marked by more than 37,500 outlets in 120 countries. This iconic global brand is known for affordability, accessibility and availability, with a consistency in taste across any outlet in the world.

In 2017, McDonald's was declared as the twelfth most successful brand in the world. According to a respected agency Interbrand, the brand value of McDonald's increased five percent over 2016. The brand was available in 120 countries, recalled by the tagline of 'The world's lovin' it'. McDonald's stands at 11th position among the Top 15 world's most valuable brand and is the only QSR in the Top 15. (Forbes 2018)

**Thought leadership:** The Company's restaurant profitability was secured through thought leadership through the following points:

- Affordable long-term leases
- Pioneering product development

- Enhancing customer convenience
- Building variety through menu innovation
- Differentiated marketing
- Superior branding
- Market-expanding pricing
- Sustained business development
- Clutter-cutting service

The complement of these realities translated into rising revenues, margins and surplus.

The Company engaged in a number of initiatives:

- Strengthened its extensive supply chain
- Enhanced the proprietary sourcing of food ingredients
- Invested in a superior restaurant ambience
- Increased menu platforms (and items within)
- Moderated costs
- Increased outlet sustainability

More specifically, HRPL strengthened its business through convergence of various initiatives – supply chain management extending to the purchase of more than 600 ingredients from more than 50 vendors across the Indian land mass; the development of new menu platforms and items that democratized international taste for the vast Indian consumption mass and the progressive movement towards restaurant sustainability through enhanced recycling, reuse and reduce programs.

**Brand positioning:** The Company lives the prominent McDonald's brand attributes of price stability and a widening menu adapted to evolving palates.

**Day-parts:** The Company widened its breakfast proposition, increased its McCafé footprint, resulting in better utilisation of restaurant day-parts and a probable consumption cross-over into revenues across different day-parts and formats.

**Asset-light:** The Company increased McDelivery revenues derived from orders delivered to home, complementing restaurant revenues (derived largely out of a superior store experience across a number of outlets).

**Menu extension:** The McDonald's menu features burgers, finger foods, wraps, hot and cold beverages and a range of desserts. Over the last few years, the Company introduced products like Chicken Kebab (burger and wrap), Chatpata Naan (veg and chicken) and limited-time offers like Salsa Bean Burger, with the Rice Bowls being the newest member in the menu, at multiple price levels, catering to different customer needs. Besides, the Company continued to ride its evolving menu customized around evolving palates and contemporary preferences – McAlooTikki® Burger, Veg Pizza McPuff™ and Maharaja Mac™ (vegetarian and non-vegetarian) – with a focus on offering a high standard of food hygiene for health-conscious consumers.

**Experience of the Future (EoTF):** The Company strengthened its contemporariness through an initiative directed at transforming restaurant interiors, enhancing service, reducing costs, increasing ordering convenience, and transforming the outlet into a preferred hang out destination. The Company increased the number of EoTF restaurants from 10 to 25 in 2018-19, derived from strengthening footfalls and repeat visits. The Company continued to emphasize its Experience of the Future (EoTF) commitment through superior and smiling service, reinforcing its position as a preferred QSR brand.

**Technology:** The Company continued to invest in cutting-edge technologies comprising web-based menu ordering platforms. The self-ordering kiosk enhanced customer convenience and delight.



The Energy Management System enhanced controls from a single location.

**Sustainability:** The Company moderated its carbon footprint through the implementation of a 4Rs approach (Replace, Recycle, Reduce and Reuse) that converted used cooking oil (that would have

otherwise been wasted) into 100% biodiesel used to power transportation vehicles carrying ingredients from the distribution centre to its various restaurants. Besides, other related initiatives comprised investments in waterless urinals, LED lights, solar energy generation (in selective restaurants) and biodegradable cutlery and

also doing away with all single-use customer-facing plastic.

WDL is listed on the Bombay Stock Exchange (BSE: 505533) and reported a market capitalization of ₹6,670.71 crore as on March 31, 2019.

**SCOT analysis**

**Strengths**

- Strong globally recognized brand
- Market-leading presence in the QSR sector
- Wide range of customizable menus
- Glocal food offerings (Global cuisine with local tastes)
- Customer and employee-oriented approach
- Wide and deep supply proprietary chain providing assured supply
- Extensive third party cold chain and logistics
- Futuristic restaurant ambience (Experience of the Future)
- Superior addressal of all day parts

Constant menu innovation to add new products and improve the existing ones

Employees at senior management level have been with the Company for many years

**Challenges**

- Getting a good location (real estate property) at economic rates
- Perception of junk associated with QSR

**Opportunities**

- Growing menu preference for the innovative and global consumers
- Increased disposable incomes (especially among the working young)

Increased preference for periodically eating out

Growing traction for fusion food

Eating out extending from metro to Tier-II and III locations

Improved smartphone penetration, strengthening home delivery

Emergence of organized retail space, a suitable QSR presence

Fast growth in food tech companies enabling higher delivery

Increasing awareness around Food Safety and Hygiene

**Threats**

- Change in the socio-economic and political environment
- Weather and climate related issues

**Value-for-money:  
Distinctive McDonald's  
recall**

McDonald's emphasized food affordability, quality, delivery of an innovative menu range and customisation around customer preferences. HRPL's robust supply chain helped optimize costs through active disintermediation between farmers and itself resulting in the timely supply of farm-fresh quality menu ingredients from different parts of India. Wider raw material availability coupled with superior storage infrastructure enhanced food quality.

The Company launched its first Indian restaurant in 1996; it had 296 restaurants system-wide across West and South India by the close of

2018-19. This sustained growth was derived from a strong commitment and ethical standard, validated when the Company was recognized as one of the top QSR brands in the country by The Economic Times, in March 2019.

The Company's sectoral outperformance was also derived from a proactive investment across two decades directed at widening the footprint, reimaging restaurants, investing in human resources and menu innovation to address the ever-evolving consumer needs. In FY2018-19, new restaurants were commissioned that enhanced accessibility.

The Company continued to leverage ROP 2.0 to enhance operational efficiencies and viability.

As a result, sales increased from ₹11,255.32 mn in FY2017-18 to ₹13,887.03 mn in FY2018-19. Operating EBITDA (before interest, depreciation and tax) strengthened 50.44% to ₹1,273.91 mn and profit after tax increased 213.46% to ₹403.02 mn. Correspondingly, net cash flows from operating activities stood at ₹1,258.18 mn.

The Company reinforced its inclusive positioning through programmes directed at a wide economic class and ages. The Company's Happy Meals proposition was accompanied by toys and colourful mascots that enhanced the fun quotient of meals, transforming children into opinion-makers in selecting to visit our restaurants again.

## Our respect for cultural sensibilities

The Company's success is also the result of a cultural adaptation of the globally iconic McDonald's brand around Indian sensibilities.

There is no beef or pork in the Company's menu.

The Company customized the iconic McDonald's menu winner Big Mac around local Indian tastes, relevantly positioned as the 'Maharaja Mac'.

Besides, the Company widened the menu around vegetarian preferences, segregated the cooking of vegetarian and non-vegetarian menu items and used palmoline oil as the preferred cooking medium.

## Our new strategic pillars

We recognize that consumer preferences keep evolving – not just in terms of menu requirements but also restaurant accessibility, service standards and restaurant ambience, among other things. The speed and extent of preference changes have warranted a need for QSR companies like HRPL to adapt with proactive sensitivity.

For reasons of clarity, focus and impact, the Company emphasized resource allocation across three broad heads – brand, people and restaurants. We believe that resource investments under these heads will enhance operating economies, deepen our excellence culture, enhance specialisation and generate a superior return for our business.

**Our brand:** We reinforced our conviction that above everything else, we stand for trust and permissibility. Once the customers have entered our premises, we make them feel comfortable not only with our ambience but also our varied menu nutrition and kitchen hygiene, which we believe are critical in a culturally-sensitive India. We deliver to the customers always with a smile. The result of this focus is that we provide a menu-plus consumer experience that enhances our price-value proposition, strengthening our position as one of India's most loved QSR brands.

**Our people:** We recognize that 'happy people means happy employees'. We are in business of providing our customers a little

bubble of happiness so that they may correspondingly spread happiness across employees. We believe this positioning is relevant in a stressed world, transforming our restaurants into an oasis marked by the three Fs – fun, familiarity and friendliness. We believe that the three Fs can be consistently delivered if we retain people through sensitive policies and foster a high-performance culture that translates into a superior consumer experience.

## Making timely people investments

HRPL is respected for being among the country's best first-job employers by the virtue of recruiting freshers, training intensively, empowering extensively and providing a growth-oriented workplace. HRPL has been recognized as a 'Great Place to Work' for four consecutive years. The Company added 825 employees during the year under review. The Company protected its youthful positioning through an average age of 23 (73% of the crew aged between 18 and 24 years old and about 75% restaurant managers between 22 and 30). Women comprised 30% of all employees. The Company's people approach comprised training (online and offline), coaching and mentoring, enhancing pride of association. Different programs like High Potential Assessment and Management Development Program were carried out on regular basis to enrich a high performance culture.

**Our restaurants:** We believe there is a growing premium around a superior restaurant ambience that helps us regain, retain and convert consumers. Over the years, we invested in reimagining stores to create a superior contemporary restaurant ambience that was branded (Experience of the Future), templated and replicated across a wider number of stores. Besides, we enhanced customer access and throughput through locational proximity and we enhanced store viability through stable long-term rent agreements.

We enhanced store viability through stable long-term real estate agreements.

## Growing baseline sales

The Company grew same-store revenues in 2018-19, a potent driver of organic profitability, through superior footfall-drawing infrastructure and widening menu customised to local palates. The Company's promotional campaigns helped enhance brand visibility. The overall offering was woven around a superior price-value proposition. The introduction of McCafe (comprising premium quality coffee, frappes, smoothies and shakes) since 2013 enhanced revenues from different day-parts.

The addition of McDelivery and drive-thrus enhanced revenues through differentiated offerings.

Besides, in FY2018-19, HRPL:

- Increased the number of profitable restaurants through the consistent rollout of ROP 2.0, lifting the overall margins and capital efficiency.
- Continued to leverage the cold chain infrastructure, directed at enhancing storage and freshness of seasonal ingredients, enhancing round-the-year product availability.

- Widened its footprint through the introduction of 25 new outlets, increasing the total to 296 by the end of the year under review.
- Enriched the menu through the progressive strengthening of the burger and rice menu platforms
- Increased the number of EoTF stores from 10 in 2017-18 to 25
- Increased employees by 825 to 9,537 as on March 31, 2019

The result is that same-store revenue growth strengthened 17%. Restaurant operating revenues increased from ₹11,348.74 mn in FY2017-18 to ₹14,016.05 mn

in FY2018-19. EBITDA margin strengthened 137 bps to 9.75%. The Company re-invested ₹1,302.40 mn to launch new restaurants and re-image the existing ones.

### Margins expansion

During 2018-19, the Company strengthened gross margins by 138 bps to 63.9% and operating EBITDA margin by 163 bps to 50.4%. This improvement was the result of enhanced economies of scale, declining operating costs and increased revenues from the relatively asset-light formats of McCafé and McDelivery.

## Comments on financial performance, 2018-19

Revenue growth of 23.5% y-o-y to <b>₹ 13,887</b> mn	Operating EBITDA stood at <b>₹ 1,273.91</b> mn	Profit/(loss) after tax stood at <b>₹ 403.02</b> mn	Cash profit stood at <b>₹ 1,258.1</b> mn, as against ₹889 mn in 2017-18
-----------------------------------------------------------	------------------------------------------------------	-----------------------------------------------------------	-------------------------------------------------------------------------------

## Consolidated financial performance (₹ in mn)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUES		
Sales	13,887	11,255.3
Other operating income	129	93.4
<b>Total Revenues</b>	<b>14,016</b>	<b>11,348.7</b>
Operating Costs and Expenses		
<b>Restaurant Operating Cost and Expenses</b>		
Food & Paper	5,055.2	4,249.7
Payroll and Employee Benefits	1,453.4	1,311.1
Royalty	641.3	476.7
Occupancy and Other Operating Expenses	4,818.5	3,824.5
<b>Total Operating Costs And Expenses</b>	<b>11,968.5</b>	<b>9,862</b>
<b>Restaurant Operating Margin</b>	<b>2,047.5</b>	<b>1,486.7</b>
General & Administrative Expenses	773.6	639.9
<b>Total Operating Cost and Expense</b>	<b>12,742.1</b>	<b>10,501.9</b>
<b>Operating EBITDA</b>	<b>1,273.9</b>	<b>846.8</b>
Other (Income)/Expenses, (net)	(157.10)	(175.9)

## Consolidated financial performance (₹ in mn)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Extra-ordinary Expenses <sup>1</sup>	63.9	71.4
<b>EBITDA</b>	<b>1367.1</b>	<b>951.3</b>
Financial Expense (Interest & Bank Charges)	177.3	150.1
Depreciation	797.1	672.6
<b>Profit Before Tax</b>	<b>392.6</b>	<b>128.6</b>
Taxes	(10.4)	-
<b>Profit After Tax</b>	<b>403</b>	<b>128.6</b>
Cash Profit	1,258.1	889

<sup>1</sup>One-time expense on account of assets written-off pertaining to restaurants relocation/closure

## Consolidated operating results

### Total revenues

The Company's revenues comprised sales by Company-operated restaurants. In FY2018-19, the Company recorded revenue growth of 23.5% to ₹14,016 mn compared to ₹11,348.7 mn in FY2017-18, riding on the restaurant operations of subsidiary HRPL, a master franchisee for West and South India operations of McDonald's Restaurants. The increase in revenues was primarily driven by the opening of new restaurants and an increase in same-store revenues. The Company added 25 new restaurants, taking the total restaurant count to 296 by the close of the year. In 2018-19, comparable sales (same-store sales growth) was 17% compared to 15.8% in the previous year, largely driven by menu and brand extensions.

### Gross margins

During the review period, food, paper and distribution costs (FPD) increased to ₹5,055.2 mn, compared to ₹4,249.7 mn in 2017-18. The quantum increase in costs was primarily driven by increased restaurant footfalls and sales. The Company delivered improved gross margins by 138 bps to 63.9%, driven by supply chain efficiencies

through sourcing optimization, logistics efficiency, improved store utilization, wastage reduction, yield improvement, superior product mix and prudent menu pricing.

### Restaurant Operating Margin (RoM)

Restaurant operating margin represents total revenues from Company-operated restaurants less the operating cost of these restaurants (including royalty etc.) before depreciation and corporate overheads. In FY2018-19, the Company reported a Restaurant Operating Margin of ₹2,047.5 mn compared to ₹1,486.7 mn in the previous year. RoM was 14.6% compared to 13.1% in FY2017-18. The increase in restaurant operating margins was largely catalyzed by an improvement in gross margins coupled with a high operating leverage, slightly offset by increased expenses following the removal of input-tax credits under the GST regime.

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

The Company continued to invest in a larger talent pipeline to address growing business needs. In FY2018-19, General & Administrative expenses increased to ₹773.6 mn compared to ₹639.9 mn in FY2017-18. General and administrative

expenses as a percentage of total revenues were flat: 5.5% in FY2018-19 compared to 5.6% in FY2017-18.

### Operating EBITDA

Operating EBITDA by the Company was ₹1,273.9 mn in FY2018-19 compared to ₹846.8 mn in FY2017-18. Operating EBITDA margin (operating EBITDA as a percent of total revenues) was 9.09% in FY2018-19 compared to 7.5% in FY2017-18.

### Financial position and capital resources

The Company generated adequate cash from operations to fund operating spending (capital expenditure), taxes and general purposes. In addition to cash and equivalents on hand and cash generated by operations, the Company addressed capital requirements through attractive trade terms. As of March 31, 2019, at a consolidated level, the Company had cash and cash equivalents of ₹2,117 mn, comprising cash and balances with banks in India and investments in liquid funds/Fixed Maturity Plans (FMPs).

### Restaurant Development and Capital Expenditure

In FY2018-19, the Company invested ₹1,302.40 mn in capital expenditure through accruals and reserves.

# 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

The Company's robust and intricate internal control systems ensure there is efficient use and protection

of resources and compliance with policies, procedures and statutory requirements. We have developed well-documented guidelines, procedures for authorisation and approvals which include processes such as audits. Integral to the overall governance, we have a well-established internal audit frame work which extensively covers all aspects of financial and operational controls, covering all units, functions and departments. The Company also has an efficient financial reporting system in place. Our internal audit team consists of senior members across various functional departments some of whom are also key managerial personnel of WDL. They actively engage in the evaluation and improvement of various functions and activities of the Company including restaurant operations and other support functions and departments. The Company also has an Internal Audit cell which supports the Audit Committee besides the independent review of internal controls, operating systems and procedures by external auditors.

## Human resources

The Company employed 9,537 employees as on March 31, 2019. Increase in the value of human capital through the development of individual and

collective competencies helped the Company stay ahead of market developments and requirements. The Company implemented programs and projects related to skill development and upgradation of employee competence. Programs of knowledge sharing were conducted; employees were sent to external training programs to widen their perspective.

## Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statements or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.



# STATUTORY SECTION

# Report of the Board of Directors

## To The Members

Your Directors are pleased to present their Thirty-Sixth Annual Report and Audited Statement of Accounts for the year ended March 31, 2019.

### I Financial Details

Consolidated Financial Highlights		(₹ in Millions)
Particulars	2018-2019	2017-2018
Revenue from Operations (Net)	14,016.06	11,348.74
Total Expenses excluding Depreciation, Interest and Tax	12,809.65	10,575.15
EBITDA	1,367.09	951.30
Profit / (loss) before tax	392.62	128.57
Less : Tax Expenses	(10.40)	
Profit / (loss) after tax	403.02	128.57

Standalone Financial Highlights		(₹)
Particulars	2018-2019	2017-2018
EBITDA	(63,601)	(5,267,439)
Less : Depreciation	23,949	23,155
Profit/ (Loss) before Tax	(87,550)	(5,290,594)
Less : Tax Expenses		
Deferred Tax	290,762	-
Profit/ (Loss) for the year	(378,312)	(5,290,594)
Add : Balance brought forward	(36,123,599)	(30,833,005)
Balance Carried forward	(36,501,911)	(36,123,599)

### II Performance

#### Standalone Operating Performance

During the financial year 2018-19, the Company has reported a loss after tax of ₹3.78 lakhs as against a loss of ₹52.91 lakhs for the previous 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's performance for FY 2018-19 and its contribution to the overall performance of the Company is provided below:

(₹ in millions)

Particulars	2018-2019	2017-2018
Revenue from Operations (Net)	14,016.06	11,348.74
Total Expenses excluding Depreciation, Interest and Tax	12,801.95	10,569.52
EBITDA	1,367.16	956.56
Profit / (loss) before tax	392.71	133.86
Less : Tax Expenses	(10.69)	-
Profit / (loss) after tax	403.40	133.86

**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 statements of the Company's subsidiary is provided as 'Annexure A' to the consolidated financial statements.

**Dividend**

Considering the present financial position as on 31st March, 2019, 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 31st March, 2019 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.

**Maintenance of Cost Records**

During the period under review, your Company was not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

**Internal Complaints Committee for Sexual Harassment**

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**III Directors and Management**

**Re-appointment of Directors**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, the office of Mr Banwari Lal Jatia (DIN : 000016823) is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, he offers himself for re-appointment.

During the year under review, pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms Amisha Hemchand Jain (DIN: 05114264) was appointed by the Board as an Additional Director of the Company vide its resolution dated 26th March, 2019. She holds office till the date of the ensuing Annual General Meeting of the Company. The Board recommends her appointment as Director of the Company.

Further, during the period under review, the term of 5 years of Mr Dilip J. Thakkar, Independent Director of the Company had come to an end by efflux of time on the close of business hours on 31st March, 2019. Mr Dilip J. Thakkar had been appointed as an

Independent Director of the Company with effect from 1st April, 2014 till 31st March, 2019 (i.e. for one term of 5 years).

#### **Number of meetings of the Board**

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

#### **Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 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 31st March, 2019, the applicable accounting standards have been followed and there are no departures in adoption of these standards;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2019 and of the profit and loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for financial year ended 31st March, 2019 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 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) (term of whose office came to an end by efflux of time on the close of business hours on 31st March, 2019) (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.

Further, Mr Tarun Kataria was appointed as a member of the Audit Committee by the Board of Directors of the Company vide its resolution dated 14th May, 2019, with effect from the said date.

#### **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) had been appointed as Statutory Auditors of the Company for a term of 5 (five) years at the 34th Annual General Meeting (AGM) held on 20th September, 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 had 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 read with

Regulation 24A of the SEBI (LODR) Regulations, 2015, 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'.

In compliance with clause 2A, Part-A, Schedule V of the SEBI (LODR) Regulations, 2015, during the period under review the Company has not entered into any transaction with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the company.

#### **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 this 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 concern 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 the 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 31st March, 2019 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/-
<b>Amit Jatia</b>	<b>Smita Jatia</b>
<i>Director</i>	<i>Director</i>
DIN:00016871	DIN: 03165703
Place: Mumbai	
Date: 25th July, 2019	

## 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, 2019**

To,

*The Members,*

**WESTLIFE DEVELOPMENT LIMITED**

Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Westlife Development Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 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*

Place: Mumbai

Date : 25th July, 2019

Membership No. 1391 / CP No. 3888

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	₹25,09,772
e)	Date(s) of approval by the Board, if any	-
f)	Amount paid as advance, if any	-

For and on behalf of the Board of Directors

Date : 25th July, 2019  
Place : Mumbai

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

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



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.

# FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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	Activities of Holding Company	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, 2018				No. of Shares held at the end of the year. As on March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
g) Individual /HUF	2634486	-	2634486	1.69	2634486	-	2634486	1.69	-
h) Central Govt	-	-	-	-	-	-	-	-	-
i) State Govt(s)	-	-	-	-	-	-	-	-	-
j) Bodies Corp.	80799741	-	80799741	51.93	80799741	-	80799741	51.93	-
k) Banks / FI	-	-	-	-	-	-	-	-	-
l) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>83434227</b>	<b>-</b>	<b>83434227</b>	<b>53.63</b>	<b>83434227</b>	<b>-</b>	<b>83434227</b>	<b>53.63</b>	<b>-</b>
<b>(2) Foreign</b>									
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...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>13293261</b>	<b>-</b>	<b>13293261</b>	<b>8.54</b>	<b>13293261</b>	<b>-</b>	<b>13293261</b>	<b>8.54</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>96727488</b>	<b>-</b>	<b>96727488</b>	<b>62.16</b>	<b>96727488</b>	<b>-</b>	<b>96727488</b>	<b>62.16</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	13571383	-	13571383	8.73	11460298	-	11460298	7.37	-1.35
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	20469693	-	20469693	13.16	23520258	-	23520258	15.12	1.96
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	142447	-	142447	-	0.091
<b>Sub-total (B)(1):-</b>	<b>34041076</b>	<b>-</b>	<b>34041076</b>	<b>21.88</b>	<b>35123003</b>	<b>-</b>	<b>35123003</b>	<b>22.57</b>	<b>0.69</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	8435584	-	8435584	5.42	7921476	-	7921476	5.09	-0.33
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	3021130	200	3021330	1.94	3245159	200	3245359	2.09	0.14
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	12665138	-	12665138	8.14	11886934	-	11886934	7.64	-0.50
c) Others (specify)									
i) Non- Resident (Non-repatriation)	238353	-	238353	0.15	207064	-	207064	0.13	-0.02
ii) Non- Resident (repatriation)	458776	-	458776	0.29	491876	-	491876	0.32	0.02
<b>Sub-total (B)(2):-</b>	<b>24818981</b>	<b>200</b>	<b>24819181</b>	<b>15.95</b>	<b>23752509</b>	<b>200</b>	<b>23752709</b>	<b>15.26</b>	<b>-0.69</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>58860057</b>	<b>200</b>	<b>58860257</b>	<b>37.83</b>	<b>58875512</b>	<b>200</b>	<b>58875712</b>	<b>37.84</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>155587545</b>	<b>200</b>	<b>155587745</b>	<b>100</b>	<b>155603000</b>	<b>200</b>	<b>155603200</b>	<b>100</b>	<b>-</b>

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	30.40	0.00	47285325	30.40	0.00	0.00
2	Subh Ashish Exim Pvt Ltd	33233707	21.37	0.00	33233707	21.37	0.00	0.00
3	Makino Holdings Limited	11881640	7.64	0.00	11881640	7.64	0.00	0.00
4	Smita Jatia	1875250	1.20	0.00	1875250	1.20	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	0.10	0.00	160697	0.10	0.00	0.00
8	Akshay Amit Jatia	63974	0.04	0.00	63974	0.04	0.00	0.00
9	Ayush Amit Jatia	63974	0.04	0.00	63974	0.04	0.00	0.00
10	Saubhagya Impex Pvt Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
11	Winmore Leasing And Holdings Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
12	Shri Ambika Trading Co Pvt Ltd	40000	0.03	0.00	40000	0.03	0.00	0.00
13	Banwarilal Jatia	1176	0.00	0.00	1176	0.00	0.00	0.00
14	Lalita Devi Jatia	50	0.00	0.00	50	0.00	0.00	0.00
15	Usha Devi Jatia	50	0.00	0.00	50	0.00	0.00	0.00
16	Banwari Lal Jatia	11	0.00	0.00	11	0.00	0.00	0.00
17	Amit Jatia	1	0.00	0.00	1	0.00	0.00	0.00
18	Acacia Impex Private Limited	1	0.00	0.00	1	0.00	0.00	0.00
19	Akshay Ayush Impex Pvt Ltd	1	0.00	0.00	1	0.00	0.00	0.00
20	Amit BL Properties Private Limited	1	0.00	0.00	1	0.00	0.00	0.00
21	Anand Veena Twisters Pvt Ltd	1	0.00	0.00	1	0.00	0.00	0.00
22	Concept Highland Business Pvt Ltd	1	0.00	0.00	1	0.00	0.00	0.00
23	Hardcastle And Waud Mfg Co Limited	1	0.00	0.00	1	0.00	0.00	0.00
24	Hardcastle Petrofer Private Limited	1	0.00	0.00	1	0.00	0.00	0.00
25	Hawco Petrofer LLP	1	0.00	0.00	1	0.00	0.00	0.00
26	Hawcoplast Investments And Trading Limited	1	0.00	0.00	1	0.00	0.00	0.00
27	Houghton Hardcastle (India) Pvt Limited	1	0.00	0.00	1	0.00	0.00	0.00
28	Vandeep Tradelinks Private Limited	1	0.00	0.00	1	0.00	0.00	0.00
29	Vishwas Investment & Trading Company Pvt Ltd	1	0.00	0.00	1	0.00	0.00	0.00
	<b>Total</b>	<b>96727488</b>	<b>62.19</b>	<b>0.00</b>	<b>96727488</b>	<b>62.19</b>	<b>0.00</b>	<b>0.00</b>

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

Sl No.		Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
		NO CHANGE						

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

Sl No.	Shareholders Name	Shareholding		Date of change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1.	SBI MAGNUM BALANCED FUND	13571383	8.72	01.04.2018			13571383	8.72
		13571383	8.72	06.04.2018	(26154)	Transfer	13545229	8.70
		13545229	8.70	13.04.2018	(137767)	Transfer	13407462	8.62
		13407462	8.62	11.05.2018	(435000)	Transfer	12972462	8.33
		12972462	8.33	03.08.2018	(289901)	Transfer	12682561	8.15
		12682561	8.15	10.08.2018	(49119)	Transfer	12633442	8.12
		12633442	8.12	17.08.2018	(5435)	Transfer	12628007	8.11
		12628007	8.11	24.08.2018	(1392926)	Transfer	11235081	7.22
		11235081	7.22	31.08.2018	(4658)	Transfer	11230423	7.22
		11230423	7.22	07.09.2018	(123797)	Transfer	11106626	7.13
		11106626	7.13	19.10.2018	(20054)	Transfer	11086572	7.12
		11086572	7.12	26.10.2018	(18350)	Transfer	11068222	7.11
		11068222	7.11	02.11.2018	(106181)	Transfer	10962041	7.04
		10962041	7.04	09.11.2018	(3073)	Transfer	10958968	7.04
		10958968	7.04	16.11.2018	(27195)	Transfer	10931773	7.02
		10931773	7.02	23.11.2018	(54039)	Transfer	10877734	6.99
		10877734	6.99	07.12.2018	(113748)	Transfer	10763986	6.92
		10763986	6.92	31.03.2019			10763986	6.92
2.	ARISAIG PARTNERS (ASIA) PTE LTD. A/C ARISAIG INDIA FUND LIMITED	12296550	7.90	01.04.2018	No Movement During The Year			
		12296550	7.90	31.03.2019				
3.	RAJIV HIMATSINGKA	11521500	7.40	01.04.2018			11521500	7.40
		11521500	7.40	06.04.2018	(44657)	Transfer	11476843	7.38
		11476843	7.38	13.04.2018	(73498)	Transfer	11403345	7.33
		11403345	7.33	02.04.2018	(49431)	Transfer	11353914	7.30
		11353914	7.30	11.05.2018	(36121)	Transfer	11317793	7.27
		11317793	7.27	18.05.2018	(50162)	Transfer	11267631	7.24
		11267631	7.24	24.08.2018	(654546)	Transfer	10613085	6.82
		10613085	6.82	31.03.2019			10613085	6.82
4.	BAY CAPITAL INVESTMENTS LTD	4243090	2.73	01.04.2018			4243090	2.73
		4243090	2.73	25.05.2018	(61000)	Transfer	4182090	2.69
		4182090	2.69	01.06.2018	(50236)	Transfer	4131854	2.65
		4131854	2.65	08.06.2018	(38506)	Transfer	4093348	2.63
		4093348	2.63	15.06.2018	(1258)	Transfer	4092090	2.63



SI No.	Shareholders Name	Shareholding		Date of change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
		4092090	2.63	04.01.2019	(61000)	Transfer	4031090	2.59
		4031090	2.59	08.02.2019	(283025)	Transfer	3748065	2.41
		3748065	2.41	15.02.2019	(12486)	Transfer	3735579	2.40
		3735579	2.40	01.03.2019	(313375)	Transfer	3422204	2.20
		3422204	2.20	08.03.2019	(122455)	Transfer	3299749	2.12
		3299749	2.12	29.03.2019	(50000)	Transfer	3249749	2.08
		3249749	2.08	31.03.2019			3249749	2.08
5.	TREE LINE ASIA MASTER FUND (SINGAPORE) PTE LTD	3130000	2.01	01.04.2018	No Movement During The Year			
		3130000	2.01	31.03.2019				
6.	PRERANA LP	1436215	0.92	01.04.2018			1436215	0.92
		1436215	0.92	11.05.2018	(3327)	Transfer	1432888	0.92
		1432888	0.92	11.01.2019	(105310)	Transfer	1327578	0.85
		1327578	0.85	31.03.2019			1327578	0.85
7.	NEW LEAINA INVESTMENTS LIMITED	1314706	0.84	01.04.2018			1314706	0.84
		1314706	0.84	22.03.2019	(7013)	Transfer	1307693	0.84
		1307693	0.84	31.03.2019			1307693	0.84
8.	WELLINGTON MANAGEMENT FUNDS (LUXEMBOURG) - WELLINGTON ASIAN OPPORTUNITIES FUND	270136	0.17	01.04.2018			270136	0.17
		270136	0.17	12.10.2018	(28374)	Transfer	241762	0.15
		241762	0.15	19.10.2018	(5206)	Transfer	236556	0.15
		236556	0.15	02.11.2018	(8373)	Transfer	228183	0.15
		228183	0.15	11.01.2019	89529	Transfer	317712	0.20
		317712	0.20	15.02.2019	140077	Transfer	457789	0.29
		457789	0.29	22.02.2019	287136	Transfer	744925	0.48
		744925	0.48	01.03.2019	192204	Transfer	937129	0.60
		937129	0.60	08.03.2019	84102	Transfer	1021231	0.66
		1021231	0.66	15.03.2019	56549	Transfer	1077780	0.69
		1077780	0.69	22.03.2019	12312	Transfer	1090092	0.70
		1090092	0.70	31.03.2019			1090092	0.70
9.	PREMIER INVESTMENT FUND LIMITED	1050348	0.67	01.04.2018			1050348	0.67
		1050348	0.66	13.04.2018	(15000)	Transfer	1035348	0.66
		1035348	0.66	20.04.2018	(15672)	Transfer	1019676	0.65
		1019676	0.65	27.04.2018	(13647)	Transfer	1006029	0.65
		1006029	0.65	04.05.2018	(10681)	Transfer	995348	0.64
		995348	0.64	11.05.2018	(50000)	Transfer	945348	0.61
		945348	0.61	18.05.2018	7500	Transfer	952848	0.61
		952848	0.61	12.10.2018	2865	Transfer	955713	0.61
		955713	0.61	14.12.2018	2310	Transfer	958023	0.61
		958023	0.61	08.02.2019	10000	Transfer	968023	0.62
		968023	0.62	15.03.2019	(2500)	Transfer	965523	0.62
		965523	0.62	22.03.2019	(3933)	Transfer	961590	0.62
		961590	0.62	29.03.2019	(3000)	Transfer	958590	0.62
		958590	0.62	31.03.2019			958590	0.62
10.	BAY POND PARTNERS, L.P.	0	0	01.04.2018			0	0
		0	0	25.01.2019	700000	Transfer	700000	0.45
		700000	0.45	01.02.2019	149690	Transfer	849690	0.55
		849690	0.55	01.03.2019	(4340)	Transfer	845350	0.54
		845350	0.54	08.03.2019	(8307)	Transfer	837043	0.54
		837043	0.54	31.03.2019			837043	0.54

SI No.	Shareholders Name	Shareholding		Date of change in Shareholding	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
11.	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	566000	0.36	01.04.2018	No Movement During The Year			
		566000	0.36	31.03.2019				
12.	BAY POND MB	955970	0.61	01.04.2018			955970	0.61
		950228	0.61	08.06.2018	(5742)	Transfer	950228	0.61
		902159	0.58	15.06.2018	(48069)	Transfer	902159	0.58
		894411	0.57	22.06.2018	(7748)	Transfer	894411	0.57
		849690	0.54	21.12.2018	(44721)	Transfer	849690	0.54
		0	0	25.01.2019	(849690)	Transfer	0	0
		0	0	31.03.2019			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 Director	11	0.00	01.04.2018	No Movement During The Year			
		11	0.00	31.03.2019				
2.	Amit Jatia Director	630000	0.41	01.04.2018	No Movement During The Year			
		630000	0.41	31.03.2019				
3.	Smita Jatia Director	1875250	1.21	01.04.2018	No Movement During The Year			
		1875250	1.21	31.03.2019				
4.	Dilip Thakkar Director	--	0.00	01.04.2018	No Movement During The Year			
		--	0.00	31.03.2019				
5.	Padmanabh Barpande Director	--	0.00	01.04.2018	No Movement During The Year			
		--	0.00	31.03.2019				
6.	Manish Chokhani Director	--	0.00	01.04.2018	No Movement During The Year			
		--	0.00	31.03.2019				
7.	Tarun Kataria Director	--	0.00	01.04.2018	No Movement During The Year			
		--	0.00	31.03.2019				
8.	Achal Jatia Director	--	0.00	01.04.2018	No Movement During The Year			
		--	0.00	31.03.2019				
9.	Suresh Lakshminarayanan CFO	4012	0.00	01.04.2018	1000	ESOP Exercise	4012	0.00
		4012	0.00	23.11.2018			5012	0.00
		5012	0.00	31.03.2019			5012	0.00
10.	Shatadru Sengupta CS	5950	0.00	01.04.2018			5950	0.00
		5950	0.00	30.06.2018	810	ESOP Exercise	6760	0.00
		6760	0.00	24.08.2018	825	ESOP Exercise	7585	0.00
		7585	0.00	22.12.2018	270	ESOP Exercise	7855	0.00
		7855	0.00	31.03.2019			7855	0.00

## V. INDEBTEDNESS

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Directors (Figures in Rupees)				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	5,95,000/-	4,60,000/-	2,20,000/-	3,75,000/-	16,50,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	5,95,000/-	4,60,000/-	2,20,000/-	3,75,000/-	16,50,000/-
2.	Other Non-Executive Directors	Mr B.L.Jatia	Mr Amit Jatia	Ms Smita Jatia	Mr Achal Jatia	
	• Fee for attending board/ committee meetings	1,55,000/-	4,10,000/-	2,70,000/-	2,05,000/-	10,40,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	1,55,000/-	4,10,000/-	2,70,000/-	2,05,000/-	10,40,000/-
	Total (B)=(1+2)	7,50,000/-	8,70,000/-	4,90,000/-	5,80,000/-	26,90,000/-
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
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 utilized :**

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

and

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

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

# BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f)]

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L65990MH1982PLC028593
2.	Name of the Company	WESTLIFE DEVELOPMENT LTD
3.	Registered address	1001, Tower 3, 10th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013
4.	Website	www.westlife.co.in
5.	E-mail id	shatadru@westlife.co.in
6.	Financial Year reported	01-04-2018 to 31-03-2019
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 294 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)	31,12,07,200
2.	Total Revenue (INR)	76,28,950
3.	Total profit/(loss) after taxes (INR)	(3,78,312)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	NIL
5.	List of activities in which expenditure in 4 above has been incurred	NIL

## SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

Mr Amit Jatia

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

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

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Dr Shatadru Sengupta
3	Designation	Company Secretary
4	Telephone number	022- 4913 5055
5	e-mail id	shatadru@westlife.co.in

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

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

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

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

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	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

- 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**
- 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

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
  - 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.
  - Evaporative Coolers** – Works on principle of water evaporation and uses ambient temperature to cool given space, reducing HVAC usage and hence saves electricity.
  - Waterless Urinals** – Eliminates flushing of water in urinal pots, hence saves water.
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
  - 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 ~ 3% and water ~ 2.5%) 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'17- Mar'18	5,75,73,401	
Apr'18-Mar'19	5,56,34,102	
TOTAL ENERGY SAVED IN UNITS	19,39,299	3%

**DETAIL:-**

1. Operating of lights is optimised
2. M/C energy saving :
  - a. Equipments are kept operational for required time only and a schedule is maintained to switch them off when not requiredd
  - b. Compressors are switched off when not required
3. Fans, 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 : 3,00,000 litres in FY 18-19

**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 fibre-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 Saved during 2018-2019	19,39,299 units
Gas cylinders saved during 2018-2019	12,376 gas cylinders
Water saved during 2018-2019	3,00,000 litres

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

Yes

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

- (a) 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 practicess.

**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 and we also convert most of our waste cooking oil into Bio Diesel, during the financial year 2018-2019 the Company bought 22.5 lakh litres of cooking oil and converted 5.5 lakh litres of it to Bio Diesel i.e. 24%.

**Principle 3**

1. Please indicate the Total number of employees. 9,537
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. 2,808 – 2,031 Part Time, 777 Full Time
4. Please indicate the Number of permanent employees with disabilities. 30
5. Do you have an employee association that is recognized by management. No
6. What percentage of your permanent employees is members of this recognized employee association? N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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



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

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

**Principle 4**

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

**Principle 5**

- 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?  
  
Covers Company and 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, 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?

In the financial year, the company has worked extensively to support the well-being of children through its in-house foundation-Ronald McDonald House Charities Foundation India (RMHC India). In addition to this, the company has also conducted multiple blood donation drives, tree planting initiatives and various other community service activities in the said period.

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

Through RMHC, the company supported more than 5,500 critically ill children and their families seeking medical treatment at Bai Jerbai Wadia Hospital for Children, through RMHC Family Room. Family Rooms provide families of ailing children a place with comfortable seating area within the hospital and give them resources to get a break from the stressed hospital atmosphere.

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

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

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

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 the 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 recognized corporate governance practices.

### Board of Directors

The Board comprises eight Directors as on 31st March, 2019. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below. None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies and 3 Listed Companies in case he/she serves as a Whole Time Director in any Listed Company. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")), across all the Companies in which he/she is a Director.

The Company's Board has four independent non-executive directors as on 31st March, 2019, unrelated to each other and not holding any shares in the Company. The Board met five times during the year, on May 11, 2018; June 29, 2018; July 27, 2018; October 26, 2018; and February 1, 2019.

### 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	-
Mr Amit Jatia (DIN: 00016871)	Promoter Executive	5	Yes	2	10	1	-
Mr Dilip J Thakkar (DIN: 00007339)	Independent Non-Executive	5	Yes	5	7	6	3
Mr Padmanabh Ramchandra Barpande (DIN: 00016214)	Independent Non-Executive	5	Yes	1	10	11	7
Ms Smita Jatia (DIN: 03165703)	Promoter Non-Executive	4	Yes	-	3	-	-
Mr Manish Chokhani (DIN: 00204011)	Independent Non-Executive	3	Yes	2	6	6	1

Name	Category	No. of Board Meetings Attended	If present at last AGM	Total No. of Outside Directorships held		*No. of other Committees in which Member/ Chairman	
				Public	Private	Member	Chairman
Mr Tarun Kataria (DIN: 00710096)	Independent Non-Executive	4	No	1	2	-	-
Mr Achal Jatia (DIN: 03587681)	Non-Executive	5	Yes	-	1	-	-

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

**Details of Directorship and category of Directorship in listed entities::**

Name	Name of the Listed Entity	Category of Directorship
Mr Banwari Lal Jatia (DIN: 00016823)	Hardcastle and Waud Manufacturing Company Limited	Non Independent Director Managing Director
Mr Amit Jatia (DIN: 00016871)	Inox Leisure Limited	Independent Director
	V.I. P Industries Ltd	Independent Director
Mr Dilip J Thakkar (DIN: 00007339)	AGC Networks Limited	Independent Director
	Premier Limited	Independent Director
	Poddar Housing And Development Limited	Non Independent Non Executive Director
	Indo Count Industries Limited	Independent Director
Mr Padmanabh Ramchandra Barpande (DIN: 00016214)	Walchandnagar Industries Limited	Independent Director
	Fairchem Speciality Ltd	Independent Director
	NIL	-
	NIL	-
Ms Smita Jatia (DIN: 03165703)	Shoppers Stop Ltd	Independent Director
	Zee Entertainment Enterprises Ltd	Independent Director
Mr Manish Chokhani (DIN: 00204011)	Poddar Housing And Development Ltd	Independent Director
Mr Tarun Kataria (DIN: 00710096)	NIL	-
Mr Achal Jatia (DIN: 03587681)	NIL	-
Ms Amisha Hemchand Jain (DIN: 05114264)	NIL	-

**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 (term of whose office came to an end by efflux of time on the close of business hours on 31st March, 2019), Mr Manish Chokhani, Mr Tarun Kataria (appointed as the member of the Audit Committee by the Board of Directors vide its resolution dated 14th May, 2019) 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				
	11th May, 2018	29th June, 2018	27th July, 2018	26th October, 2018	1st February, 2019
Mr P R Barpande	Yes	Yes	Yes	Yes	Yes
Mr Dilip J Thakkar	Yes	Yes	Yes	Yes	Yes
Mr Manish Chokhani	Yes	No	Yes	No	Yes
Mr Amit Jatia	Yes	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 during the year, on July 27, 2018, October 26, 2018 and February 1, 2019.

**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		
	27th July, 2018	26th October, 2018	1st February, 2019
Mr P R Barpande	Yes	Yes	Yes
Mr Manish Chokhani	Yes	No	Yes
Ms Smita Jatia	No	Yes	Yes

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

**Stakeholders Relationship Committee**

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

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

No investor complaints were received during the year. No complaints are pending. The dedicated e-mail ID for investors’ grievances is [complianceofficer@westlife.co.in](mailto:complianceofficer@westlife.co.in)

**Risk Management**

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

The Board has constituted a Risk Management Committee. The Committee is chaired by Mr Tarun Kataria, Independent Director. The other members are Mr Manish Chokhani, Independent Director and Ms Smita Jatia. Dr Shatadru Sengupta, the Company Secretary and Mr Suresh Lakshminarayanan, the Chief Financial Officer of the Company, being senior executives, are part of the Committee. The Committee is required to lay down the procedures

to inform the Board about the risk assessment and minimisation procedures and the Board shall be responsible for framing, implementing and monitoring the Risk Management Plan of the Company.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as of performance of the Directors individually. Feedback was sought by means of an online survey 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, 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, newsletters, 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 1, 2019.

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.

The Board confirmed that in its opinion, the Independent Directors fulfill the conditions specified in the Regulations and are independent of the management.

During the period under review, no independent Director has resigned before the expiry of his tenure.

**Board’s key skills/competence/expertise**

The Company’s Board comprises qualified members with required skills/expertise and competence that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensuring that the Company’s Board is in compliance with the highest standards of corporate governance.

The below given are the skills/competence/expertise which are taken into consideration while nominating candidates to serve on the Board:

Sr. No.	Skills/competence/expertise
1.	Financial literacy
2.	Business acumen
3.	Leadership skills
4.	Technology and knowledge of best business practices



**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, 2019. The Certificate is annexed as ‘Annexure II’ to this Report.

**Compliance Certificate**

Certificates 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 and Part C (10) i of Schedule V, of the Listing Regulations are annexed to this Report as ‘Annexure III’ and ‘Annexure-IV’.

**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	Fantasy Banquet Room, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai-400018	September 29, 2016	2.30 p.m.	Nil
2	Fantasy Banquet Room, 1st Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai-400018	September, 20, 2017	2.30 p.m.	Nil
3	Orchid Hall, 2nd Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai 400 018	August, 29th, 2018	2.30 p.m.	3

During the year under review a special resolution was passed through postal ballot, and details of the voting pattern are as below:

Sr. No.	Resolution	Number of Votes (Shares)			Passed as Ordinary/ Special Resolution
		Favour	Against	Invalid	
1	Continuation of appointment of Mr Banwari Lal Jatia as a Non-Executive Director on attaining age of 75 years.	11,65,68,882	31,31,141	620	Special
	Percentage	97.38	2.62	0	-

The Company Secretary of the Company conducted the Postal Ballot exercise.

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 13 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 36th Annual General Meeting being sent along with the Board’s Report.
- k) The Company had raised ₹18,000 lacs through preferential issue of equity shares in August, 2013. Out of the total funds raised, the Company as on 31st March, 2019 has utilised ₹17,825 lacs for the purpose the funds were so raised. The balance of ₹175 lacs remain temporarily invested in liquid securities.
- l) During the period under review, the Board has accepted all the recommendations made by various Committees to the Board.
- m) During the period under review, the Company and its subsidiary has paid ₹56,25,575/- to the Statutory Auditors on consolidated basis.

**Sexual Harassment disclosure:**

During the period under review, below are the disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

i	Number of complaints filed	Nil
ii	Number of complaint disposed of	Nil
iii	Number of complaints pending	Nil

### Communication

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

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

### General Shareholder Information

#### (i) Annual General Meeting to be held :

Date	5th September, 2019
Time	11.00 a.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,

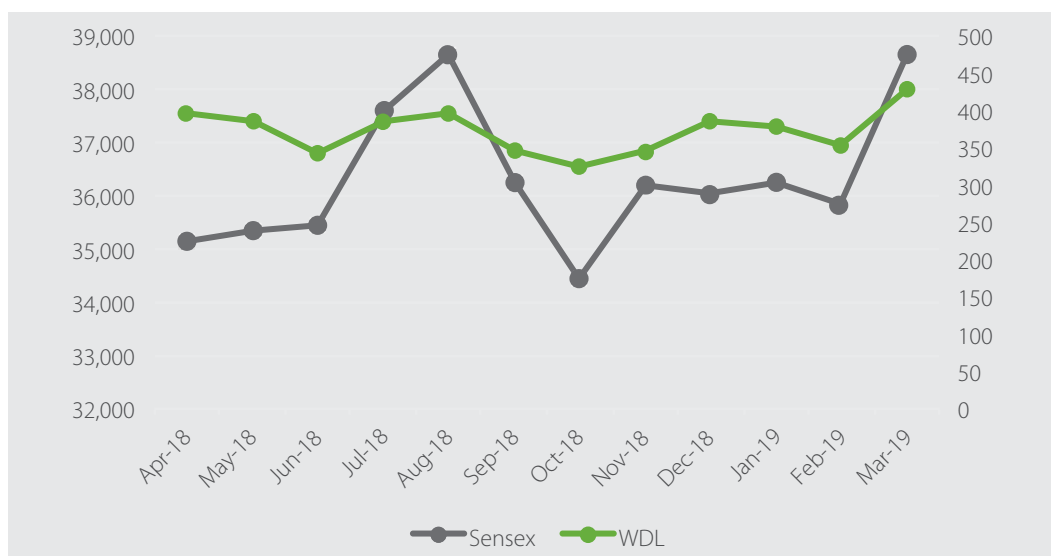
#### (iv) The Company's shares are listed on the BSE Ltd.

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 2018-19 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, 2018	405.10	321.05	396.35	35213.30	32972.56
May, 2018	464.00	365.00	387.05	35993.53	34302.89
June, 2018	394.25	320.20	342.45	35877.41	34784.68
July, 2018	413.95	303.00	384.55	37644.50	35106.57
August, 2018	412.70	374.00	396.05	38989.65	37128.99
September, 2018	400.00	325.00	347.85	38934.35	35985.63
October, 2018	350.00	286.90	323.15	36616.64	33291.58
November, 2018	364.00	306.00	345.05	36389.22	34303.38
December, 2018	398.80	337.20	385.80	36554.99	34426.29
January, 2019	409.00	361.00	379.85	36701.03	35375.51
February, 2019	402.05	338.00	353.10	37172.18	35287.16
March, 2019	454.45	348.50	428.70	38748.54	35926.94

**(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](mailto:rnt.helpdesk@linkintime.co.in)

**(viii) Share Transfer System:**

As on 31st March, 2019, 100% paid-up capital of the Company (excluding 200 shares which are held in physical form) is in dematerialized form.

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

**(ix) Shareholding Pattern as on 31st March, 2019:**

	No. of Holders	No. of Shares held	Percentage of holding
<b>Promoter Group :</b>			
Individuals/ HUF	10	40,46,107	2.60
Bodies Corporate	19	9,26,81,381	59.56
<b>Non-Promoters :</b>			
Individuals/ HUF	7,924	16021 557	10.30
Bodies Corporate	252	78,73,599	5.06
Foreign Institutional Investors	57	2,35,20,258	15.12
Mutual Fund	4	1,14,60,298	7.37
	<b>* 8,266</b>	<b>1,55,603,200</b>	<b>100.00</b>

Distribution of shareholding as at March 31, 2019:

Shareholding	No. of Shareholders	No. of Equity Shares	Shareholding Percentage
1-500	7128	757810	0.4870
501 to 1000	539	434857	0.2795
1001 to 2000	298	445318	0.2862
2001 to 3000	118	290938	0.1870
3001 to 4000	63	220318	0.1416
4001 to 5000	45	211151	0.1357
5001 to 10000	93	680212	0.4371
10001 and above	152	152562596	98.0459
	<b>**8436</b>	<b>1,55,603,200</b>	<b>100.00</b>

**Note:**

\* Details are given on PAN based counts.

\*\* Details are given on Folio based counts.

**(x) Dematerialisation of shares:**

As on 31st March, 2019, shares comprising 100% of the Company's paid-up capital are held in dematerialized form under ISIN INE 274F01020 (excluding 200 shares which are held in physical form).

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

**(xii) Plant Location:**

The Company 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](mailto: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, 2019.

**For Westlife Development Limited**

Date: 25th July, 2019  
Place: Mumbai

Sd/-  
**Amit Jatia**  
*Chief Executive Officer*



## 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 of the Company for the year ended 31st March, 2019 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.

Date: 25th July, 2019

Place: Mumbai

Sd/-

**Amit Jatia**

*Chief Executive Officer*

Sd/-

**Suresh Lakshminarayanan**

*Chief Financial Officer*

Annexure III

# Compliance Certificate

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") entered into by the Company with BSE Ltd for the financial year ended March 31, 2019.

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.

Place: Mumbai  
Date: 25th July, 2019

Sd/-  
**Shailesh Kachalia**  
CP 3888  
*Company Secretary*

Annexure IV

# Certificate of Non-Disqualification of Directors

To,  
The Members of  
**Westlife Development Ltd, ('the Company')**  
1001, Tower-3, 10th Floor, Indiabulls Finance Centre,  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400 013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Westlife Development Limited having CIN L65990MH1982PLC028593 and having registered office at 1001, Tower-3, 10th Floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, Mumbai-400 013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr Banwari Lal Jatia	00016871	24-11-2012
2	Mr Amit Jatia	00016823	24-11-2012
3	Ms Smita Jatia	03165703	18-09-2013
4	Mr Achal Jatia	03587681	01-08-2014
5	Mr P.R. Barpande	00016214	24-11-2012
6	Mr Dilip J. Thakkar	00007339	24-11-2012
7	Mr Manish Chokhani	00204011	18-09-2013
8	Mr Tarun Kataria	00710096	01-08-2014

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

Place: Mumbai  
Date: 25th July, 2019

Sd/-  
**Shailesh Kachalia**  
CP 3888  
*Company Secretary*

## FINANCIAL SECTION

# Independent Auditors' Report

To the Members of  
**Westlife Development Limited**

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Westlife Development Limited (hereinafter referred to as the "Holding Company") and its subsidiary, Hardcastle Restaurants Private Limited (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, hereinafter referred to as "the consolidated financial statements."

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 Companies Act, 2013 ("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 2019, and of its consolidated profit and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 1) Revenue recognition

(Refer Note 17 to the consolidated financial statements)

The Group's primary source of revenue is from sale of food, beverages and toys from its chain of quick service restaurant (QSR) stores or through online ordering and delivery. Revenue comprises of numerous transactions of small amounts and relies highly on internal processes for recording, accuracy and completeness.

We continue to assess revenue recognition as an area of audit risk and fraud risk which has a significant effect on our audit strategy and our allocation of resources. Revenue recognition therefore been identified as a key audit matter.

### How we have addressed the risk

Our audit procedures included obtaining an understanding of the business and the processes by which revenue transactions are initiated, processed and recorded in the general ledger and reported in the financial statements. Our audit approach was designed to be responsive to our assessed risk of material misstatement over revenue and comprised a combination of test of controls and substantive procedures. After obtaining an understanding of the processes, we evaluated the design of internal controls over revenue transactions and also tested the effectiveness of these internal controls to form our opinion for reliance on controls. We supplemented our controls testing by performing relevant substantive procedures.

Our audit work included, but was not restricted to

1. Performing walkthroughs for a sample of sales transactions from origination through to their recording in the general ledger to ensure that revenue recognised was complete and was recorded in the appropriate period and at the correct value.
2. Testing internal controls over additions to and changes in the POS master file data at individual stores
3. Testing internal controls over recording of sales, collection and custody of cash including segregation of duties and reconciliation of sales records with bank collections.
4. Ensuring the three way match between sales as recorded by the stores in the POS system with the collections in the bank and the sales accounted in the general ledger.
5. Performing analytical procedures on sales performance of individually significant stores and enquiring reasons for any material variances, if any, for sales and gross margins.

**2) Potential impairment of property, plant and equipment**

(Refer Note 10 to the consolidated financial statements)

As at 31 March 2019, the carrying value of Group's property, plant and equipment was ₹5,026 millions which accounts for 49% of the Group's total assets.

Local economic conditions and the level of competition from other similar restaurants impact the performance of the Group's restaurants. Given the significant levels of property, plant and equipment held by the Group in over 296 operating restaurants, there is a risk that the value of property, plant and equipment, which generally comprises leasehold improvements, air conditioning systems and kitchen equipment, in certain stores may not be recoverable in full through the future cash flows to be generated from the operations of those restaurants or from disposal of the related property, plant and equipment.

Management reviews the performance of individual restaurants at the end of each reporting period to evaluate whether there is any trigger for impairment at a particular restaurant. While performing this review, management considers factors such as sustained operating losses being incurred by an individual restaurant store on account of low sales, inadequate customer footfall, local, socio-economic or infrastructure issues as also factors which compel continuing operating restaurants in locations which have a present or potential strategic locational advantage

A substantial portion of the plant and equipment can be re-located to other stores, accordingly, immoveable assets such as leasehold improvements is the primary component of property, plant and equipment that requires impairment evaluation.

**How we have addressed the risk**

Our audit procedures included, amongst others, the following:

1. Evaluating the Group's procedures for identifying indicators of impairment by assessing management's review of the financial performance of each restaurant and the payback period.
2. Comparing the actual performance of the restaurants for the current year with key assumptions and forecasts adopted by management and making enquiries of management as to the reasons for any significant variations identified.

3. In respect of specific write-down of property, plant and equipment for restaurants that were rebuilt during the year, we critically assessed the Group's identification of assets that were obsolete and whether such assets have any recoverable value or possible further use by the business using our knowledge of the Group and historical experience.
4. Discussing and evaluating the reasonableness of management action plan for underperforming stores where no impairment was recorded. For underperforming stores which were continuing to be operated for strategic reasons, we discussed with the management the basis and rationale behind such continuance.
5. Enquiring of the management about plans for any restaurant closures.

**3) Evaluation of uncertain tax positions**

(Refer Note 29 to the consolidated financial statements)

The Group operates in multiple States and is subject to challenges by local tax authorities on indirect tax matters during the normal course of business. The Group has pending litigations and these involve significant management judgment to determine the possible outcome of the tax positions, consequently having an impact on related accounting and disclosures in the financial statements.

**How we have addressed the risk**

Our audit procedures include the following substantive procedures:

1. Obtained understanding of key uncertain tax positions.
2. We along with our internal tax experts held discussions with the Group's management, read the summary of litigation matters provided and discussed each of the material cases noted in the report to determine the Group's assessment of the likelihood and magnitude of any liability that may arise. Where appropriate and relevant, we examined correspondence connected with the cases, including external legal advice.

**Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and



our auditors' report thereon. The Holding Company's Annual Report report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company 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 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 management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company 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.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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.

We communicate with those charged with governance of the Holding Company and its subsidiary included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### Report on Other Legal and Regulatory Requirements

1. (A) As required by Section 143(3) of the Act, based on our audit, 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 statement of cash flows 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.
- 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 2019 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 2019 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".

- (B) 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 as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 29 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 2019.

- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2019.
- iv. The disclosures 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 in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Audit Report under Section 197(16):

In our opinion and according to the information and explanations given to us, during the current year, there has been no remuneration paid by the holding company to its directors. Accordingly, in respect of the holding company, compliance with the provision of Section 197 of the Act is not required to be commented upon.

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No: 116231W/W-100024

**Shabbir Readymadewala**

*Partner*

Membership No: 100060

Mumbai  
14 May 2019

# Annexure A to the Independent Auditors’ report on the consolidated financial statements of Westlife Development Limited for the year ended 31 March 2019

## Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated 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.

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### Management’s Responsibility for Internal Financial Controls

The respective Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“Act”).

### Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company’s internal financial controls with reference to consolidated 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 controls with reference to consolidated 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 Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No: 116231W/W-100024

**Shabbir Readymadewala**

*Partner*

Mumbai  
14 May, 2019

Membership No: 100060

# Consolidated Balance Sheet as at March 31, 2019

(₹ in Millions)

	Note	As at March 31, 2019	As at March 31, 2018
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
(a) Share capital	2	311.21	311.18
(b) Reserves and surplus	3	5,518.89	5,111.25
		<b>5,830.10</b>	<b>5,422.43</b>
<b>Share application money pending allotment</b>	2 (a)	-	0.05
<b>Non-current liabilities</b>			
(a) Other long-term liabilities	4	7.09	3.42
(b) Long-term provisions	5	24.11	15.00
		<b>31.20</b>	<b>18.42</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	6	2,339.24	1,835.19
(b) Trade payables	7		
· Total outstanding dues of micro enterprises and small enterprises		0.04	-
· Total outstanding dues of creditors other than micro enterprises and small enterprises		1,178.22	1,083.63
(c) Other current liabilities	8	799.44	874.28
(d) Short-term provisions	9	64.48	57.21
		<b>4,381.42</b>	<b>3,850.31</b>
<b>TOTAL</b>		<b>10,242.72</b>	<b>9,291.21</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	10		
Property, plant and equipment		5,025.97	4,638.53
Intangible assets		926.16	900.66
Capital work-in-progress		283.72	197.40
(b) Non-current investments	11	959.24	1,265.55
(c) Deferred tax asset (net)	24	16.85	-
(d) Long-term loans and advances	12	1,109.78	1,049.51
(e) Other non-current assets	16	41.94	2.03
		<b>8,363.66</b>	<b>8,053.68</b>
<b>Current assets</b>			
(a) Current investments	11	1,065.20	577.23
(b) Inventories	13	409.94	336.82
(c) Trade receivables	14	97.59	64.31
(d) Cash and bank balances	15	92.12	109.42
(e) Short-term loans and advances	12	168.30	111.14
(f) Other current assets	16	45.91	38.61
		<b>1,879.06</b>	<b>1,237.53</b>
<b>TOTAL</b>		<b>10,242.72</b>	<b>9,291.21</b>
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date 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 14, 2019

## 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 14, 2019

# Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Millions)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Revenue from operations (Net)	17	14,016.06	11,348.74
Other income	18	160.68	177.71
<b>Total Revenue (I)</b>		<b>14,176.74</b>	<b>11,526.45</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	5,055.21	4,249.71
Employee benefits expense	20	1,971.11	1,715.54
Other expenses	21	5,783.33	4,609.90
<b>Total (II)</b>		<b>12,809.65</b>	<b>10,575.15</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) – (II)</b>		<b>1,367.09</b>	<b>951.30</b>
Depreciation and amortisation expense	10	797.15	672.62
Finance costs	22	177.32	150.11
<b>Profit before tax</b>		<b>392.62</b>	<b>128.57</b>
<b>Less : Tax expenses</b>			
Current tax		6.45	-
Deferred tax credit	24	(16.85)	-
<b>Total tax expenses</b>		<b>(10.40)</b>	<b>-</b>
<b>Profit for the year</b>		<b>403.02</b>	<b>128.57</b>
Earnings per equity share [Face value of ₹2 each (Previous Year ₹2 each)]	28		
Basic Earnings per share (₹)		2.59	0.83
Diluted Earnings per share (₹)		2.58	0.83
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 14, 2019

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

<b>Amit Jatia</b> <i>Vice-Chairman</i>	<b>Smita Jatia</b> <i>Director</i>	<b>Dr Shatadru Sengupta</b> <i>Company Secretary</i>
<b>Suresh Lakshminarayanan</b> <i>Chief Financial Officer</i> Place : Mumbai Date : May 14, 2019		



## Consolidated cash flow statement for the year ended March 31, 2019

(₹ in Millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	392.62	128.57
Adjustments for :		
Depreciation and amortisation expense	797.15	672.62
Loss on Sale / write off of property, plant and equipment	56.07	71.37
Sundry balances written off	9.83	-
Employee stock option compensation expense (refer note 33)	2.13	16.22
Finance costs	177.32	150.11
Interest income	(2.35)	(4.81)
Gain on sale of current investment	(148.51)	(147.90)
<b>Operating profit before working capital changes</b>	<b>1,284.26</b>	<b>886.18</b>
<b>Movements in Working Capital</b>		
Increase in inventories	(73.12)	(34.43)
Increase in trade receivables	(33.28)	(15.09)
Decrease in loans and advances	14.37	94.12
Decrease/(Increase) in other current assets	(50.93)	25.93
Increase in trade payables	94.62	340.22
(Decrease)/Increase in other liabilities	(72.06)	93.64
Increase in provisions	10.23	3.75
<b>Cash generated from operations</b>	<b>1,174.08</b>	<b>1,394.32</b>
Taxes paid	<b>(25.91)</b>	<b>(23.13)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,148.17</b>	<b>1,371.19</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets and capital work-in-progress	(1,427.23)	(1,063.52)
Proceeds from sale of fixed assets	1.04	4.17
Interest income	2.22	4.83
Purchase of investments	(6,354.68)	(2,893.38)
Proceeds from sale of investments	6,323.46	2,886.97
(Investment in) / maturity of fixed deposits	-	(0.12)
Increase in long term deposits	(41.69)	(52.89)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,496.88)</b>	<b>(1,113.94)</b>

# Consolidated cash flow statement for the year ended March 31, 2019

(₹ in Millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	2.47	2.46
Proceeds from short-term borrowings	8,504.05	9,280.00
Repayments of short-term borrowings	(8,000.00)	(9,273.82)
Repayments of long-term borrowings	-	(75.00)
Interest paid	(177.01)	(150.97)
<b>NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>329.51</b>	<b>(217.33)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(19.20)</b>	<b>39.92</b>
Cash and cash equivalents at the beginning of the year	109.39	69.47
Cash and cash equivalents at the end of the year	90.19	109.39
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(19.20)</b>	<b>39.92</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances	92.12	109.42
Less: not considered as cash and cash equivalents		
Fixed deposit with remaining maturity of more than three months	1.93	0.03
<b>Total cash and cash equivalents (refer note - 15.1)</b>	<b>90.19</b>	<b>109.39</b>

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 14, 2019

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

<b>Amit Jatia</b> <i>Vice-Chairman</i>	<b>Smita Jatia</b> <i>Director</i>	<b>Dr Shatadru Sengupta</b> <i>Company Secretary</i>
<b>Suresh Lakshminarayanan</b> <i>Chief Financial Officer</i> Place : Mumbai Date : May 14, 2019		

**Notes to the Consolidated Financial Statements** for the year ended March 31, 2019

**1.1 Corporate Information:**

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

**1.2 Summary of significant accounting policies**

**a) Basis of Preparation:**

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act to the extent notified and applicable. The Consolidated Financial Statements comprise the financial statements of Westlife Development Limited ("the Company") and its subsidiary. The Company and its subsidiary constitute the WDL Group ("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 (WDL) holdings therein are as under:

Sr. No	Names of the Company	Percentage Holding March 31, 2019	Percentage Holding March 31, 2018
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, 2019.
2. The Consolidated Financial Statements have been prepared and presented in accordance with Generally Accepted Accounting Principles in India (IGAAP), under historical cost convention on an accrual basis. The Company has prepared these financial statements to comply in all material respect with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act to the extent notified and applicable.
3. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.
4. The Consolidated Financial Statements of the Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits/ losses.
5. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
6. The difference between the cost of investment in the subsidiary, and the Company's share of net assets at the time of acquisition of shares in the subsidiary is recognised in the Financial Statements as Goodwill or Capital Reserve as the case may be. Goodwill arising on consolidation of financial statements of subsidiary is not amortised. However the same is tested for impairment at each balance sheet date.
7. Minority Interest, if any, in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

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

- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

**Notes to the Consolidated Financial Statements** for the year ended March 31, 2019

8. Minority Interest's share in Net Profit / (Loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group.

**b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgement, estimates and assumptions that affect the reported amounts of 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) Property, plant and equipment and depreciation**

- i) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Further contribution received from landlords in respect of leasehold improvements carried out to leasehold premises is deducted from leasehold improvements cost.
- (ii) Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its property, plant and equipment.

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

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

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

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

**d) Intangible Assets and amortisation**

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

Software is depreciated over a period of 5 years.

**e) Impairment of property, plant and equipment and intangible assets**

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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 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.

### 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 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, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note issued by the Institute of chartered Accountants of India ('ICAI') 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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.

### 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.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 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 issued by 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 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, 2019

## 2. Share Capital (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
<b>Authorised shares</b>		
160,925,000 (Previous Year 160,925,000) Equity Shares of ₹2 each.	321.85	321.85
460,000 (Previous Year 460,000) 8% Cumulative Redeemable Preference Shares of ₹10 each	4.60	4.60
	<b>326.45</b>	<b>326.45</b>
<b>Issued, subscribed and fully Paid-up shares</b>		
155,603,600 (Previous Year 155,587,945) Equity Shares of ₹2 each , fully paid up	311.21	311.18
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>311.21</b>	<b>311.18</b>

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

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	(₹ in Millions)	No. of Shares	(₹ in Millions)
At the beginning of the year	155,587,945	311.18	155,569,505	311.14
Issued during the year - ESOP	15,655	0.03	18,440	0.04
Outstanding at end of the year	155,603,600	311.21	155,587,945	311.18

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, 2019	As at March 31, 2018
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 70,005 equity shares (Previous Year 54,350) during the period of five years immediately preceeding the reporting date on exerise 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	March 31, 2019		March 31, 2018	
	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	10,763,986	6.92%	13,571,383	8.72%

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares held	% of shares held	No. of Shares held	% of shares held
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	10,613,085	6.82%	11,521,500	7.41%

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 33)

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

Share application money pending allotment represents application money received on account of Employee Stock Option Scheme. During the previous year, the Company received ₹0.05 million 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 had made the allotment on May 10, 2018.

## 3. Reserves and surplus

(₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
<b>a) Capital reserve</b>		
Balance at beginning and at the end of the year	1,110.25	1,110.25
	<b>1,110.25</b>	<b>1,110.25</b>
<b>b) Securities premium account</b>		
Balance at beginning of the year	3,941.10	3,934.42
Add: Additions on ESOP's exercised	2.49	2.37
Less: Transferred to Employee stock option outstanding on account of expiration of options granted	3.44	-
Add : Transferred from Employee stock option outstanding	3.47	4.31
	<b>3,943.62</b>	<b>3,941.10</b>
<b>c) Employee stock option outstanding</b>		
Balance at beginning of the year	49.21	37.30
Add : Amortisation of expense related to options granted	2.13	16.22
Add : Transferred from general reserve on account of expiration of options granted	0.25	-
Add: Transferred from securities premium on account of expiration of options granted	3.44	-
Less : Transferred to securities premium on account on exercise of stock options	3.47	4.31
	<b>51.56</b>	<b>49.21</b>
<b>d) Surplus/ (deficit) in the statement of profit and loss</b>		
Balance at beginning of the year	7.90	(120.67)
Add: Profit for the year	403.02	128.57
<b>Net surplus in the statement of profit and loss</b>	<b>410.92</b>	<b>7.90</b>
<b>e) General reserve</b>		
Balance at beginning of the year	2.79	2.79
Less : Transferred to employee stock option outstanding on account of expiration of options granted	0.25	-
	2.54	2.79
<b>Total</b>	<b>5,518.89</b>	<b>5,111.25</b>

# Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## 4. Other long-term liabilities (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
Security deposits	7.09	3.42
<b>Total</b>	<b>7.09</b>	<b>3.42</b>

## 5. Long-term provisions (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity (refer note 26)	24.11	15.00
<b>Total</b>	<b>24.11</b>	<b>15.00</b>

## 6. Short-term borrowings (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Loan from Bank (refer note i , ii and iii below)	2,072.50	1,535.00
<b>Unsecured</b>		
Loan from Bank (refer note iv and vi below)	255.00	300.00
Bank overdrafts (refer note v and vi below)	11.74	0.19
<b>Total</b>	<b>2,339.24</b>	<b>1,835.19</b>

- i) During the earlier year, the Company had availed a total facility of ₹1,151 millions (Previous Year ₹1,151 millions) from HDFC Bank Limited and was converted into a mutually interchangeable overdraft facility of ₹200 millions and short term loan facility of ₹951 millions. 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 millions by way of hypothecation. Interest charged at 8.15% p.a.- 8.70% p.a. (Previous Year 7.80% p.a.- 7.85% 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. As at March 31, 2019 the amount outstanding in respect of the said facility is ₹542.50 millions (Previous Year ₹440 millions).
- ii) The Company has availed a revolving short term loan facility of ₹1,775 millions (Previous Year ₹1,776 millions) from Australia and New Zealand Banking Group Limited (ANZ Bank) for the purpose of financing operating capital expenditure. Interest is charged 8.05% p.a. to 8.60% p.a. (Previous Year 7.40% p.a. to 8.25% p.a.). The loan is repayable within 180 days from the date of any drawdown. As at March 31, 2019 the amount outstanding in respect of the said facility is ₹1,530 millions (Previous Year ₹1,095 millions). 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 millions (Previous Year ₹300 millions) from Development Bank of Singapore for the purpose of financing operating capital expenditure. The Company has created a first pari-passu charge on all stock and book debts. Interest is charged at 7.95% p.a. to 8.10% p.a. (Previous Year 7.75% p.a. to 7.80% p.a.). The loan is repayable on demand. As at March 31, 2019 the amount outstanding in respect of the said facility is ₹Nil (Previous Year ₹Nil).
- iv) The Company has availed an short term loan facility of ₹300 millions (Previous Year ₹300 millions) with Kotak Mahindra Bank Ltd. at an interest rate of 8% p.a. to 8.60% p.a. (7.70% p.a. to 8.10% p.a.). This short term loan facility is for financing the working capital requirement and is repayable on demand. As at March 31, 2019 the amount outstanding in respect of the said facility is ₹255 millions (Previous Year ₹300 millions).
- v) The Company has availed an overdraft facility of ₹200 millions (Previous Year ₹200 millions) with Kotak Mahindra Bank Ltd at an interest rate of 9.05% p.a. to 9.55% p.a.(Previous Year 9.45% p.a. to 10.50% p.a.).This overdraft facility is for financing the working capital requirement and is repayable on demand. As at March 31, 2019, the Company has utilised ₹11.74 millions (Previous Year ₹Nil) under this facility.
- vi) During the year, the Company has availed an short term loan facility of ₹500 millions (Previous Year ₹500 millions) with Yes Bank Ltd. Interest is charged at 8.10% p.a. (Previous Year 7.80% p.a. to 8.10% p.a.). The amount outstanding in respect of the said facility as at March 31, 2019 is ₹Nil (Previous Year ₹Nil). This facility includes an overdraft facility of ₹150 millions (Previous Year ₹150 millions). During the year, the company has not availed overdraft facility. During the previous year, interest charged on over draft facility was at 8.85% p.a. As at March 31, 2019, the Company has utilised ₹Nil (Previous Year ₹0.19 millions).

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

7. Trade payables (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
Trade payables (refer note 35)		
· Total outstanding dues of micro enterprises and small enterprises	0.04	-
· Total outstanding dues of creditors other than micro enterprises and small enterprises @	1,178.22	1,083.63
<b>Total</b>	<b>1,178.26</b>	<b>1,083.63</b>

@ Trade payables include ₹0.37 millions (Previous Year ₹Nil) due to a related party (Refer note 23)

8. Other current liabilities (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
Security deposits	4.21	4.66
Book overdrafts	0.32	18.64
Statutory liabilities	96.47	104.46
Liability for capital expenditure	308.62	313.07
Interest accrued but not due on borrowings	6.39	6.08
Employee related liabilities	334.65	328.54
Advance received from supplier	5.00	5.00
Deferred revenue	-	2.26
Other payables	43.78	91.57
<b>Total</b>	<b>799.44</b>	<b>874.28</b>

9. Short-term provisions (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits</b>		
· Provision for gratuity (refer note 26)	55.39	54.28
<b>Other provisions</b>		
· Provision for taxation (net of advance tax of ₹3.75 million (Previous Year ₹3.75 million))	9.09	2.93
<b>Total</b>	<b>64.48</b>	<b>57.21</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 10. Property, plant and equipment and Intangible assets

(₹ in Millions)

Particulars	Gross Block (At cost)			Depreciation / Amortisation			Net Block			
	As on 1st April 2018	Additions	Deductions	As at 31st Mar 2019	As on 1st April 2018	For the year	Deletion	Upto 31st Mar 2019	As at 31st Mar 2019	As at 31 March 2018
<b>TANGIBLE ASSETS</b>										
Lease hold Land	10.50	-	-	10.50	2.70	0.18	-	2.88	7.62	7.80
	10.50	-	-	10.50	2.53	0.17	-	2.70	7.80	7.97
Buildings	135.13	-	-	135.13	91.59	4.87	-	96.46	38.67	43.54
	142.33	-	(7.20)	135.13	90.90	5.08	(4.39)	91.59	43.54	51.43
Leasehold Improvements	3,551.44	516.75	(114.62)	3,953.57	1,114.73	276.23	(76.50)	1,314.46	2,639.11	2,436.71
	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
Restaurant Equipments	3,490.78	562.39	(59.37)	3,993.80	1,730.02	377.43	(53.56)	2,053.89	1,939.91	1,760.76
	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
Furniture & Fixtures	748.50	92.74	(34.31)	806.93	370.41	71.71	(27.69)	414.43	392.50	378.09
	662.07	97.49	(11.06)	748.50	313.09	64.55	(7.23)	370.41	378.09	348.98
Office Equipments	29.72	4.09	(0.06)	33.75	24.78	3.30	(0.05)	28.03	5.72	4.94
	28.48	1.29	(0.05)	29.72	21.62	3.18	(0.02)	24.78	4.94	6.86
Computers	55.88	4.18	-	60.06	53.62	4.78	-	58.40	1.66	2.26
	50.07	5.81	-	55.88	48.32	5.30	-	53.62	2.26	1.75
Motor Vehicles	35.85	-	-	35.85	31.42	3.65	-	35.07	0.78	4.43
	41.89	2.01	(8.05)	35.85	34.65	3.93	(7.16)	31.42	4.43	7.24
<b>Sub Total</b>	<b>8,057.80</b>	<b>1,180.15</b>	<b>(208.36)</b>	<b>9,029.59</b>	<b>3,419.27</b>	<b>742.15</b>	<b>(157.80)</b>	<b>4,003.62</b>	<b>5,025.97</b>	<b>4,638.53</b>
	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
<b>INTANGIBLE ASSETS</b>										
Goodwill on consolidation	465.97	-	-	465.97	-	-	-	-	465.97	465.97
	465.97	-	-	465.97	-	-	-	-	465.97	465.97
Initial Location & License Fee	599.42	56.16	-	655.58	204.87	37.76	-	242.63	412.95	394.55
	562.35	37.07	-	599.42	165.10	39.77	-	204.87	394.55	397.25
Computer Software	138.11	24.34	-	162.45	97.97	17.24	-	115.21	47.24	40.14
	124.80	13.31	-	138.11	80.85	17.12	-	97.97	40.14	43.95
<b>Sub Total</b>	<b>1,203.50</b>	<b>80.50</b>	<b>-</b>	<b>1,284.00</b>	<b>302.84</b>	<b>55.00</b>	<b>-</b>	<b>357.84</b>	<b>926.16</b>	<b>900.66</b>
	1,153.12	50.38	-	1,203.50	245.95	56.89	-	302.84	900.66	907.17
<b>TOTAL</b>	<b>9,261.30</b>	<b>1,260.65</b>	<b>(208.36)</b>	<b>10,313.59</b>	<b>3,722.11</b>	<b>797.15</b>	<b>(157.80)</b>	<b>4,361.46</b>	<b>5,952.13</b>	<b>5,539.19</b>
Previous Year	8,449.88	970.47	(159.05)	9,261.30	3,142.45	672.62	(92.96)	3,722.11	5,539.19	

(figures in italics pertain to previous year)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 11. Investments

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>a) Investments in Mutual Funds (unquoted) (valued at cost or fair value whichever is lower)</b>				
<b>Face Value of ₹100 each</b>				
Nil (Previous Year 262,981.63) units of Birla Sunlife Floating Rate Fund Short Term plan-Growth-Regular Plan	-	-	-	60.57
<b>Face Value ₹10 each</b>				
Nil (Previous Year 15,633.235) units of HDFC Cash Management Fund- Savings Plan - Direct Plan - Growth Option	-	-	-	50.95
12,452.830 (Previous Year Nil) units of HDFC Liquid - Direct Plan - Growth Option	-	-	45.76	-
3,919.3189 (Previous Year Nil) units of HDFC money market fund- Direct Plan - Growth	-	-	12.82	-
123,820.5540 (Previous Year Nil) units of Aditya Birla Sun Life Overnight Fund - Regular Plan - Growth of ₹1,025 each (Previous Year ₹Nil)	-	-	126.93	-
14,685.41 (Previous Year Nil) units of HDFC Liquid Fund - Direct Plan - Growth Option of ₹3,679.01 each (Previous Year ₹Nil)	-	-	54.03	-
<b>b) Investments in Mutual Funds (unquoted) (valued at cost)</b>			-	-
<b>Face Value of ₹100 each</b>				
5,000,000 (Previous Year 5,000,000) units of HDFC FMP 1309D September 2016 (1) Series 37 Regular Plan Growth	72.79	56.72	-	-
Nil (Previous Year 20,000,000 ) units of HDFC FMP 1161 Days Feb 2016 (1) Growth	-	305.87	-	-
Nil (Previous Year 14,518,585) units of ICICI Prudential FMP series 79-1218 days Plan A- Cumulative	-	170.80	-	-
10,000,000 (Previous Year 10,000,000) units of HDFC FMP 1188 D March-2017- Series 38- Regular Plan- Growth	115.05	107.54	-	-
25,000,000 (Previous Year Nil) units of HDFC FMP 1161 Days Feb 2016 (1) Growth of ₹13.21 each (Previous Year ₹Nil)	-	-	330.35	-
5,000,000 (Previous Year Nil) Reliance Fixed Horizon Fund- XXXI - Series 2 - Growth Plan of ₹12.62 each (Previous Year ₹Nil)	-	-	63.09	-



# Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## 11. Investments

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
14,518,585 (Previous Year Nil) units of ICICI Prudential FMP Series 79 - 1218 Days Plan A Cumulative of ₹12.74 each (Previous Year ₹Nil)	-	-	184.99	-
<b>c) Investment in structured products (unquoted) (valued at cost or fair value whichever is lower)</b>				
<b>Debt</b>				
Nil (Previous Year 18,227,685) units of IIFL Dynamic Bond Fund Growth Regular of ₹Nil (Previous Year ₹13.715 each)	-	-	-	250.00
Nil (Previous Year 4,816,000) units of ICICI Prudential Fixed Maturity Plan - Series 76 - 1185 Days - Plan H - Regular Plan - Growth of ₹Nil (Previous Year ₹13.33 each)	-	-	-	64.20
400,502.327 (Previous Year 1,392,447.37) units of HDFC Equity Savings Fund-Direct Plan- Growth Option of ₹37.45 each (Previous Year ₹35.91 each)	-	-	15.00	50.00
Nil (Previous Year 1,000) units of Ecap Equities Limited of ₹Nil (Previous Year ₹101,507 each)	-	-	-	101.51
<b>d) Investment in structured products (unquoted) (valued at cost)</b>				
Nil (Previous Year 50,000,000) units of Reliance Fixed Horizon Fund XXXI Series 2- Growth Plan of ₹Nil (Previous Year ₹11.633 each)	-	58.16	-	-
100 (Previous Year 100) units of IIFL Wealth Finance Ltd. of ₹1,206,500 each (Previous Year ₹1,037,056 each)	120.65	103.71	-	-
50 (Previous Year 50) units of State Bank of India 8.15% BD Perpetual of ₹966,048 each (₹970,822 each)	48.30	48.54	-	-
Nil (Previous Year 800) units of IIFL Wealth Finance Ltd. of ₹Nil (Previous Year ₹1,00,000 each)	-	80.00	-	-
50 (Previous Year 50) units of ICICI Bank Limited SR- DMR17 AT 9.2% BD Perpetual of ₹999,004 each (Previous Year ₹999,004 each.)	50.00	50.00	-	-
50 (Previous Year 50) units of 8.75% AXIS Bank Limited SR-26 NCD Perpetual of ₹962,158 each (Previous Year ₹982,256 each).	48.11	49.11	-	-
50 (Previous Year 50) units of 8.85% HDFC Bank Base III Perpetual Bond Series I of ₹988,929 each (Previous Year ₹995,848 each.)	49.45	49.79	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

11. Investments (₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Nil (Previous Year 15,900,000) units of DSP Blackrock FMP Series of ₹Nil (Previous Year ₹11.655 each.)	-	185.31	-	-
10,000,000 (Previous Year Nil) units of HDFC Fixed Maturity Plan - 1124 days - June, 2018 (1)- Direct Plan - Growth of ₹10.44 each (Previous Year ₹Nil)	104.39	-	-	-
140 (Previous Year Nil) units of India Infoline Finance Limited SR C-12 of ₹1,047,600 each (Previous Year ₹Nil)	146.66	-	-	-
128 (Previous Year Nil) units of Kotak Mahindra Investments Limited Series 024 NCD of ₹774,691 each (Previous Year ₹Nil)	99.16	-	-	-
100 (Previous year Nil) units of Zero Coupon Aditya Birla Finance Limited G2 NCD of ₹1,046,798 each (Previous Year ₹Nil)	104.68	-	-	-
14,519 (Previous Year Nil) units of Axis Banking & PSU Debt- Growth of ₹1,746.98 each (Previous Year ₹Nil)	-	-	25.36	-
1,583,451.377 (Previous Year Nil) units of IDFC Banking & PSU Debt Regular- Growth of ₹16.07 each (Previous Year ₹Nil)	-	-	25.45	-
15,900,000 (Previous Year Nil) units of DSP Blackrock Fixed Maturity Plan Series of ₹11.41 each (Previous Year ₹Nil)	-	-	181.42	-
<b>e) Investments in equity instruments (unquoted) (valued at cost)</b>				
1 (Previous year 1) equity share of Hawcoplast Investments and Trading Private Limited of ₹100/- fully paid	-*	-*	-	-
<b>Total</b>	<b>959.24</b>	<b>1,265.55</b>	<b>1,065.20</b>	<b>577.23</b>
* Denotes amount less than ₹1,000/-				
Aggregate amount of Unquoted Investments	<b>959.24</b>	1,265.55	<b>1,065.20</b>	577.23

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

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

(₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security deposits to lessors *	706.90	665.20	3.26	9.45
Security deposits to others	42.90	41.46	-	-
Employee advances	-	-	2.16	2.04
Lease hold improvement contributions receivable	-	-	29.71	27.10
Capital advances	103.68	39.21	-	-
Balances with statutory/ government authorities	161.37	189.60	0.42	1.12
Advances to suppliers **	-	-	44.73	31.52
Advance income tax	69.89	44.14	-	-
MAT credit entitlement	-	35.25	35.25	-
Loans to others	18.23	30.83	12.60	13.91
Prepaid expenses	6.81	3.82	40.17	26.00
<b>Total</b>	<b>1,109.78</b>	<b>1,049.51</b>	<b>168.30</b>	<b>111.14</b>

\* Security deposits to lessors include ₹35 million (Previous Year ₹35 million) deposit given to related party (refer note 23)

\*\* Advance to suppliers includes ₹7.29 million (Previous Year ₹5.98 million) advance given to related party (refer note 23).

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

(₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
<b>Raw materials</b>		
Food items (includes goods in transit ₹2.00 million (Previous Year ₹17.42 million))	212.43	195.41
Paper Products (includes goods in transit ₹0.47 million (Previous Year ₹2.51 million))	78.92	60.36
Toys & premiums	90.17	52.23
Stores, spares & consumables (includes goods in transit ₹0.14 million (Previous Year ₹0.38 million))	28.42	28.82
<b>Total</b>	<b>409.94</b>	<b>336.82</b>

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

(₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
Other receivables *	97.59	64.31
<b>Total</b>	<b>97.59</b>	<b>64.31</b>

\* Other receivables includes ₹0.02 million (Previous Year ₹0.03 million) receivable from related party (refer note 23).

## 15. Cash and bank balances

(₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
<b>15.1 Cash and cash equivalents</b>		
Balances with banks:		
– Cash on hand	78.13	76.25
– In current accounts	12.06	33.14
	<b>90.19</b>	<b>109.39</b>
<b>15.2 Other bank balances</b>		
– Deposits with remaining maturity for less than 12 months**	1.93	0.03
	<b>1.93</b>	<b>0.03</b>
<b>Total</b>	<b>92.12</b>	<b>109.42</b>

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

# Notes to the Consolidated Financial Statements for the year ended March 31, 2019

## 16. Other assets *(Unsecured, considered good unless otherwise stated)* (₹ in Millions)

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Other receivables	41.81	-	37.48	28.38
Interest accrued on fixed deposits	-	-	0.27	0.12
Interest accrued on Investments	-	-	8.16	10.11
Deposits with banks for original maturity more than 12 months *	0.13	2.03	-	-
<b>Total</b>	<b>41.94</b>	<b>2.03</b>	<b>45.91</b>	<b>38.61</b>

\*includes fixed deposits with lien in favour of statutory authorities ₹0.13 million (Previous Year ₹0.52 million)

## 17. Revenue from operations (Net) (₹ in Millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products (refer note i below)	13,887.03	11,255.31
Other operating revenue (refer note ii below)	129.03	93.43
	<b>14,016.06</b>	<b>11,348.74</b>
<b>i) Sale of products</b>		
Food	9,525.60	7,766.53
Beverages, desserts, others	4,361.43	3,488.78
	<b>13,887.03</b>	<b>11,255.31</b>
<b>ii) Other operating revenue</b>		
Conducting fees	2.50	2.04
Franchising income	6.94	6.00
Scrap sales	19.11	12.19
Space rentals and alliances income	27.30	37.35
Miscellaneous provisions written back	73.18	35.85
<b>Total</b>	<b>129.03</b>	<b>93.43</b>

## 18. Other income (₹ in Millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- on bank deposits	0.14	0.14
- Others	2.21	5.04
Gain on sale of current investments	148.51	147.90
Insurance claim received	4.00	20.60
Other non-operating income	5.82	4.03
<b>Total</b>	<b>160.68</b>	<b>177.71</b>

## 19. Cost of materials consumed (₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
Inventory at beginning of the year	308.00	248.79
Add: Purchases during the year	5,128.73	4,308.92
	5,436.73	4,557.71
Less: Inventory at end of the year	381.52	308.00
<b>Total</b>	<b>5,055.21</b>	<b>4,249.71</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 19.1 Details of materials consumed

(₹ in Millions)

	As at March 31, 2019	As at March 31, 2018
Food	4,371.92	3,723.29
Paper	573.49	436.97
Toys & premiums	109.80	89.45
<b>Total</b>	<b>5,055.21</b>	<b>4,249.71</b>

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

(₹ in Millions)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Imported	100.35	1.99%	78.54	1.85%
Indigenous	4,954.86	98.01%	4,171.17	98.15%
<b>Total</b>	<b>5,055.21</b>	<b>100.00%</b>	<b>4,249.71</b>	<b>100.00%</b>

### 20. Employee benefits expense

(₹ in Millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	1,623.58	1,400.62
Contribution to provident and other funds (refer note 26 and 36)	136.21	132.38
Employee stock compensation expense (refer note 33)	2.13	16.22
Gratuity expense (refer note 26)	21.24	19.31
Staff welfare expenses	187.95	147.01
<b>Total</b>	<b>1,971.11</b>	<b>1,715.54</b>

### 21. Other expenses

(₹ in Millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Electricity utilities	892.14	822.74
Gas utilities	151.40	120.64
Other utilities	53.31	45.57
Conducting charges	1,271.88	1,009.16
Advertising & sales promotion	753.91	629.67
Royalty fee	641.36	476.66
Maintenance and repairs - restaurant equipments	267.88	217.79
Maintenance and repairs - others	166.09	141.61
Operating supplies at stores	193.36	174.15
Travelling and conveyance	77.40	63.29
Legal and professional Fees	106.19	94.38
Rent	52.78	46.74
Loss on Sale / write off of property, plant and equipment	56.07	71.37
Sundry balances written off	9.83	-
Training and development expenses	50.25	41.57
Communication cost	41.70	33.60
Logistics service charges	211.68	167.68
Rates and taxes	18.97	18.85
Insurance	13.72	12.79
Exchange differences (net)	2.24	0.81
Miscellaneous expenses	751.17	420.83
<b>Total</b>	<b>5,783.33</b>	<b>4,609.90</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

22. Finance costs (₹ in Millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest		
- Bank overdraft	6.22	11.98
- Bank Borrowings	167.66	135.98
- Others	0.54	0.54
Bank charges	2.90	1.61
<b>Total</b>	<b>177.32</b>	<b>150.11</b>

23. 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. Amit Jatia, Chief Executive Officer
	Mr. Suresh Lakshminarayanan, Chief Financial Officer
	Dr. Shatadru Sengupta, Company Secretary
b) Relatives of key management personnel	Mr. B.L.Jatia, Director, father of Mr. Amit Jatia
	Mrs. Smita Jatia, Director, wife of Mr. Amit Jatia
	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)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Rent expense	4.61	3.86	-	-	-	-
Electricity charges	0.32	0.28	-	-	-	-
Water charges	0.07	0.07	-	-	-	-
Security deposit given	-	19.50	-	-	-	-
Advances given	-	-	-	-	1.31	0.03
Rent income	-	-	-	0.12	-	-
Outstanding balance included in loans and advances	35.00	35.00	-	-	7.29	5.98
Outstanding Balance included in trade payables	0.37	-	-	-	-	-
Outstanding balance included in other receivables	-	-	0.02	0.03	-	-

# Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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

Particulars	Key Management Personnel (KMP)							
	B. L. Jatia		Amit Jatia		Smita Jatia		Others	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Remuneration Paid*	-	-	42.69	11.20	34.11	14.77	11.18	8.56
Advisory cum consultant fees	-	-	-	4.00	-	-	-	-
Director's sitting fees	0.16	0.12	0.41	0.24	0.27	0.16	-	-
Recovery of excess managerial remuneration paid in earlier years.**	-	-	-	14.59	-	4.86	-	-

\* 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.

\*\* 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 previous 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 was recovered back from the directors and credited to Employee benefits expense account during the year ended March 31, 2018.

## 24. Deferred taxes:

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

Particulars		2018-19	2017-18
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)	21.04	36.99
Deferred tax assets recognised due to:			
Expenses allowable for tax purposes on payment basis		28.55	36.99
Expenses deductible in future years		9.34	
Unabsorbed depreciation*		-	-
<b>Total</b>	<b>(B)</b>	<b>37.89</b>	<b>36.99</b>
<b>Net deferred tax – Assets</b>	<b>(B)–(A)</b>	<b>16.85</b>	<b>-</b>

\*Hardcastle Restaurants Private Limited, the company's subsidiary had carried forward unabsorbed depreciation of ₹437.44 million upto March 31, 2018, which has been fully utilised against the current year's profit. During the previous year, in view of absence of virtual certainty of taxable profits against which such deferred tax assets could have been utilised, the deferred tax of ₹116.19 millions on carried forward unabsorbed depreciation of ₹437.44 millions was not recognized. Further, during the previous year, deferred tax assets for other timing difference were restricted to the deferred tax liabilities as at March 31, 2018.

## 25 Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at March 31, 2019 is ₹Nil (March 31, 2018 is ₹Nil)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Advances recoverable in cash/kind	17.40 (0.25 USD millions @ ₹69.17 )	-
Trade Payables	3.56 (0.05 USD millions @ ₹69.17 )	-
Trade Receivables	6.92 (0.10 USD millions @ ₹69.17 )	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2019

26. Employee benefits

Defined Contribution Plan

Amount recognised and included in Note 20 "Contribution to Provident and other Funds" - ₹136.21 millions (Previous Year ₹132.38 millions).

Defined Benefit Plan

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

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

I) Expenses recognised in statement of profit and loss

Gratuity expense (₹ in Millions)		
Particulars	2018-19	2017-18
Current service cost	13.47	11.39
Interest cost	5.59	4.32
Expected return on plan assets	(0.62)	(0.38)
Net Actuarial (gain) / loss	2.80	1.28
Past Service cost-vested benefit recognised during the period	-	2.70
Expense recognised in statement of profit & loss	21.24	19.31
Actual return on plan assets	(2.15)	0.31

II) Amount recognised in Balance sheet

(₹ in Millions)		
Particulars	2018-19	2017-18
Present value of defined benefit obligation	88.74	77.93
Fair value of plan assets	9.24	8.65
<b>Amount recognised in Balance Sheet</b>	<b>79.50</b>	<b>69.28</b>

III) Changes in present value of defined benefit obligation

(₹ in Millions)		
Particulars	2018-19	2017-18
Opening defined benefit obligation	77.93	64.75
Interest cost	5.59	4.32
Current service cost	13.47	11.39
Past Service cost-vested Benefit recognised during the period	-	2.70
Benefit paid directly by employer	-	(0.05)
Benefits paid from the fund	(8.28)	(6.39)
Actuarial (gains)/losses	0.03	1.21
<b>Closing defined benefit obligation</b>	<b>88.74</b>	<b>77.93</b>

IV) Changes in fair value of plan assets

(₹ in Millions)		
Particulars	2018-19	2017-18
Opening fair value of plan assets	8.65	5.73
Expected return on plan assets	0.62	0.38
Contributions by employer	11.02	9.00
Benefits paid	(8.28)	(6.39)
Actuarial gains/(losses)	(2.77)	(0.07)
<b>Closing fair value of plan assets</b>	<b>9.24</b>	<b>8.65</b>

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

**Notes to the Consolidated Financial Statements** for the year ended March 31, 2019

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

Particulars	2018-19	2017-18
Insurer managed funds	81%	45%
Bank Balance with gratuity trust	19%	55%

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

Particulars	2018-19	2017-18
Discount rate	6.76%	7.18%
Expected rate of return on assets	6.76%	7.18%
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	2018-19	2017-18	2016-17	2015-16	2014-15
Gratuity					
Defined benefit obligation	88.74	77.93	64.75	55.35	50.88
Plan assets	9.24	8.65	5.73	5.05	4.14
Surplus / (deficit)	(79.50)	(69.28)	(59.02)	(50.30)	(46.74)
Experience adjustments on plan liabilities (gain) / loss	(1.78)	3.24	0.58	(6.90)	2.19
Experience adjustments on plan assets gain / (loss)	(2.77)	(0.07)	2.23	0.10	(0.02)

**27. 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.

**28. Earnings per share:**

Particulars	As at March 31, 2019	As at March 31, 2018
Profit after tax (₹million)	403.02	128.57
Weighted average number of equity shares for computing EPS		
Shares for basic earnings per share	155,599,240	155,578,963
Add : potential diluted equity shares on account of ESOP	125,024	279,975
Shares for diluted earnings per share	155,724,264	155,858,938
<b>Earnings per share</b>		
Nominal Value per share	2	2
Basic (in ₹)	2.59	0.83
Diluted (in ₹)	2.58	0.83

**Notes to the Consolidated Financial Statements** for the year ended March 31, 2019

**29. Contingent Liabilities not provided for in the accounts:** (₹ in Millions)

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Claims against the Company not acknowledged as debts*		
Excise related matters	44.75	45.07
Sales tax / VAT related matters	655.15	939.53
Goods and Services Tax related matter	74.90	
	<b>774.80</b>	<b>984.60</b>

\*Claims against the Company not acknowledged as debt:

- The Company had preferred an appeal before the Central Excise and Service Tax Appellate Tribunal ('CESTAT') 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, interest and penalty. The Company has deposited a sum of ₹1 million as pre-deposit in compliance with the Order passed by the CESTAT which has stayed the recovery of the remaining amount till the matter is finally decided. During the current year, CESTAT has remanded the matter to the Assessing Officer for fresh consideration.
- The Company had preferred an appeal before CESTAT 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, interest and penalty. The Company has deposited a sum of ₹0.01 million as pre-deposit in compliance with the Order passed by the Central Excise and Service Tax Appellate Tribunal, which has stayed the recovery of the remaining amount till the matter is finally decided. During the current year, the CESTAT has remanded the matter to the Assessing Officer for fresh consideration.
- 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. During the current year, the Company has filed Rectification Application before the Maharashtra Sales Tax Tribunal, Mumbai following apparent errors made in the judgment. The Company is also in the process of filing an appeal to the High Court. Based on the advice of external counsel, the Company believes that it has good grounds for quashing 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.
- 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 previous 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 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 on the 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

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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.

- vi. The Company had received notice for Intimation of investigation under Rule 129 of the Central Goods and Services Tax Rules, 2017 from Directorate General of Anti-Profitteering (DGAP). The reason for investigation is whether the rate of GST on the services provided by the Company was reduced with effect from 15.11.2017 and if so, whether the Company passed on the benefit of such reduction to the recipients of services in terms of Section 171 of Central Goods and Services Tax Act, 2017. The said investigation is for the period of 15th November 2017 to 31st January 2018. The Company has objected to the invocation of anti-profitteering provisions under the GST status on two grounds. The first ground is that the provisions of Section 171 of Central Goods and Services Tax Act, 2017 apply only in cases where the contract of sale/supply has been entered into prior to change in rate of tax or change in input tax credit and not otherwise. The second ground advanced by the Company is that regulation of the sale price would amount to an infringement of the right to carry any trade as guaranteed under Article 19 (1) (g) of the Constitution of India. DGAP has rejected the above grounds and investigated the case and submitted its report to National Anti-profitteering Authority (NAA). NAA after evaluating the submission of both the parties passed order in favor of revenue in which NAA directed:
- (i) HRPL to deposit ₹74.9 million,
  - (ii) DGAP to investigate the quantum of denial after 31st January, 2018 and
  - (iii) DGAP to initiate penalty proceedings against HRPL. The said order has been challenged by way of a writ petition before the High Court of Bombay. Upon hearing, petition were admitted and the Court granted an interim stay on the operation of all the directions of NAA and any proceedings in connection therewith. Pending disposal of the writ and based on the advice of external counsel, the Company believes that the Company has a very good case on both law and facts. Accordingly, no provision is considered necessary in this matter.

### 30. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹87.82 million (Previous Year ₹60.42 million).

### 31. Service Tax on Conducting Charges

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

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

- 1) All members of RAI to deposit 50% of the arrears due for the period 1st June, 2007 through 30th September, 2011 with the concerned department in three equated instalments on or before 1st November, 2011, 1st January, 2012 and 1st March, 2012;
- 2) For the balance 50% of the arrears, all the members of RAI are:
  - (a) To file solvent surety to the satisfaction of the jurisdictional Commissioners;
  - (b) To file affidavits in the SCI, within four weeks from the date of the Order, undertaking to pay the balance arrears of service tax, stayed in terms of the Order, as may be directed by the SCI at the time of final disposal of the appeal;
- 3) The successful party in the appeal to be entitled to interest on the amount stayed by the SCI at such rate as may be directed by the SCI at the time of final disposal of the appeal.

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

**Notes to the Consolidated Financial Statements** for the year ended March 31, 2019

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.

**32. 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	2018-19	2017-18
Fixed Lease payments for the year	870.46	649.86
Lease payments based on percentage of revenue	454.20	406.04
<b>Total</b>	<b>1,324.66</b>	<b>1,055.90</b>

**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 is as follows:

(₹ in Millions)		
Particulars	2018-19	2017-18
Rent based on percentage of revenue	2.50	2.04
<b>Total</b>	<b>2.50</b>	<b>2.04</b>

**33. Employee stock option plan**

- a) The Company provides share-based payment schemes to its employees. During the year ended March 31, 2019, 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, employees 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	2018-19		2017-18	
	No of Options	Weighted average exercise price (₹)	No of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	700,950	209.99	450,890	192.24
Granted during the year	-	-	302,000	238.00
Forfeited during the year	78,250	247.31	33,500	267.33
Exercised during the year	15,655	161.22	18,440	130.73
Expired during the year	-	-	-	-
Outstanding at the end of the year	607,045	206.43	700,950	209.99
Exercisable at the end of the year	343,545	180.28	200,825	160.70

## Notes to the Consolidated Financial Statements for the year ended March 31, 2019

### 33. Employee stock option plan (Contd.)

For options exercised during the period, the weighted average share price at the exercise date was ₹385.75 per share (Previous Year: ₹284.01 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2019 is 5.50 years (Previous Year: 6.82 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	2018-19	2017-18
Total Employee Compensation Cost pertaining to share option plans	2.13	16.22
Liability for Employee Stock Options Outstanding at year end	51.56	49.21

- d) There were no stock options granted during the current year and the weighted average fair value of stock options granted during the previous year was ₹238. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2019 *	March 31, 2018
Dividend yield (%)	-	0%
Expected volatility	-	0%
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 current year

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

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

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Profit after tax as reported	403.02	128.57
Add: ESOP cost using the intrinsic value method	2.13	16.22
Less: ESOP cost using the fair value method	(8.34)	(27.59)
Proforma profit after tax	396.81	117.20
Earnings Per Share		
Basic		
- As reported	2.59	0.83
- Proforma	2.56	0.75
Diluted		
- As reported	2.58	0.83
- Proforma	2.56	0.75

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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

Name of the entity	2018-19				2017-18			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹in millions	As % of consolidated profit or loss	₹in millions	As % of consolidated net assets	₹in millions	As % of consolidated profit or loss	₹in millions
<b>Parent</b>								
Westlife Development Limited	1.03%	60.15	-0.09%	(0.38)	2.00%	108.61	-4.11%	(5.29)
<b>Subsidiary</b>								
Hardcastle Restaurants Private Limited	98.97%	5,769.95	100.09%	403.40	98.00%	5,313.82	104.11%	133.86
<b>TOTAL</b>	<b>100.00%</b>	<b>5,830.10</b>	<b>100.00%</b>	<b>403.02</b>	<b>100.00%</b>	<b>5,422.43</b>	<b>100.00%</b>	<b>128.57</b>

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

(₹ in Millions)

Particulars	2018-19	2017-18
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year.	0.04 *	- *
Amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprises 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.

36. In view of the recent judgement of the Honourable Supreme Court of India dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, as legally advised, the Company has provided for the liability prospectively from the date of judgement, pending further clarity on the matter including outcome of the review petition filed against the said judgement.

37. 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 previous 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 had been recovered back from the directors and credited to employee benefits expense account during the year ended March 31, 2018..



**Notes to the Consolidated Financial Statements** for the year ended March 31, 2019

**38.** Pursuant to the resolutions passed by the Board of Directors on November 06, 2017 and February 05, 2018, the Company had 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 Standards) Rules 2006 notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Accounting standards) Amendment Rules, 2016 and other relevant provisions of the Act to the extent notified and applicable.

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

**40. Previous year figures**

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

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date 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 14, 2019

**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 14, 2019

# Independent Auditors' Report

To the Members of

**Westlife Development Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Westlife Development Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss, and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, hereinafter referred to as "the standalone financial statements."

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, and of its loss and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Investment in wholly owned subsidiary

(refer Note 7 to the standalone financial statements)

The Company on a standalone basis does not have any

significant business operations. However, the Company's wholly owned subsidiary, Hardcastle Restaurants Private Limited (HRPL) operates the McDonald's chain of Quick Service Restaurant (QSR) stores in Western and Southern India.

The carrying amount of the Company's investment in, and amounts due from HRPL represents 98% and 1% of its total assets respectively. The recoverability of these amounts due to their materiality in the context of the Company's standalone financial statements, is considered to be the area that had most significance in our audit of the standalone financial statements of the Company.

### How we have addressed the risk

- 1 We compared the carrying amount of the investment with the subsidiary's net assets as at 31 March 2019, being an approximation of its minimum recoverable amount, to determine whether these were in excess of the carrying amount of the investment as stated in the Company's financial statements.
- 2 Since the Company has insignificant operations and HRPL is its single operating wholly owned subsidiary, we also considered the Company's market capitalization as a basis for determination of fair value of HRPL.

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditors' report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5)

of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss 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. 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 standalone financial statements, management and Board of Directors are 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.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. (A) 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 standalone balance sheet, the standalone statement of profit and loss, and standalone statement of cash flows 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.
  - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 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 in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, during the current year, there has been no remuneration paid by the Company to its directors. Accordingly, compliance with the provision of Section 197 of the Act is not required to be commented upon. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

For B S R & Associates LLP  
Chartered Accountants

Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala  
Partner

Mumbai  
14 May 2019

Membership No: 100060

# 'Annexure A' to the Independent Auditors' Report - 31 March 2019 on the Standalone Financial Statements

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' Section of 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 2019, 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 partnerships 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, 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 custom and employees' state insurance.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2019 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, 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,

<p>the Company has not paid/provided remuneration to managerial person. Accordingly, paragraph (xi) of the Order is not applicable to the Company.</p> <p>(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.</p> <p>(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 Section 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.</p> <p>(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.</p>	<p>(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 them. Accordingly, paragraph (xv) of the Order is not applicable to the Company.</p> <p>(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph (xvi) of the Order is not applicable to the Company.</p>
	<p><b>For B S R &amp; Associates LLP</b>  <i>Chartered Accountants</i>  Firm's Registration No: 116231W/W-100024</p> <p><b>Shabbir Readymadewala</b>  <i>Partner</i>  Membership No: 100060</p>
	<p>Mumbai  14 May 2019</p>

# Annexure B to the Independent Auditors’ report on the standalone financial statements of Westlife Development Limited for the year ended 31 March 2019.

## Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to financial statements of Westlife Development Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“Act”).

### Auditors’ 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial

statements. 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 were established and maintained and whether 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 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 such internal financial controls, 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 controls with reference to financial statements.

### 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include 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 controls 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.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No: 116231W/W-100024

**Shabbir Readymadewala**

*Partner*

Mumbai

14 May 2019

Membership No: 100060

# Balance Sheet as at March 31, 2019

(₹)

	Note	As at March 31, 2019	As at March 31, 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	311,207,200	311,175,890
(b) Reserves and surplus	3	4,502,507,956	4,498,266,642
		<b>4,813,715,156</b>	<b>4,809,442,532</b>
<b>Share application money pending allotment</b>	2 (a)	-	50,000
<b>Current liabilities</b>			
(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		453077	207326
(b) Other current liabilities	5	47,063	156,671
		<b>500,140</b>	<b>363,997</b>
<b>TOTAL</b>		<b>4,814,215,296</b>	<b>4,809,856,529</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	6		
Property, plant and equipment		-	-
Intangible assets		61,854	85,803
(b) Non-current investments	7	4,700,835,808	4,700,835,808
(c) Long-term loans and advances	8	170,494	461,257
		<b>4,701,068,156</b>	<b>4,701,382,868</b>
<b>Current assets</b>			
(a) Current investments	7	58,579,459	50,950,509
(b) Cash and bank balances	9	1,394,306	368,956
(c) Short-term loans and advances	8	447,078	1,142,840
(d) Other current assets	10	52,726,297	56,011,356
		<b>113,147,140</b>	<b>108,473,661</b>
<b>TOTAL</b>		<b>4,814,215,296</b>	<b>4,809,856,529</b>
Summary of significant accounting policies	1.2		

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

As per our report of even date 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 14, 2019

## 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 14, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(₹)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Other income	11	7,628,950	373,871
<b>Total Revenue (I)</b>		<b>7,628,950</b>	<b>373,871</b>
<b>EXPENSES</b>			
Other expenses	12	7,692,551	5,641,310
<b>Total (II)</b>		<b>7,692,551</b>	<b>5,641,310</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) – (II)</b>		<b>(63,601)</b>	<b>(5,267,439)</b>
Depreciation and amortisation expense	6	23,949	23,155
<b>Loss before tax</b>		<b>(87,550)</b>	<b>(5,290,594)</b>
<b>Less: Tax Expenses</b>			
Current tax - adjustment for earlier years		290,762	-
<b>Loss for the year</b>		<b>(378,312)</b>	<b>(5,290,594)</b>
Earnings per equity share [face value of ₹2 each (Previous year ₹2 each)]	14		
Basic Earnings per Share (₹)		(0.00)	(0.03)
Diluted Earnings per Share (₹)		(0.00)	(0.03)
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date 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 14, 2019

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

<b>Amit Jatia</b> <i>Vice-Chairman</i>	<b>Smita Jatia</b> <i>Director</i>	<b>Dr Shatadru Sengupta</b> <i>Company Secretary</i>
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**Suresh Lakshminarayanan**  
*Chief Financial Officer*  
Place : Mumbai  
Date : May 14, 2019

## Cash flow statement for the year ended March 31, 2019

(₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(87,550)	(5,290,594)
Adjustments for:		
Depreciation and amortisation expense	23,949	23,155
Gain on sale of current investment	(7,628,950)	-
<b>Operating loss before working capital changes</b>	<b>(7,692,551)</b>	<b>(5,267,439)</b>
<b>Movements in working capital</b>		
Decrease/(increase) in loans and advances	695,762	(735,434)
Decrease in other current assets	5,412,046	1,303,422
(Decrease)/increase in trade payables	245,751	(506,932)
(Decrease)/increase in current liabilities	(109,608)	87,285
<b>Cash (used in) operations</b>	<b>(1,448,600)</b>	<b>(5,119,098)</b>
Taxes refund received	-	887,369
<b>Net cash flow (used in) operating activities (A)</b>	<b>(1,448,600)</b>	<b>(4,231,729)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(103,500)
Purchase of investments	(58,579,459)	-
Proceeds from sale of investments	58,579,459	-
<b>Net cash used in investing activities (B)</b>	<b>-</b>	<b>(103,500)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital	2,473,950	2,460,750
<b>Net cash from financing activities (C)</b>	<b>2,473,950</b>	<b>2,460,750</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,025,350</b>	<b>(1,874,479)</b>
Cash and cash equivalents at beginning of the year	368,956	2,243,435
Cash and cash equivalents at end of the year	1,394,306	368,956
	<b>1,025,350</b>	<b>(1,874,479)</b>
<b>Components of cash and cash equivalents :</b>		
Cash on hand	42,067	42,064
With banks - on current account	1,352,239	326,892
<b>Total cash and cash equivalents (refer note - 9)</b>	<b>1,394,306</b>	<b>368,956</b>

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 14, 2019

**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 14, 2019

## Notes to the Financial Statements for the year ended March 31, 2019

### 1.1 Corporate Information:

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

### 1.2. Summary of significant accounting policies:

#### a) Basis of Preparation

The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act, to the extent notified and applicable.

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.

##### 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 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) 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

## Notes to the Financial Statements for the year ended March 31, 2019

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.

### (h) 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.

### (i) 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 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.

### (j) 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.

### (k) 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

## Notes to the Financial Statements for the year ended March 31, 2019

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.

### (l) 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.

### (m) 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.

### (n) 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.

### (o) 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.

### (p) 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 recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

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

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

### (q) Measurement of EBITDA

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



## Notes to the Financial Statements for the year ended March 31, 2019

### 2. Share Capital

(₹)

	As at March 31, 2019	As at March 31, 2018
<b>Authorised shares</b>		
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
	<b>326,450,000</b>	<b>326,450,000</b>
<b>Issued, Subscribed and fully Paid-up shares</b>		
155,603,600 (Previous Year 155,587,945) Equity Shares of ₹2 each, fully paid up	311,207,200	311,175,890
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>311,207,200</b>	<b>311,175,890</b>

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

Equity shares	March 31, 2019		March 31, 2018	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	155,587,945	311,175,890	155,569,505	311,139,010
Issued during the year - ESOP	15,655	31,310	18,440	36,880
Outstanding at end of the year	<b>155,603,600</b>	<b>311,207,200</b>	<b>155,587,945</b>	<b>311,175,890</b>

#### ii) Terms/ rights attached to equity shares

The Company has only one class of Equity Shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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	March 31, 2019	March 31, 2018
Fully paid up to the shareholders of Westpoint Leisureparks Private Limited (WLPL) in accordance with the composite scheme of arrangement	28,994,852	28,994,852
Fully paid up to the shareholders of Triple A Foods Private Limited (TAF) in accordance with the composite scheme of arrangement	29,704,100	29,704,100
Fully paid Bonus Shares by capitalization of General Reserve, Reserve Fund, Securities Premium and Surplus in Statement of Profit & Loss	11,430,050	11,430,050

In addition, the Company has issued total 70,005 equity shares (Previous Year 54,350) 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

	As at March 31, 2019		As at March 31, 2018	
	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	10,763,986	6.92%	13,571,383	8.72%

## Notes to the Financial Statements for the year ended March 31, 2019

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of shares held	No. of Shares held	% of shares held
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	10,613,085	6.82%	11,521,500	7.41%

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 18

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

Share application money pending allotment represents application money received on account of Employee Stock Option Scheme. During the previous year, the Company received ₹0.05 million 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

(₹)

	As at March 31, 2019	As at March 31, 2018
<b>a) Capital reserve</b>		
Balance at beginning and at the end of the year	(2,519,607,727)	(2,519,607,727)
	<b>(2,519,607,727)</b>	<b>(2,519,607,727)</b>
<b>b) Securities premium account</b>		
Balance at beginning of the year	7,002,003,683	6,995,319,589
Add: Additions on ESOP's exercised	2,492,640	2,373,870
Less: Transferred to Employee Stock Option outstanding on account of expiration of options granted	3,440,499	-
Add: Transferred from employee stock option outstanding	3,471,132	4,310,224
	<b>7,004,526,956</b>	<b>7,002,003,683</b>
<b>c) Employee stock option outstanding</b>		
Balance at beginning of the year	49,207,545	37,295,885
Add : Amortisation of expense related to options granted	2,126,986	16,221,884
Add : Transferred from General Reserve on account of expiration of options granted	252,653	-
Add: Transferred from securities premium on account of expiration of options granted	3,440,499	-
Less : Transferred to securities premium on account on exercise of stock options	3,471,132	4,310,224
	<b>51,556,551</b>	<b>49,207,545</b>
<b>d) Surplus/ (deficit) in the statement of profit and loss</b>		
Balance at beginning of the year	(36,123,599)	(30,833,005)
(Loss) for the year	(378,312)	(5,290,594)
<b>Net surplus / (deficit) in the Statement of Profit and Loss</b>	<b>(36,501,911)</b>	<b>(36,123,599)</b>
<b>e) General reserve</b>		
Balance at beginning of the year	2,786,740	2,786,740
Less : Transferred to employee stock option outstanding on account of expiration of options granted	252,653	-
	<b>2,534,087</b>	<b>2,786,740</b>
<b>Total</b>	<b>4,502,507,956</b>	<b>4,498,266,642</b>

Notes to the Financial Statements for the year ended March 31, 2019

4. Trade payables (₹)

	As at March 31, 2019	As at March 31, 2018
Trade payables (refer note 17)		
· Total dues to micro enterprises and small enterprises	–	–
· Total outstanding dues of creditors other than micro enterprises and small enterprises	453,077	207,326
<b>Total</b>	<b>453,077</b>	<b>207,326</b>

5. Other current liabilities (₹)

	As at March 31, 2019	As at March 31, 2018
Statutory liabilities	47,063	156,671
<b>Total</b>	<b>47,063</b>	<b>156,671</b>

## Notes to the Financial Statements for the year ended March 31, 2019

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

(₹)

Particulars	Gross Block (At cost)			Depreciation / Amortisation			Net Block		
	As at 01.04.2018	Additions / Adjustments	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	for the year	Deductions/ Adjustments	As at 31.03.2019	As at 31.03.2018
<b>Tangible Assets</b>									
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	-
<b>Sub Total</b>	<b>88,250</b>	<b>-</b>	<b>-</b>	<b>88,250</b>	<b>88,250</b>	<b>-</b>	<b>-</b>	<b>88,250</b>	<b>-</b>
	88,250	-	-	88,250	88,250	-	-	88,250	-
<b>Intangible Assets</b>									
Computer Software	119,743	-	-	119,743	33,940	23,949	-	57,889	61,854
	16,243	103,500	-	119,743	10,785	23,155	-	33,940	85,803
<b>Sub Total</b>	<b>119,743</b>	<b>-</b>	<b>-</b>	<b>119,743</b>	<b>33,940</b>	<b>23,949</b>	<b>-</b>	<b>57,889</b>	<b>85,803</b>
	16,243	103,500	-	119,743	10,785	23,155	-	33,940	85,803
<b>Total</b>	<b>207,993</b>	<b>-</b>	<b>-</b>	<b>207,993</b>	<b>122,190</b>	<b>23,949</b>	<b>-</b>	<b>146,139</b>	<b>85,803</b>
<i>Previous Year</i>	<i>104,493</i>	<i>103,500</i>	<i>-</i>	<i>207,993</i>	<i>99,035</i>	<i>23,155</i>	<i>-</i>	<i>122,190</i>	<i>85,803</i>
									<i>5,458</i>

(figures in Italics pertain to previous year)

## Notes to the Financial Statements for the year ended March 31, 2019

### 7. Investments

(₹)

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>(A) Trade Investments (valued at cost)</b>				
Investments in Subsidiary Company				
Equity instruments (unquoted)				
1,747,628 (Previous Year 1,747,628) equity shares of Hardcastle Restaurants Private Limited of ₹1000/- each fully paid up.	4,700,835,788	4,700,835,788	–	–
<b>(B) Non Trade Investments (valued at cost)</b>				
Investments in equity shares (unquoted)				
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)				
3,993.235 (Previous Year 15,633.235) units of HDFC Money Market fund DP-Growth erstwhile HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option.	–	–	12,820,580	50,950,509
12,452.830 (Previous Year nil) units of HDFC Liquid Plan - Direct Plan - Growth Option	–	–	45,758,879	–
<b>Total</b>	<b>4,700,835,808</b>	<b>4,700,835,808</b>	<b>58,579,459</b>	<b>50,950,509</b>
Aggregate amount of unquoted instruments	4,700,835,808	4,700,835,808	58,579,459	50,950,509

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

(₹)

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Balances with statutory/government authorities	170,494	170,494	422,279	1,123,255
Advance income tax (net of provisions)	–	290,763	–	–
Prepaid expenses	–	–	24,799	19,585
<b>Total</b>	<b>170,494</b>	<b>461,257</b>	<b>447,078</b>	<b>1,142,840</b>

### 9. Cash and bank balances

(₹)

	As at March 31, 2019	As at March 31, 2018
<b>Cash and cash equivalents</b>		
Cash on hand	42,067	42,064
Balances with banks:		
– in current accounts	1,352,239	326,892
<b>Total</b>	<b>1,394,306</b>	<b>368,956</b>

Notes to the Financial Statements for the year ended March 31, 2019

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

	As at March 31, 2019	As at March 31, 2018
Other receivables (refer note 13)	52,726,297	56,011,356
<b>Total</b>	<b>52,726,297</b>	<b>56,011,356</b>

11. Other income (₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest received on refund of income tax	-	373,871
Gain on sale of current investment	7,628,950	-
<b>Total</b>	<b>7,628,950</b>	<b>373,871</b>

12. Other expenses (₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Legal & professional fees	1,080,641	1,842,146
Printing and stationery	476,693	242,563
Director's sitting fees	3,174,200	1,710,100
Payment to auditor (refer note 12.1)	825,575	660,625
Listing and membership fees	499,432	373,068
Communication costs	73,979	83,862
Travelling expenses	522,897	173,460
Advertisement expenses	211,667	148,825
Insurance	112,798	109,113
Web designing and maintenance	131,096	119,738
Miscellaneous expenses	583,573	177,810
	<b>7,692,551</b>	<b>5,641,310</b>

12.1 Payment to auditors (₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor :		
Statutory audit fees	756,610	613,045
In other capacity :		
Other services (certification fees)	25,000	25,000
Reimbursement of expenses	43,965	22,580
	<b>825,575</b>	<b>660,625</b>

13. Related party disclosure

Category of related parties	Names of Parties
A Where control exists-	
Subsidiary Company	Hardcastle Restaurants Private Limited
B Other related parties 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)

# Notes to the Financial Statements for the year ended March 31, 2019

Transactions with related parties during the year			(₹)
	2018-19	2017-18	
<b>(A) Transaction with Subsidiary Company- Hardcastle Restaurants Private Limited</b>			
(i) Recovery of employee stock option cost	2,509,772	19,000,208	
(ii) Investments in equity share capital - conversion from preference share capital	-	420,927,400	
<b>(B) Transactions with KMP #</b>			
(i) Director's sitting fees			
Mr Banwari Lal Jatia	155,000	120,000	
Mr Amit Jatia	410,000	240,000	
Mrs Smita Jatia	270,000	155,000	
Mr Achal Jatia	205,000	95,000	
<b>(C) Outstanding balance of subsidiary company- Hardcastle Restaurants Privated Limited included in other current assets</b>	52,726,297	56,011,356	

# There is no managerial remuneration paid to the directors

14. Earnings per share (EPS):			(₹)
Particulars	2018-19	2017-18	
(Loss) after tax	(378,312)	(5,290,594)	
Weighted average number of equity shares for computing EPS			
Shares for basic earnings per share	155,599,240	155,578,963	
Add : Potential diluted equity shares on account of ESOP	125,024	279,975	
Shares for diluted earnings per share	155,724,264	155,858,938	
<b>Earnings per share</b>			
Nominal value per share	2	2	
Basic	(0.00)	(0.03)	
Diluted	(0.00)	(0.03)	

15. Contingent Liabilities:  
Contingent liabilities as at March 31, 2019 ₹Nil (Previous Year ₹Nil).

16. Pursuant to the resolutions passed by the Board of Directors on November 06, 2017 and February 05, 2018, the Company had 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 Standards) Rules 2006 notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act to the extent notified and applicable.

17. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006:			(₹)
Particulars	2018-19	2017-18	
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 Enterprises 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.	-	-	

Notes to the Financial Statements for the year ended March 31, 2019

17. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006: (₹)

Particulars	2018-19	2017-18
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.

18. Employee stock option plans

- a) The Company provides share-based payment schemes to its employees. During the year ended March 31, 2019, 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	2018-19		2017-18	
	No of Options	Weighted average exercise price (₹)	No of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	700,950	209.99	450,890	192.24
Granted during the year	-	-	302,000	238.00
Forfeited during the year	78,250	247.31	33,500	267.33
Exercised during the year	15,655	161.22	18,440	130.73
Expired during the year	-	-	-	-
Outstanding at the end of the year	607,045	206.43	700,950	209.99
Exercisable at the end of the year	343,545	180.28	200,825	160.70

For options exercised during the period, the weighted average share price at the exercise date was ₹385.75 per share (Previous Year: ₹284.01 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2019 is 5.50 years (Previous Year: 6.82 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	2018-19	2017-18
Total Employee Compensation Cost pertaining to share option plans	-	-
Liability for Employee Stock Options Outstanding at year end	51,556,551	49,207,545

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 ₹2,509,772 (Previous Year ₹19,000,208) (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, 2019

### 18. Employee stock option plans (Continued)

- d) There were no options granted during the current year and the weighted average fair value of stock options granted during the previous year was ₹238. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2019	March 31, 2018*
Dividend yield (%)	-	0%
Expected volatility (%)	-	54.49%
Risk-free interest rate (%)	-	6.64%
Weighted average share price (₹)	-	238
Exercise Price (₹)	-	238
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 loss after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	2018-19	2017-18
Loss after tax as reported	(378,312)	(5,290,594)
Add: ESOP cost using the intrinsic value method	2,126,986	16,221,884
Less: Recovered from subsidiary, Hardcastle Restaurants Private Limited	(2,126,986)	(16,221,884)
Less: ESOP cost using the fair value method	(8,344,139)	(27,593,936)
Add: Recovered from subsidiary, Hardcastle Restaurants Private Limited	8,344,139	27,593,936
Proforma loss after tax	(378,312)	(5,290,594)
Earnings Per Share		
Basic		
- As reported	(0.00)	(0.03)
- Proforma	(0.00)	(0.03)
Diluted		
- As reported	(0.00)	(0.03)
- Proforma	(0.00)	(0.03)

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

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

The accompanying notes are an integral part of the 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 14, 2019

#### 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 14, 2019

# ANNEXURE A

(Pursuant to first proviso 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	November 13, 2011
3	Financial year ending on	March 31, 2019
4	Reporting currency	Indian Rupees
5	Share Capital	1747.63
6	Reserves and surplus	3,503.62
7	Total assets	9,716.10
8	Total liabilities	9,716.10
9	Investments	1,965.86
10	Turnover	14,016.06
11	Profit before taxation	392.71
12	Provision for taxation	(10.69)
13	Profit after taxation	403.40
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 Turnover 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 14, 2019

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

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

**Suresh Lakshminarayanan**  
Chief Financial Officer  
Place : Mumbai  
Date : May 14, 2019

## NOTES



## NOTES



OUR JOURNEY TOGETHER.  
**FOR GOOD.**

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

CIN No. : L65990MH1982PLC028593

Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,

Senapati Bapat Marg, Elphinstone Road, Mumbai 400013

Tel : 022-4913 5000 | Fax : 022-4913 5001

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

### NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting ('AGM') of Westlife Development Limited will be held at Orchid Hall, 2nd Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai 400 018 on Thursday, the 5th day of September, 2019 at 11.00 a.m. to transact the following business:

#### ORDINARY BUSINESS:

- To consider and adopt:
  - the audited financial statements of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and the Auditors thereon.
  - the audited consolidated financial statements of the Company for the financial year ended 31st March, 2019.
- To appoint a Director in place of Mr Banwari Lal Jatia (DIN: 00016823), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

- To confirm the appointment of Ms Amisha Hemchand Jain (DIN: 05114264) as an Independent Director and in this regard, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Ms Amisha Hemchand Jain (DIN: 05114264) be and is hereby appointed as an Independent Director of the Company for a period of first term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, not liable to retire by rotation."

#### NOTES:

- 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 AGM is annexed hereto.
- 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 11.00 a.m. on Tuesday, 3rd September, 2019. 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.
- 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.
- 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 25th July, 2019.
- The entry to the meeting venue will be regulated by means of Attendance Slips. For attending the meeting, members, proxies and authorized representatives of members, as the case may be, are requested to bring the enclosed Attendance Slip completed in all respects, including Client ID and DP ID, and signed. Duplicate Attendance Slips will not be issued.
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and participate on their behalf at the Meeting.
- This Notice along with the relevant financial statements and annexures thereto are being sent in electronic mode to those members whose email addresses are registered with the depositories, unless any member has requested a physical copy of the same. Physical copies are being sent to other members. All members are requested to support the Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses as aforesaid to receive all these documents electronically from the Company,



in accordance with Rule 18 of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014. All the aforesaid documents have also been uploaded on and are available for download from the Company's website, being [www.westlife.co.in](http://www.westlife.co.in). Kindly bring your copy of the Annual Report to the meeting.

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 is lying with the Company.
13. The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM has been done away with vide notification No. S.O. 1833 (E) dated 7th May, 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 AGM held on 20th September, 2017.
14. No gifts shall be provided to members before, during or after the AGM.
15. The Company provides its members the electronic facility to exercise their right to vote at the 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 Monday 2nd September, 2019 at 9.00 a.m. and ends on Wednesday, 4th September, 2019 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2019, 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](http://www.evotingindia.com)
- iii. Click on "Shareholders" tab.
- iv. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	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) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li></ul>

Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- 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.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non-Individual Shareholders and custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should email a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user using the admin login and password who would be able to link the account(s) which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding remote e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- xxi. Members may alternatively cast their votes using the Ballot Form which is enclosed with this Notice, which is also available on the website of the Company. Please refer to instructions under the heading "B" below for more details.

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

Members may fill in the Ballot Form and submit the same in a sealed envelope to the Scrutinizer, Mr Shailesh Kachalia, Practising Company Secretary, available at the venue of the meeting. 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:**

- 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.
- 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. 29th August, 2019, may obtain the User ID and password in the manner as mentioned on the CDSL'S website i.e. [www.cdslindia.com](http://www.cdslindia.com).
- Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 5th September, 2019.
- Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.westlife.co.in](http://www.westlife.co.in) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within two days of the passing of the Resolutions at the 36th AGM of the Company and communicated to BSE Limited where the shares of the Company are listed.
- 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

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

<b>(i)</b>	<b>Name of Director</b>	<b>Mr Banwari Lal Jatia</b>
	Date of Birth	08/12/1943
	Date of Appointment	24/11/2012
	Expertise in Specific Functional areas	General Management
	Qualifications	B.Com, LLB
	Other listed Companies in which Directorship held	Hardcastle & Waud Manufacturing Co. Ltd.
	Chairman/ Member of Committees of Boards of other listed Companies	Hardcastle & Waud Manufacturing Co. Ltd. - Stakeholders and Relationship Committee - Member
	Shares held in the Company	11 (0.00%)
	Relationship with other directors	Mr Amit Jatia (son); Ms Smita Jatia (son's wife); Mr Achal Jatia (son)
<b>(ii)</b>	<b>Name of Director</b>	<b>Ms Amisha Hemchand Jain</b>
	Date of Birth	10/04/1977
	Date of first Appointment on the Board	01/04/2019
	Date of appointment on the Board as Independent Director	01/04/2019
	Expertise in Specific Functional areas	General Management
	Qualifications	Master's in Electronics Engineering and MBA
	Other listed Companies in which Directorship held	Nil
	Chairman/ Member of Committees of Boards of other listed Companies	Nil
	Shares held in the Company	Nil
	Relationship with other directors	Nil

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

By Order of the Board of Directors

Sd/-

Mumbai  
July 25, 2019

**Dr Shatadru Sengupta**  
Company Secretary

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

### Item 3:

Based on the recommendation of the Nomination and Remuneration Committee vide its resolution dated 25th March, 2019, Ms Amisha Hemchand Jain (DIN: 05114264) had been appointed under Section 161 of the Companies Act, 2013 ('the Act') as an Additional Director-Independent Director of the Company for a period of first term of five consecutive years w.e.f. 1st April, 2019 to 31st March, 2024, not liable to retire by rotation, by the Board of Directors vide its resolution dated 26th March, 2019.

She is an Independent Director and holds office upto the date of the ensuing AGM. The Board of Directors commends to the members her appointment as Director of the Company at the ensuing AGM.

The Company has received a notice in writing from a member/herself pursuant to Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, not liable to retire by rotation. Pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company. Further, pursuant to Section 149(13) of the Act, an Independent Director is not liable to retire by rotation. In the opinion on the Board, she fulfils the conditions specified in the Act for such appointment.

Except for Ms Amisha Hemchand Jain, none of the Directors or Key Managerial Personnel of the Company or their relatives are interested in this item of business.





## 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 36th Annual General Meeting of the Company, to be held on Thursday, the 5th day of September, 2019 at 11.00 a.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 Banwari Lal Jatia (DIN: 00016823) as Director
3	Appointment of Ms Amisha Hemchand Jain (DIN: 05114264) as an Independent Director for a first term of five years

Signed this..... day of.....2019

Signature of shareholder(member).....

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

Affix  
Revenue  
Stamp

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





## Westlife Development Ltd.

CIN No. : L65990MH1982PLC028593

Regd. Off.: 1001, Tower-3, 10th Floor, Indiabulls Finance Centre,  
Senapati Bapat Marg, Elphinstone Road, Mumbai 400013

Tel : 022-4913 5000 | Fax : 022-4913 5001

Website :www.westlife.co.in | 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 Banwari Lal Jatia (DIN: 00016823) as Director			
3	Appointment of Ms Amisha Hemchand Jain (DIN: 05114264) as an Independent Director for a first term of five years			

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 36th ANNUAL GENERAL MEETING of the Company held at Orchid Hall, 2nd Floor, Sunville Banquets, 9, Dr Annie Besant Road, Worli, Mumbai 400 018 on Thursday, 5th September, 2019 at 11.00 a.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](http://www.westlife.co.in).

