



BARBEQUE-NATION HOSPITALITY LIMITED

Our Company was originally incorporated as Sanchi Hotels Private Limited on October 13, 2006 at Indore, Madhya Pradesh, India as a private limited company under the Companies Act, 1956. Subsequently, the name of our Company was changed to Barbeque-Nation Hospitality Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, located at Gwalior on February 18, 2008. Thereafter our Company was converted into a public limited company and the name of our Company was changed to Barbeque-Nation Hospitality Limited and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, located at Gwalior on March 4, 2008. Subsequently the registered office of our Company was changed from Indore, Madhya Pradesh, India to Bengaluru, Karnataka, India, pursuant to certificate of registration of regional director order for change of state issued by the Registrar of Companies, Karnataka located at Bengaluru ("RoC") on January 15, 2014, with effect from December 16, 2013. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 156.

Registered and Corporate Office: Survey No. 62, Site No. 13, 6th Cross, NS Palya, BTM Layout, Bengaluru 560 076, Karnataka, India

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E-mail: compliance@barbequeunion.com; **Website:** www.barbeque-nation.com; **Corporate Identity Number:** U55101KA2006PLC073031

OUR PROMOTERS: SAYAJI HOTELS LIMITED, SAYAJI HOUSE KEEPING SERVICES LIMITED, KAYUM DHANANI, RAOOF DHANANI AND SUCHITRA DHANANI

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF BARBEQUE-NATION HOSPITALITY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹2,000 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,179,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION, COMPRISING AN OFFER OF SALE OF UP TO 109,800 EQUITY SHARES BY AAJV INVESTMENT TRUST, UP TO 4,729,200 EQUITY SHARES BY TAMARA PRIVATE LIMITED, UP TO 400,000 EQUITY SHARES BY AZHAR DHANANI, UP TO 270,000 EQUITY SHARES BY KAYUM DHANANI, UP TO 270,000 EQUITY SHARES BY SANYA DHANANI AND UP TO 400,000 EQUITY SHARES BY SADIYA DHANANI, (AAJV INVESTMENT TRUST, TAMARA PRIVATE LIMITED, AZHAR DHANANI, KAYUM DHANANI, SANYA DHANANI AND SADIYA DHANANI COLLECTIVELY CALLED THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO 150,000 EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) NOT EXCEEDING 5% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] AND [●]%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY MAY CONSIDER A PRE-OFFER PLACEMENT OF UP TO 2,574,002 EQUITY SHARES BY OUR COMPANY FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹2,000 MILLION AT THE DISCRETION OF THE COMPANY AND THE SELLING SHAREHOLDERS (THE "PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS AND THE PRE-IPO PLACEMENT WILL BE COMPLETED PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE NUMBER OF EQUITY SHARES ALLOTTED WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO A MINIMUM OFFER OF [●] OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL BEING OFFERED TO THE PUBLIC.

THE FACE VALUE OF THE EQUITY SHARES IS ₹5 EACH. THE PRICE BAND, THE AMOUNT OF DISCOUNT, IF ANY TO RETAIL INDIVIDUAL BIDDERS (THE "RETAIL DISCOUNT") AND THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (THE "EMPLOYEE DISCOUNT") AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND THE [●] EDITION OF THE KANNADA NEWSPAPER, [●] (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.*

* Retail Discount of [●] to the Offer Price may be offered to the Retail Individual Bidders and Employee Discount of [●] to the Offer Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the website of the BRLMS and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), and in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), the Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholders, in consultation with the BRLMS, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds and the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, [●] Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Offer Price after the Employee Discount, if any. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" beginning on page 370.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹5 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders in consultation with the BRLMS as stated under "Basis for Offer Price" on page 102) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 16.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholders severally and not jointly confirm only the statements specifically made by the Selling Shareholders in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Equity Shares being offered in the Offer for Sale and severally assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an "in-principle" approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

				
IIFL Holdings Limited 10 th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: bnhl ipo@iiflcap.com Investor grievance email: ig_ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pranay Doshi	Edelweiss Financial Services Limited 14 th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: bnhl ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Nishita John/ Devesh Vij	Jefferies India Private Limited 42/43, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4356 6000 Fax: +91 22 6765 5595 E-mail: BBQ.IPO@jefferies.com Investor grievance email: jipl.grievance@jefferies.com Website: www.jefferies.com Contact Person: Gaurav Arora SEBI Registration No.: INM000011443	SBI Capital Markets Limited 202, Maker Tower "E" Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 Fax: +91 22 2218 8332 E-mail: bbq.ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Gitesh Vargantwar/ Nikhil Bhiwapurkar SEBI Registration No.: INM000003531	Link Intime India Private Limited C-101, 1 st Floor, 247 Park, L.B.S. Marg Vikhroli (West) Mumbai - 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: bnhl.ipo@linkintime.co.in Investor grievance email: bnhl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSING ON	[●] ⁽²⁾

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMS, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMS, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended from time to time.

General Terms

Term	Description
“our Company”, “the Company”, “the Issuer” or “Barbeque-Nation”	Barbeque-Nation Hospitality Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Survey No. 62, Site No. 13, 6 th Cross, NS Palya, BTM Layout, Bengaluru 560 076, Karnataka, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company Related Terms

Term	Description
AAJVIT	AAJV Investment Trust
Articles of Association/AoA	Articles of association of our Company, as amended
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof
BHL	Barbeque Nation Holdings Limited
BNRL	Barbeque Nation Restaurant LLC
Blue Deebaj	Blue Deebaj Chemicals LLC
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹5 each
ESOP 2015	Barbeque Nation Hospitality Limited Employee Stock Option Plan 2015
FRPL	Favorite Restaurants Private Limited
Group Entity	The company as covered under the applicable accounting standards and also other companies as considered material by our Board, as identified in “Our Group Entity” on page 190
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed in “Our Management” on page 166
Memorandum of Association/MOA	Memorandum of Association of our Company, as amended
Phantom Option Scheme, 2015	Barbeque Nation Hospitality Limited - Phantom Option Scheme 2015
PPL	Pace Private Limited
PGPL	Prime Gourmet Private Limited
Promoters	Promoters of our Company, namely, SHL, SHKSL, Kayum Dhanani, Raof Dhanani and Suchitra Dhanani For details, see “Our Promoters and Promoter Group” on page 181
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations For details, see “Our Promoters and Promoter Group” on page 181
Registered and Corporate Office	Registered office of our Company located at Survey No. 62, Site No. 13, 6 th Cross, NS Palya, BTM Layout, Bengaluru 560 076, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Karnataka located at Bengaluru
Restated Consolidated Financial Statements	The restated consolidated financial information of our Company and our Subsidiaries which comprises of the restated consolidated balance sheet, the restated consolidated profit and loss information and the restated consolidated cash flow information as at and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, the Indian GAAP and restated in accordance with the SEBI ICDR Regulations
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The restated standalone financial information of our Company which comprises of the restated standalone balance sheet, the restated standalone profit and loss and the restated standalone cash flow information as at and for the financial years ended March

Term	Description
	31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, which have been prepared in accordance with the Companies Act, the Indian GAAP and restated in accordance with the SEBI ICDR Regulations
Selling Shareholders	AAJVIT, TPL, Azhar Dhanani, Kayum Dhanani, Sanya Dhanani and Sadiya Dhanani
Shareholders	Shareholders of our Company from time to time
SHKSL	Sayaji Housekeeping Services Limited
SHL	Sayaji Hotels Limited
Subsidiaries	Subsidiaries of our Company namely BHL, BNRL, and PGPL
TPL	Tamara Private Limited

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidders	Any Bidder except Anchor Investor
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker to the Offer/Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "Offer Procedure" on page 370
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations The term "Bidding" shall be construed accordingly

Term	Description
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, less Retail Discount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as applicable
Bid Lot	[●]
Bid/Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Kannada newspaper [●] (Kannada being the regional language of Karnataka, where the Registered Office of our Company is situated), each with wide circulation</p> <p>Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations</p>
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Kannada newspaper, [●], (Kannada being the regional language of Karnataka, where the Registered Office of our Company is situated) each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs or Managers	The book running lead managers to the Offer namely, IIFL, Edelweiss, Jefferies and SBICAP
Broker Centres	<p>Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)</p>
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	Agreement dated [●] entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank, the Public Issue Account Bank(s) and the Refund Bank, <i>inter alia</i> , for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	<p>Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs</p> <p>Only Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price</p>
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated CDP Locations	<p>Such locations of the CDPs where Bidders can submit the ASBA Forms.</p> <p>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on</p>

Term	Description
	the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Banks from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after filing of the Prospectus with the RoC
Designated Intermediaries	Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated August 14, 2017, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Edelweiss	Edelweiss Financial Services Limited
Eligible Employees	All or any of the following: (a) a permanent and full time employee of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company until the submission of the Bid cum Application Form, and is based, working and present in India as on the date of submission of the Bid cum Application Form; and (b) a Director of our Company, whether a whole time Director, part time Director or otherwise, (excluding such Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and any Promoter) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based and present in India as on the date of submission of the Bid cum Application Form. An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee'. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis. Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion, post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount).
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Discount	Discount of ₹[●] per Equity Share to the Offer Price given to Eligible Employees Bidding in the Employee Reservation Portion
Employee Reservation Portion	The portion of the Offer, being up to 150,000 Equity Shares aggregating up to ₹[●] million, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no

Term	Description
	Bids will be accepted
Fresh Issue	The fresh issue of [●] Equity Shares aggregating up to ₹2,000 million by our Company
General Information Document/GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in “Offer Procedure” on page 370
IIFL	IIFL Holdings Limited
Jefferies	Jefferies India Private Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer minus the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Offer expenses For further information about use of the Net Proceeds and the Offer expenses, see “Objects of the Offer” on page 93
Non-Institutional Bidder(s)	All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non resident Indian, FIIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹5 each for cash at a price of ₹[●] each, aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale The Offer comprises of the Net Offer to the public aggregating up to ₹[●] million and the Employee Reservation Portion of up to 150,000 Equity Shares aggregating up to ₹[●] million for subscription by Eligible Employees Our Company may consider a pre-offer placement of up to 2,574,002 Equity Shares for an aggregate amount not exceeding ₹2,000 million at the discretion of the Company and the Selling Shareholders. The Pre-IPO Placement will be at a price to be decided by our Company and the Selling Shareholders and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted will be reduced from the Fresh Issue, as applicable, subject to a minimum offer of [●]% of the post-Offer paid-up Equity Share capital being offered to the public
Offer Agreement	The agreement dated August 14, 2017, between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 6,179,000 Equity Shares comprising an offer of up to 109,800 Equity Shares by AAJVT, up to 4,729,200 Equity Shares by TPL, up to 400,000 Equity Shares by Azhar Dhanani, up to 270,000 Equity Shares by Kayum Dhanani, up to 270,000 Equity Shares by Sanya Dhanani and up to 400,000 Equity Shares by Sadiya Dhanani in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus A discount of up to [●]% (equivalent of ₹[●]) per Equity Share on the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion and a discount of up to [●]% (equivalent of ₹[●]) per Equity Share on the Offer Price to the Retail Individual Bidders may be offered to the Retail Individual Bidders. The Rupee amount of such discount, if any, will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Kannada newspaper [●] (Kannada being the regional language of Karnataka, where the Registered Office of our Company is situated), at least five Working Days prior to the Bid/ Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price will be decided by our Company and the Selling Shareholders in

Term	Description
	consultation with the BRLMs on the Pricing Date
Offer Proceeds	The proceeds of the Offer that are available to our Company and the Selling Shareholders
Pre-IPO Placement	Our Company may consider a pre-offer placement of up to 2,574,002 Equity Shares for an aggregate amount not exceeding ₹2,000 million at the discretion of the Company and the Selling Shareholders. The Pre-IPO Placement will be at a price to be decided by our Company and the Selling Shareholders and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted will be reduced from the Fresh Issue, as applicable, subject to a minimum offer of [●]% of the post-Offer paid-up Equity Share capital being offered to the public
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/Offer Opening Date, in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Kannada newspaper [●] (Kannada being the regional language of Karnataka, where the Registered Office of our Company is situated), each with wide circulation
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Issue Account	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank	The bank(s) with which the Public Issue Account(s) shall be maintained, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Net Offer consisting of [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The red herring prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank	[●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated August 11, 2017, entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer/Registrar	Link Intime India Private Limited
Retail Bidder(s)/RIB(s)	Individual Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Discount	A discount of ₹[●] that may be offered to Retail Individual Bidders bidding in the Employee Reservation Portion, by our Company and the Selling Shareholders in consultation with the BRLMs, at the time of making a Bid
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the

Term	Description
	Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
SBICAP	SBI Capital Markets Limited
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement dated [●] entered into by the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centers where the Syndicate shall accept ASBA Forms from Bidders
Syndicate Agreement	Agreement dated [●] entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate	The BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company	A non-banking financial company registered with the Reserve Bank of India and having a net worth of more than ₹5,000 million as per the last audited financial statement
Technopak	Technopak Advisors Private Limited
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
APC	Average Per Cover
CAGR	Compounded Annual Growth Rate
CDR	Casual Dining Restaurant
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
DIY	Do-It-Yourself
FDR	Fine Dining Restaurant
F&B	Food and Beverage
GCC	Gulf Cooperation Council
GSI	Guest Satisfaction Index
GVA	Gross Value Added
HR	Human Resources
IT	Information Technology
KPIs	Key Performance Indicators
MAT	Minimum Alternate Tax
Mega Metro cities	Delhi NCR and Mumbai
Metro Cities	Mega Metro Cities and Mini Metro Cities
Mini Metro cities	Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata and Pune
NOC	No Objection Certificate
PFCE	Private Final Consumption Expenditure
PAT	Profit After Tax
PR	Public Relations

Term	Description
SBN	Specified Bank Notes
QSR	Quick Service Restaurant
Tier I cities	City with one to five million population
Tier II cities	City with 0.3 to one million population
Tier III cities	City with less than 0.3 million population
UK	United Kingdom

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
Bn/bn	Billion
BSE	BSE Limited
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Criminal Procedure Code	Code of Criminal Procedure, 1973
Competition Act	The Competition Act, 2002
Customs Act	The Customs Act, 1962
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPA	Environment Protection Act, 1986
EPF Act	The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESI Act	The Employees’ State Insurance Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations framed thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
Food Authority	Food Safety and Standards Authority of India
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FSSA	The Food Safety and Standards Act, 2006
FSSR	Food Safety and Standards Rules, 2011
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
GIR	General Index Register
GoI/Government	Government of India
GST	Goods and Services Tax

Term	Description
GST Act	Central Goods and Services Tax Act, 2017
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards notified by the Ministry of Finance
IFRS	International Financial Reporting Standards
Income Tax Act / IT Act	The Income Tax Act, 1961
Ind AS	Indian Accounting Standards (Ind AS)
India	Republic of India
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
Legal Metrology Act	Legal Metrology Act, 2009
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A./NA	Not Applicable
NAV	Net Asset Value
NBFC	Non-banking financial company registered with the RBI
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified by the Ministry of Corporate Affairs, Government of India
NR	Non-resident
NRE Account	Non Resident External Account
NRI	An individual resident outside India, who is a citizen of India or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PCBs	Pollution Control Boards
Public Liability Act	Public Liability Insurance Act, 1991
RBI	Reserve Bank of India
RoW	Rest of the world
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Insider Trading Regulations, 1992	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
SEBI Insider Trading Regulations, 2015	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure

Term	Description
	Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft./sq.ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
State PCB	State Pollution Control Board
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Takeover Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Takeover Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Trade Marks Act	Trade Marks Act, 1999
UAE	United Arab Emirates
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(zn) of SEBI ICDR Regulations

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Act, SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Statement of Tax Benefits”, “Financial Statements”, “Industry Overview”, “Outstanding Litigation and Material Developments”, “Main Provisions of Articles of Association” and “Offer Procedure” on pages 106, 194, 109, 330, 416 and 370, respectively, shall have the meaning given to such terms in such sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India, all references to the “UAE” are to the United Arab Emirates and all references to “USA”, “US” and “United States” are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Statements prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places except percentage figures in “Risk Factors”, “Industry Overview” and “Our Business”, which are rounded off to one decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. The restated standalone financial statements as of and for the Financial Years ended March 31, 2017, 2016, 2015, 2014 and 2013 and the restated consolidated financial statements as of and for the Financial Years ended March 31, 2017, 2016 and 2015 are included in this DRHP.

There are significant differences between Indian GAAP, Ind AS, US GAAP and IFRS. The reconciliation of the financial information to Ind AS, IFRS or US GAAP has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. See “Risk Factors” on page 16 for risks involving differences between Indian GAAP and IFRS or US GAAP and risks in relation to Ind AS. Further, for details of significant differences between Indian GAAP and Ind AS, see “Summary of Significant Differences Between Indian GAAP and Ind AS” on page 319. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 16, 131 and 300 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:

- “AED” or “Dirham” are to the United Arab Emirates Dirham, the official currency of the UAE;
- “Rupees” or “₹” or “INR” or “Rs.” are to the Indian Rupee, the official currency of India; and
- “USD” or “US\$” are to the United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be

construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	As on March 31, 2013 ⁽¹⁾ (₹)	As on March 31, 2014 ⁽¹⁾ (₹)	As on March 31, 2015 ⁽¹⁾ (₹)	As on March 31, 2016 (₹)	As on March 31, 2017 (₹)	As on June 20, 2017 (₹)	As on July 24, 2017 (₹)
1 AED	14.82	16.30	16.97	18.03	17.65	17.60	17.53
1 USD	54.39	60.10	62.59	66.33	64.84	64.47	64.45

(Source: Bloomberg and RBI website)

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 16. Accordingly, investment decisions should not be based solely on such information.

Information has been included in this Draft Red Herring Prospectus from the report titled “Indian Food Services Market” dated July 28, 2017 prepared by Technopak, which report has been commissioned by our Company for the purposes of confirming its understanding of the industry in connection with the Offer.

For details of risks in relation to the industry report, see “Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Technopak” on page 39.

In accordance with the SEBI ICDR Regulations, “Basis for Offer Price” on page 102 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are predictions and subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- inability to implement our growth strategy successfully including in relation to selecting cities and locations for our new restaurants;
- inability to continue to build the Barbeque Nation and the Johnny Rockets brand;
- failure to foresee or respond effectively to significant competition;
- inability to maintain consistent same restaurant sales growth;
- any adverse claims, media speculation and other public statements relating to our food quality, restaurant facilities and service;
- inability to source quality raw materials, ingredients or other necessary supplies and services in a timely manner; and
- inability to manage or run our back end operations efficiently.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 16, 131 and 300, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with SEBI requirements and as prescribed under applicable

law, the Selling Shareholders severally and not jointly will ensure that investors are informed of material developments in relation to statements and undertakings made by the respective Selling Shareholders from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all of the information set forth in this Draft Red Herring Prospectus, particularly the financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 300 of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in the Equity Shares. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of the Equity Shares and the loss of all or part of an investment in the Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see “Forward-Looking Statements” on page 14 of the Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the merits and the risks involved. Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements under Indian GAAP, as restated.

INTERNAL RISK FACTORS

- 1. If we are unable to implement our growth strategy successfully including in relation to selecting cities and locations for our new restaurants our results of operations and financial condition may be adversely affected.***

We have experienced significant growth in our business in the last five Fiscals. Our total numbers of Barbeque Nation Restaurants have grown from 32 in Fiscal 2013 to 37, 45, 66 and 79 in Fiscals 2014, 2015, 2016 and 2017, respectively. Consequently, our total revenue has grown from ₹1,842.45 million in Fiscal 2013 to ₹5,034.85 million in Fiscal 2017 (inclusive of revenue from Johnny Rockets Restaurants) at a CAGR of 28.57%. This growth has placed and will continue to place significant demands on our managerial, operational and capital resources. While we intend to continue to expand our operations in India and select overseas markets, we may not be able to sustain historic growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

As part of our overall strategy, we may undertake investments, acquire certain businesses, assets and technologies and develop new business lines, products and distribution channels. For example, PGPL our recently acquired Subsidiary, acquired the exclusive India franchise rights for Johnny Rockets, an American hamburger chain. We acquired PGPL as a subsidiary in 2016. The continued successful expansion of our business activities depends on our ability to:

- position our new restaurants to successfully establish a foothold in new markets and to execute our business strategy in new markets;
- successfully integrate the new restaurants with our existing operations and achieve related synergies;
- introduce an optimal mix of cuisine which successfully meets local guest preferences at attractive prices;
- negotiate and obtain favourable terms from our suppliers;
- effectively run our marketing campaigns;
- hire, train and retain skilled personnel;
- effectively compete with existing and new restaurants in the region; and
- manage any development or construction plans around our planned sites which could have an

impact on the traffic flow to our restaurants.

In addition, our business success will depend on a number of factors, many of which are beyond our control. These factors include, but are not limited to:

- consumer trends (including our ability to adapt our format and offering to meet such trends);
- hiring, training and retaining qualified personnel;
- finding suitable locations for our new restaurants;
- identifying suitable supply and delivery resources;
- creating consumer awareness for our restaurants in new markets;
- competition in our markets in the Casual Dining Restaurant (“**CDR**”) segment; and
- availability of financing at competitive terms and conditions.

Any investment, acquisition and business initiative could require our management to develop expertise in new areas, manage new business relationships and attract new types of guests, and divert their attention and resources, all of which could divert their time and attention and have a material impact on our ability to manage our business. These investments, acquisitions and business initiatives may also expose us to risks associated with the integration of new business lines, operations and personnel, the diversion of resources from our existing business and technologies, the potential loss of, or harm to, relationships with employees and guests, as well as other unforeseen liabilities.

Expansion into new geographic regions, including different states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- uncertainties with new local business partners;
- ability to understand consumer preferences and local trends in such new regions;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

If any of our new restaurants does not break even or achieve our expected level of profitability within our expected timeframe or at all, our expansion plans and our results of operations, financial condition and profitability may be materially and adversely affected and we may decide to relocate or even close some of our restaurants. If we are forced to close any of our restaurants, we may not be able to realise our investment cost since our restaurants are custom-built for our business.

In addition, we have in the past and may in the future experience delays or higher-than-anticipated costs in opening new restaurants. We may also experience delays or fail to obtain required government approvals or licenses and permits to operate our restaurants. Any such delays or failures to obtain relevant government approvals and/or licenses and permits could have an adverse impact on our revenues, as we may start incurring lease costs when we run past our fit out period under the terms of our lease agreements. We may also start incurring significant employee-related expenses, as we typically relocate our restaurant management and staff to new restaurants typically approximately 45 to 60 days months in advance of a new restaurant opening.

Consequently, there can be no assurance that we will be able to achieve our expansion goals, that new restaurants will be opened in a timely manner, or at all, or that new restaurants opened will be profitable. Furthermore, expansion and future growth will increase demands on our management team, systems and resources, financial controls and information systems. These increased demands may adversely affect our ability to open new restaurants and to oversee our existing restaurants. If we fail to continue to improve our infrastructure or to manage other factors necessary for us to meet our expansion objectives, our growth rate and operating results could be materially and adversely affected.

2. *Certain of our Promoters and Promoter Group members are involved in SEBI proceedings in relation to certain non-compliances under securities related laws.*

Certain of our Promoters and Promoter Group members are involved in proceedings initiated against them by SEBI. For further details, please see section “*Outstanding Litigation and Material Developments – Litigation involving our Promoters – Action by statutory/regulatory authorities against SHL, Action by statutory/regulatory authorities against Raof Dhanani and Actions by statutory/regulatory authorities against Kayum Dhanani*” on page 332 of this Draft Red Herring Prospectus. The said proceedings include the following:

(i) Orders and show cause notices issued by the SEBI against our Promoter, SHL and its promoters and directors

- SEBI had in the past issued certain orders against the promoter/ promoter group of SHL, who are also shareholders of SHL, as well as against its directors for failure to comply with the requirement to maintain public shareholding of at least 25% of the share capital of SHL. Subsequently, upon SHL complying with the minimum public shareholding requirement the order was vacated by SEBI, and SEBI referred the matter for the delay in compliance by SHL, for adjudication. SEBI issued a show cause notice dated May 17, 2017 to SHL in this regard and SHL responded by its letter dated June 21, 2017, setting out the reasons for its inability in meeting the minimum public shareholding requirements.
- SHL also received a show cause notice dated February 15, 2017 for its failure to report trades by certain promoter entities under the SEBI Insider Trading Regulations, 1992. SHL replied to the said show cause notice by its letter dated April 29, 2017, stating that while SHL was in compliance with the reporting requirements, it was unable to trace the copies of intimations made to the stock exchanges.

(ii) Show cause notices issued by SEBI to our Promoter and Director, Raof Dhanani in relation to SHL and Liberty Phosphate Limited

- Raof Dhanani was issued a show cause notice on January 4, 2017 in relation to non-compliance with the provisions of the Takeover Regulations, 2011 during an open offer involving SHL by undertaking an acquisition of shares of SHL during the open offer period; and his appointment as an additional director of SHL during the open offer period, each without depositing 100% of the consideration payable under the open offer in escrow (assuming full acceptance of the open offer). Raof Dhanani replied to the said show cause notice on May 1, 2017 by denying any violation of the Takeover Regulations, 2011 and clarifying that he had complied with the Takeover Regulations, 2011 in spirit.
- Raof Dhanani also received a show cause notice dated June 27, 2014 and a common show cause notice dated June 27, 2014 in relation to Liberty Phosphate Limited, which merged with Coromandel International Limited, for non-compliance with the open offer requirements and disclosure requirements prescribed under the Takeover Regulations, 1997, and a show cause notice dated May 12, 2015 for failure to adopt a code of conduct for insider trading pursuant to the SEBI Insider Trading Regulations, 1992. Consent applications for settlement of these matters are pending before SEBI.

(iii) Show cause notice issued by SEBI to promoters and promoter group members of SHL, including two of our Promoters and Directors, Suchitra Dhanani and Kayum Dhanani

- Certain promoters and promoter group members of SHL, including two of our Promoters and Directors, Suchitra Dhanani and Kayum Dhanani received a show cause notice in relation to non-compliance with open offer and disclosure requirements prescribed under the Takeover Regulations, 1997, and a failure to make disclosures prescribed under the SEBI Insider Trading Regulations, 1992. The noticees replied to the said show cause notice on May 2, 2017.

In the event adverse orders are passed against any of our Promoters and Directors by SEBI in the aforesaid matters, our Promoters and Directors will be liable to pay monetary penalties. Further, any such orders may also have an adverse impact on the reputation of our Promoters and Directors and our Company. In addition, since Kayum Dhanani is the Managing Director of our Company, there may also be a direct adverse impact on the business, operations and future prospects of our Company.

3. *One of our Promoters and Directors, Raof Dhanani is involved in a criminal proceeding and in an insolvency proceeding. Any adverse decision in these matters may have an indirect impact on the reputation and business of our Company.*

One of our Promoters and Directors, Raof Dhanani is involved in a criminal proceeding initiated by Videocon Leasing and Industrial Finance Limited (“**Videocon**”) before the Additional Criminal Judicial Magistrate, Ghaziabad under Sections 34, 415, 418 and 420 of the IPC and Section 200 of the Criminal Procedure Code in relation to dishonestly inducing Videocon to, *inter alia*, part with ₹160 million for issuance of non-convertible, redeemable debentures of Divya Chemicals Limited, which were not issued. Subsequently, pursuant to an application filed by Raof Dhanani, the High Court of Allahabad passed an order dated October 27, 2005, quashing the proceedings and directing the Additional Criminal Judicial Magistrate, Ghaziabad to decide the question of territorial jurisdiction, in the matter. The matter is currently pending. Further, Raof Dhanani is also involved in an insolvency proceeding initiated by SICOM Limited before the High Court of Bombay in relation to recovery of ₹6.01 million, with interest on the sum of ₹2.75 million at the rate of 12% per annum from January 24, 2007 until payment, as set out in an order passed by the Debt Recovery Tribunal-II, Mumbai in 2005, which amount Raof Dhanani and other defendants had failed to pay. Pursuant to an order dated July 5, 2016, the High Court of Bombay reserved the matter for directions until the Supreme Court of India decides whether an insolvency notice can be issued on the basis of a judgment and order passed by the debt recovery tribunal. If adverse orders are passed in any of these matters against Raof Dhanani, the reputation of our Company and its operations maybe adversely affected. For further details, please see section “*Outstanding Litigation and Material Developments – Criminal Litigation against Raof Dhanani and Civil Litigation against Raof Dhanani*” on page 335 of this Draft Red Herring Prospectus.

4. *Some of our Promoters and Directors and some members of our Promoter Group operate or control entities engaged in a similar line of business as our Company, which may lead to competition with these entities and could potentially result in a loss of business opportunity for our Company.*

Some of our Promoters and Directors and some members of our Promoter Group directly or indirectly operate or control entities, including one of our corporate promoters, SHL, which are engaged in a similar line of business as our Company. Such companies are involved in the restaurant and hospitality business and may offer cuisines or menu items similar or identical to those offered in our restaurants. Further, SHL is involved in the hospitality sector and operates hotels and restaurants *inter alia*, within the premises of its hotels, within the premises of third party hotels and certain standalone restaurants. Our Promoter may have conflicts of interest with our interests or the interests of our shareholders and favour these companies in certain situations, or not direct opportunities to us. While such Promoters and Directors have executed an undertaking dated August 5, 2017 to refrain from operating or controlling restaurants or food ventures, in India or outside India, subject to certain exemptions, there can be no assurance that situation of conflict of interest will not arise in the future. The non-compete undertaking is subject to the provisions of the Indian Contract Act, 1872, as amended, with respect to enforceability. Any of the above may impact the trading price of our equity shares, our business, financial condition and results of operations. For further details in relation to the non-compete arrangement, please see section “*History and Certain Corporate Matters – Summary of Key Agreements and Shareholders Agreements – Non compete undertaking dated August 5, 2017 by our Promoters*” on page 162 of this Draft Red Herring Prospectus.

5. *If we are unable to continue to build the Barbeque Nation brand our business, reputation and results of operations may be adversely affected.*

We believe the “Barbeque Nation” brand name commands strong brand recognition due to its long and successful presence in the markets in which we operate and maintaining and enhancing the Barbeque Nation brand is therefore important for maintaining our competitive advantage. Our Barbeque Nation Restaurants may become less attractive due to changing consumer preferences and our inability to adapt to such changes in a timely manner may affect our results of operations.

Our success depends on our ability to maintain the brand image of our existing product and effectively build our brand image for new products and brand extensions. There can be no assurance that our established brand name will not be adversely affected in the future by events that are beyond our control. In the event that we are unable to use the Barbeque Nation name for any reason or in case guest complaints or adverse publicity damage our brand, our business, financial condition and results of operations would be adversely affected.

As a majority of our income is derived from our Barbeque Nation Restaurants, creating and maintaining public awareness of our brand is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed, or guests lose confidence in our brand for any reason, it could harm our ability to attract and retain guests. There can be no assurances that we will be able to sustain

effective marketing, advertising and branding initiatives in the future. Maintaining and enhancing our brand may require us to make substantial investments in areas such as restaurant operations, marketing and employee training, and these investments may not be successful.

We also anticipate that as our business expands into new markets and as our markets become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. If we are unable to maintain or enhance our Barbeque Nation brand recognition, our business, financial condition, results of operations and prospects may be materially and adversely affected.

6. *If we are unable to identify and obtain suitable locations for our new restaurants this may result in lower footfalls and table turn rates which would adversely affect our anticipated growth in business.*

We have expanded our Barbeque Nation Restaurant network from one Barbeque Nation Restaurant in 2007 to 81 Barbeque Nation Restaurants owned and operated by us in 42 cities in India and one restaurant in Dubai as of June 30, 2017. As part of our growth strategy, we plan to increase our Barbeque Nation Restaurant network in India and select overseas markets. Identifying and securing ideal locations for our new restaurants is essential to our business.

Desirable locations may be limited for many reasons, including the general lack of prime real estate in the markets in which we compete and restrictions in some of these markets on the use of certain locations for restaurants. As a result, desirable locations for new restaurants or for the relocation of existing restaurants may not be available on commercially acceptable terms or at all. For example, we have closed one Barbeque Nation Restaurant and one Johnny Rockets Restaurant in the past due to commercial considerations. Further, we may not correctly identify ideal locations that can support the restaurants we open. Certain additional factors, some of which are beyond our control, that could adversely affect our new restaurants include the availability of adequate financing and fit-out costs.

If we are unable to identify and obtain suitable locations for our new restaurants, we may witness lower footfalls and table turns which would adversely affect our ability to achieve our anticipated growth in revenue and profitability.

7. *There are various proceedings involving our Company, and some of our Promoters and Directors, which if determined against us or them, may have an adverse effect on our business, results of operations and our reputation.*

There are outstanding legal proceedings involving our Company, and some of our Promoters and Directors, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The list of such outstanding legal proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Nature of cases	No. of cases	Total amount involved (in ₹million)
Litigation involving our Company and Subsidiaries		
<i>Against our Company</i>		
Action taken by statutory and regulatory authorities	4	0.05*
Indirect tax cases	20	18.30
Labour matters	1	0.40
Litigation involving our Promoters and Directors		
<i>Against our Promoters</i>		
SHL		
Civil cases	6	6.54
Criminal cases	1	Not ascertainable
Action taken by statutory and regulatory authorities	2	Not ascertainable
Direct tax cases	13	26.34
Indirect tax cases	24	190.43
Labour matters	2	0.06
Kayum Dhanani		

Nature of cases	No. of cases	Total amount involved (in ₹million)
Action taken by statutory and regulatory authorities	1	Not ascertainable
Raof Dhanani		
Criminal cases	1	Not ascertainable
Civil cases	1	Not ascertainable
Action taken by statutory and regulatory authorities	4	Not ascertainable
Suchitra Dhanani		
Civil cases	1	NA**
Action taken by statutory and regulatory authorities	1	Not ascertainable
Direct tax cases	9	4.65
By our Promoters		
SHL		
Civil	2	0.17
Criminal	2	0.24

*An amount of ₹0.05 was levied by the Local Additional Collector & Adjudicating Officer, Ahmedabad for non-conformity of food sample with the prescribed standards under the Food Safety and Standards (Food Products and Additives) Regulations, 2011.

**Application for grant of succession certificate under section 325 of the Indian Succession Act, 1925.

Further, certain members of our Promoter Group may also be involved in legal proceedings, including with regulatory authorities, from time to time. We cannot assure you that any of these matters will be settled in our favour or in favour of our Promoters and Directors or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, results of operations and our reputation. For details, see “*Outstanding Litigation and Material Developments*” on page 330 of this Draft Red Herring Prospectus.

8. *If we are unable to regularly offer new dishes on our menu or if we fail to timely respond to changes in consumer tastes and preferences our business and results of operations would be adversely affected.*

We offer a wide variety of dishes at both our Barbeque Nation Restaurants and Johnny Rockets Restaurants. The markets where we operate may demand frequent change in the future including new dishes and dish variant introductions. We plan our menus and dishes based on guest consumption patterns as well as on anticipated trends and guest preferences in the forthcoming seasons. Any mismatch between our forecasts, our planning, introduction of new dishes and the actual demand by our guests could impact us adversely, leading to loss of existing customers or lower footfalls.

Before we can introduce a new dish, we must successfully execute a number of steps, including market research and guest feedback, while adapting our infrastructure networks to increase or change the nature of our raw material requirements. However, there can be no assurance that such efforts will always result in identifying successful new dishes and avoiding unsuccessful introductions. Although we rarely substantially modify our menus, an inability to successfully introduce new menu items could adversely affect our business, financial condition, results of operations and prospects.

Guest preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new dishes by our competitors could put our dishes at a competitive disadvantage. Our business is particularly sensitive to changing consumer preferences, including changes in consumer tastes and dining habits and consumer acceptance of our restaurant format. For example, our Barbeque Nation restaurants have benefitted from a consumer appetite for good value, ‘all you can eat’ cuisine, but that consumer preference may change. Health, dietary and other considerations may also result in changes to consumer preferences, which may in turn result in reduced demand for our products. The demand for our offering or our costs of doing business may also be adversely affected by public concern about nutrition, food safety and other factors. Our particular restaurant format may become less attractive in light of changing consumer preferences, and we may be unable to adapt to such changes in a timely manner or such changes that we adapt to our outlet concepts may be unsuccessful. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in guest tastes for our offering, as well as to where and how guests consume these products. Any changes in consumer preferences that decrease demand for our offering our business, financial condition, results of operations and prospects would be adversely affected.

9. *If we are unable to foresee or respond effectively to significant competition our business, results of operations and financial condition could be adversely affected.*

Our Company faces competition from the restaurant industry in general and the CDR segment in particular, both organised and unorganised, and potential new entrants to the CDR segment, who may have more flexibility in responding to changing business and economic conditions.

We face competition across our business activities from varied offerings. In relation to the organised CDR category, we face competition from other organised CDR chains including Mainland China, Chili's, Pizza Hut, Moti Mahal and Sagar Ratna on the one hand and from QSR chains such as Dominos and McDonald's on the other.

Some of our competitors may have greater financial resources or a more experienced management team than us. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated or lower cost solutions than we do, which may have a negative effect on our sales. Further, our competitors may set up restaurants in the vicinity of our existing restaurants and may offer their products at more aggressive prices.

The CDR segment of the Indian restaurant industry is experiencing growing competition in the markets in which we compete. Additionally, the over-the-table grill barbecue concept pioneered by us, according to the Technopak Report may see new entrants and greater competition.

There is increasing competition in respect of price, service, location and food quality. In addition, there is competition for suitable real estate available for leasing. A growing, under-served market, such as India, is particularly attractive to new entrants, who may also offer new cuisines that appeal to consumer tastes. New entrants may include global casual dining businesses which benefit from global brand recognition and have significant experience in entering and operating in new markets and significant management, marketing and financial resources.

We may also face competition from existing, experienced casual dining businesses willing to accept low margins on investment in order to enter new markets as well as from business conglomerates willing to cross-subsidise a new casual dining business in order to enter new markets. In addition, the casual dining sector of the restaurant industry in India is fragmented. As a result, in addition to national and regional casual dining restaurant chains, we also compete with smaller restaurant chains as well as individual restaurants within the cities in which we operate.

We cannot assure you that we will be able to continue to compete effectively with our competitors. Our failure to compete effectively, including any delay in responding to changes in the industry and market conditions, together with increased spending on advertising, may affect the competitiveness of our offering, which may result in a decline in our revenues and profitability. A significant increase in competition could exert downward pressure on prices, lower demand for our products and restaurant concepts, an inability to take advantage of new business opportunities and a loss of market share, all of which would adversely affect our business, financial condition, results of operations and prospects.

10. *The premises of all our restaurants are leased. If we fail to renew these leases on competitive terms or if we are unable to manage our lease rental costs, our results of operations would be materially and adversely affected.*

As of June 30, 2017, all of our business operations were conducted on premises leased from various third parties. We may also enter into such transactions with new third parties in the future. The premise of our Registered and Corporate Office is also on lease from our Group Company. For further details, please see section "*Risk Factors - If we are unable to accurately estimate the demand for our offerings, our business, financial condition and results of operation may be adversely affected*" on page 29 of this Draft Red Herring Prospectus.

We generally enter into long-term lease agreements or sub-lease agreements that have an initial term that typically range for a period of three to 19 years. Some of our lease/ sub-lease agreements also grant us the right of renewal upon expiration of the current lease. Under our existing lease/ sub-lease arrangements, leases for two of our owned and operated Barbeque Nation Restaurants have expired as of June 30, 2017 and renewal of these arrangements is currently under negotiation. Certain of our lease/ sub-lease agreements include terms imposing penalty or damages on us for failure to hand over possession of the leased premises to the lessors within the set out time period, and giving the right to the lessors/ sub-lessors to terminate the lease/ sub-lease arrangement on non-payment of rent for the prescribed period. In some of our lease/ sub-lease agreements we may terminate the

lease agreement by giving prior notice ranging between two and twelve months. Further, some of our leases/ sub-leases include a lock-in period ranging between three to five years, during which period we cannot terminate the lease, except on the occurrence of a limited number of specified events. If we terminate any such lease/ sub-lease during the lock-in period, we may be liable to pay the rent including applicable taxes towards the entire lock-in period. Finally, in relation to our lease agreement for our Barbeque Nation Restaurant in Vasant Kunj, New Delhi, we have agreed to a non-compete arrangement within a six kilometre geographical radius of our restaurant for the duration of the lease agreement.

In recent years, real estate costs including rents have escalated significantly in some of our existing locations and in new locations that we may enter and there can be no assurance that such significant increases in real estate costs will not continue to occur in the future. Further, the terms of our lease agreements typically include a rent escalation provision of 5% every year or 20% every three years. Our operating performance depends, in part, on our ability to secure leases for our restaurants in appropriate locations at rents we believe are cost effective. The early termination of any of our leases due to our non-compliance with the lease terms or our failure to renew leases at commercially acceptable rentals or at all, could adversely affect our business, financial condition, results of operations and prospects.

Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may materially affect our business operations. We currently lease premises for all our restaurants. Further, for one of our leased premises, we are required to obtain consent of the landlord in favour of one existing lender to our Company for creating a charge on the security deposit paid to such landlord. We are in the process of obtaining such consent from the landlord. In the event that we are unable to obtain such consent, the same may result in a breach of the terms of our loan agreement. For details see, “*Risk Factors - Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions*” on page 32. Further, at one of our restaurants located in Sushant Lok Plaza, Gurugram, the lease agreement has been executed by SHL, which was transferred to our Company pursuant to an asset transfer agreement dated April 1, 2012 executed between SHL and our Company. For details see, “*History and Certain Corporate Matters*” on page 156 of the Draft Red Herring Prospectus. However, we are yet to execute a lease agreement for the said premises in the name of our Company, or obtain consent from the landlord for the said transfer to our Company. In the event of failure to obtain such consent, the landlord may terminate the lease, which may adversely impact our results of operations and cash flows. The lease relating to one of our Barbeque Nation Restaurants has not been transferred in favour of our Company.

11. *If we are unable to maintain consistent same restaurant sales growth, our results of operations may be adversely affected.*

One of the key parameters for our success is consistent same restaurant sales growth. We employ a number of measures to achieve this and track this closely on a regular basis. However, we may be unable to maintain consistent same restaurant sales growth due to a number of reasons including:

- relative failure of our newly introduced dishes;
- failure to increase our sales volumes through our various food festivals;
- poor inventory forecasting;
- inability to reduce purchasing and logistics costs on account of economies of scale;
- failure to efficiently use our commissaries;
- inability to reduce wastage; and
- failure to optimise restaurant-level staffing.

For example, in the past, we introduced new products to offer our clients on-demand barbeque dishes. However, we discontinued this offering due to relative lack of interest from our clients.

Any one or a combination of the factors set out above or other factors currently unknown to us may stall the growth of our sales volumes which may adversely affect our results of operations.

12. *If we are unable to maintain our high food quality standards it may lead to negative publicity which may adversely affect our reputation, business and results of operations.*

Any adverse claims, media speculation and other public statements relating to our food quality, restaurant facilities and service would materially and adversely affect our reputation and our corporate image, or otherwise affect our ability to conduct our business in the ordinary course, including, without limitation, obtaining and renewing operational licenses and regulatory approvals and establishing and maintaining our relationships with guests and suppliers, and to expand our business, including, without limitation, obtaining the necessary

financing for such expansion. Further, concerns regarding the safety of products offered at our restaurants or the safety and quality of our supply chain could cause guests to avoid dining with us, or to seek alternative sources, even if the basis for the concern is outside of our control. Adverse publicity about these concerns, whether or not ultimately based on fact, and whether or not involving our restaurants, could discourage guests from dining with us and have a material and adverse effect on our turnover and results of operations. In addition, we cannot guarantee that our operational controls and employee training will be effective in preventing food-borne illnesses, food tampering and other food safety issues that may affect our operations.

We cannot assure you that there will not be incidents of contaminated products or ingredients in the future which may result in product liability claims, product recall and negative publicity. Any such claims and allegations would also distract our management from their day to day management responsibilities and may therefore have a material adverse effect on our business, financial condition and results of operations.

In addition, we rely on third-party raw material suppliers, and, although we monitor them, such reliance may increase the risk that food-borne illnesses may affect one or many of our locations supplied by such third parties. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise that could give rise to claims or allegations on a retroactive basis. Incidents of food-borne illnesses or other food safety issues, including food tampering or contamination affecting our guests may result in litigation, negative publicity, increased costs of doing business and decreased demand at one or all of our restaurants, even if the illnesses are incorrectly attributed to our restaurants. The negative impact of adverse publicity, real or perceived, about our food quality or any illness, injury, other health concern or similar issue relating to one restaurant may extend far beyond the restaurant involved to affect some or all of our other restaurants.

In addition, nutritional, health and other scientific inquiries and studies, which can affect consumer perceptions and dining preferences, could adversely affect our business and prospects. Negative publicity, real or perceived, about food quality, illness, injury or other health concerns (including health implications of obesity and trans fatty acids) or similar issues stemming from one outlet or a number of restaurants could materially adversely affect us, regardless of whether they pertain to our own restaurants or to restaurants owned or operated by other companies. For example, health concerns about the consumption of meat products or specific events such as the outbreak of “swine” flu or “avian” flu could lead to changes in consumer preferences, reduce consumption of our products and adversely affect our financial performance. These events could reduce the available supply of meat products or significantly raise the price of such meat products.

Any publicity relating to health concerns or the perceived or specific outbreaks of food-borne illnesses, food tampering or other food safety issues attributed to one or more of our restaurants could result in a significant decrease in sales in all of our restaurants and could have a material adverse effect on our results of operations. In addition, similar publicity or occurrences with respect to other restaurants or restaurant chains could also decrease our sales and have a similar material adverse effect on us.

13. *If we are unable to acquire quality raw materials, ingredients or other necessary supplies and services in a timely manner or if we fail to pass on inflation in food costs to our guests, our business, results of operations and financial condition may be adversely affected.*

Our operations are dependent on adequate and timely deliveries of quality ingredients, including fresh produce. We depend on third-party distributors and suppliers for such deliveries, and therefore, are subject to the risk that shortages or interruptions in supply, caused by factors such as adverse weather conditions, unanticipated demand, changes in governmental regulation and recalls of food products, could adversely affect the availability, quality and cost of ingredients. If the quality of our suppliers’ ingredients declines, we may not be able to obtain replacements for such ingredients on commercially agreeable terms or at all in the open market. If our food quality declines due to the inferior quality of ingredients or due to interruptions in the flow of ingredients and similar factors, guest traffic may decline and negatively affect our results.

In addition, the food supply industry in India is fragmented and unorganised and we depend on a number of local suppliers and butchers for our raw materials. Our supply agreements have varying terms and we do not have exclusive supply arrangements with our suppliers. Our suppliers may discontinue operations or choose to work with our competitors, including if, among other things, they are offered better terms by our competitors. In the event of a major disruption to the timely supply of quality ingredients, alternative suppliers of food and/or distribution services (as the case may be) may only be available at higher prices or at terms much less favourable to us.

Our profitability depends in part on our ability to anticipate and react to changes in the cost of our supplies. Increases in the cost of important products could significantly increase our restaurant expenses. Most

ingredients used in our restaurants, including cooking oil, meat products and vegetables, are commodities and therefore subject to price fluctuations as a result of seasonality, weather, supply and demand in local and international markets, economic conditions and other factors which are beyond our control. Increases in the cost of important raw materials could significantly increase our restaurant expenses. Expenses from materials (food and beverage) represented approximately 43.29%, 42.16% and 41.17% of our restaurants' total expenses for Fiscals 2015, 2016 and 2017.

We have no control over fluctuations in the price and availability of ingredients or variations in products caused by these factors. If we are not able to obtain requisite quantities of quality ingredients at commercially reasonable prices, our ability to provide the menu items that are central to our business would be adversely affected. In addition, any shortage of raw materials in the market generally could impact the prices charged by our suppliers, making the cost of raw materials more expensive for us. This in turn could result in an increase in prices to our guests which may reduce demand and therefore adversely affect our business, financial condition, results of operations and prospects.

In addition, we purchase electricity, oil, natural gas and other related supplies needed to operate our restaurants, and our suppliers generally purchase gasoline needed to transport food and supplies to us. Any significant increase in energy costs could adversely affect us through higher rates or imposition of fuel surcharges by our suppliers. Our industry is also susceptible to power outages, which could result in restaurant closures, business disruptions and/or substantial costs associated with reliance on auxiliary power sources.

We cannot predict whether we will be able to anticipate and react favourably to changing costs by adjusting our purchasing practices and menu prices, and a failure to do so could adversely affect our business, financial condition, results of operations and prospects. In addition, because we operate in price sensitive markets, we would likely be unable to fully pass on price increases to our guests. Increases in our costs for any reason including those discussed above could adversely affect our business, financial condition, results of operations and prospects. In addition, if we are unable to adjust our significant fixed costs including lease costs and staff costs, in response to a reduction in revenues in the future, our business, financial condition, results of operations and prospects could be adversely affected.

We cannot guarantee that our third-party contractors will comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all. Third-party providers may breach agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreements because of their own financial difficulties or business priorities, potentially at a time that is costly or otherwise inconvenient for us.

Our operations could be delayed or our commercial activities could be harmed due to any such event despite having continuity plans in place. In addition, if our third-party providers fail to operate in compliance with regulations or corporate and societal standards, we could suffer reputational harm, which would likely cause a material adverse effect on our business, financial condition, results of operations and prospects.

14. *Certain restrictions under the International Master Development Agreement with Johnny Rockets Licensing LLC may limit our ability to take certain actions in a timely manner.*

Our Subsidiary, Prime Gourmet Private Limited ("PGPL") has entered into an international master development agreement dated January 25, 2013 with Johnny Rockets Licensing LLC ("MDA"). The MDA grants us the exclusive right and license to develop Johnny Rockets Restaurants in India at venues approved by Johnny Rockets LLC, the license to use the Johnny Rockets trademarks, including its trade name and service mark and the Johnny Rockets system including general restaurant layout and design, equipment, interior and exterior decorations, signage specifications, menus of standard appearance and designs, recipes, formulas, operation methods, training materials, sales techniques and management controls systems exclusively in connection with the development, construction and operation of Johnny Rockets Restaurants in India. The initial development term of the MDA is seven years, which shall be extended by three successive terms of seven years each, subject to fulfilment of the conditions prescribed under the MDA.

During the subsistence of the MDA, we are required to execute a restaurant-specific addendum (the agreed form of which is attached to the MDA) before opening any new Johnny Rockets Restaurant after the preliminary site approval. We are also required to obtain prior approval for relocation or renovation any of our existing Johnny Rockets Restaurants. Johnny Rockets Licensing LLC continues to have exclusive control over the content and media of all marketing and promotional programs proposed to be used for promoting the Johnny Rockets Restaurants. We are also required to obtain prior approval for installing any amusement devices, video machines or any other vending machines at the Johnny Rockets Restaurants.

Further, pursuant to the MDA, in order to maintain uniform standards of operations across all Johnny Rockets Restaurants, we are required to adhere to the same methods and standard of operations as established by Johnny Rockets Licensing LLC, which include:

- sourcing materials used in the preparation of food products only from Johnny Rockets Licensing LLC, its affiliates or from the suppliers approved by Johnny Rockets Licensing LLC;
- using standard menu formats; and
- compliance with the specifications and recipes as prescribed in the manuals provided by Johnny Rockets Licensing LLC and deploying such requisite hardware and software as required by Johnny Rockets Licensing LLC.

Please see “*History and Certain Corporate Matters – Key Agreements entered into by PGPL*” on page 164 of this Draft Red Herring Prospectus for further details on the summary of the MDA.

Adherence to the obligations set out in the MDA including the ones described above may result in substantial involvement of Johnny Rockets Licensing LLC in our existing operations and in our expansion plans. Consequently, this may restrict our ability or result in delays for undertaking certain actions in the future, including opening of new or renovating existing Johnny Rockets Restaurants and introducing new dishes or revising our existing dishes and other offerings at the Johnny Rocket Restaurants in line with the changing consumer trends, thereby having a material adverse effect on our business, financial condition and results of operations.

15. *If we are unable to manage and run our back end operations efficiently our business and result of operations would be adversely affected.*

In addition to operating our Barbeque Nation Restaurants, we prepare some of our food items and other consumables used in our restaurants at our own commissaries based in Delhi NCR and Pune. Our commissaries co-ordinate the delivery of fresh food to a limited number of our Barbeque Nation Restaurants located to close to each of these commissaries. This requires a significant logistical effort for which we require robust facilities and systems. A failure in our operational and delivery systems, shortages or interruption in the supply of food (caused by weather or other conditions) and a resultant failure to maintain the frequency of deliveries to the restaurants or the quality of the food delivered would impact guest experience at our restaurants, thus reducing overall volume of sales. Deliveries from our commissaries to our restaurants could also be impacted by reasons beyond our control, such as a strike by transporters, loaders or fuel stations.

Furthermore, any unavailability or breakdown of equipment used by us could lead to an interruption in the supply of food items to our restaurants which would have a material adverse effect on our sales. A reduction in the volume of our sales due to a failure in our manufacturing and delivery processes would be likely to have an adverse effect on our business, results of operations and financial condition.

16. *Our Company depends on the knowledge and experience of one of our Promoters and Key Management Personnel for our growth. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.*

The success of our business largely depends on the continued service of our KMPs and various professionals and specialists, including our business managers and chefs. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and chefs has intensified. Our business and financial condition could suffer if we are unable to retain our senior management, or other qualified personnel, or cannot adequately and timely replace them upon their departure.

Our Company depends on the management skills and guidance of one of our Promoters and Managing Director, Kayum Dhanani, for development of business strategies, monitoring its successful implementation and meeting future challenges. Our KMPs collectively have several years of experience in managing our various businesses and are difficult to replace. Competition for senior management in the industry in which we operate is intense, and we may not be able to recruit and retain suitable replacements in a timely manner or at all. In the event we are unable to attract and retain managerial personnel or our Key Management Personnel join our competitors or form competing companies, our ability to conduct efficient business operations may be impaired. For example, one of our senior employees who resigned in May 2013, started his own restaurant which directly competes with us.

We do not have any keyman insurance in place. The loss of the services of such personnel or any of our Promoters and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations.

Moreover, we may be required to increase substantially the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the restaurant industry for such personnel. Our failure to retain or replace qualified personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among restaurant companies may also require us to increase compensation, which would increase operating costs and reduce our profitability.

17. *We may be unable to attract and retain sufficient qualified and trained staff in all or any of our restaurants which may adversely affect our business.*

Providing quality services at our restaurants is one of the critical aspects for the success of our business operations. Our continued success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees for our restaurants, including restaurant managers, chefs, and kitchen and waiting staff. As we expand our restaurant network, we will need experienced manpower that has knowledge of the local market and our industry to operate our restaurants. Typically, the F&B industry suffers from high attrition rates especially at the restaurant level. We have faced increasing competition for management and skilled personnel with significant knowledge and experience in the F&B sector in India. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and guest relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our retail restaurants in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected.

Our success depends on our ability to attract, hire, train and retain skilled service personnel. In the restaurant industry, the level and quality of ground personnel and customer service are key competitive factors and an inability to recruit and retain suitably qualified and skilled personnel could adversely impact our reputation, business prospects and results of operations.

18. *If we fail to grow the Johnny Rockets brand our business, results of operations and financial condition could be significantly and adversely affected.*

We intend to expand the network of Johnny Rockets restaurants in India. This involves various risks that include:

- our proposed format may fail to maintain and enhance our market position;
- change in consumer preferences away from the dishes offered by Johnny Rockets restaurants;
- investment of resources and time; and
- the implementation of these plans may divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems such as planned launch of a new food services brand could be delayed or abandoned, could cost more than anticipated and could divert resources from other areas of our business, any of which could impact our competitive position and reduce our net sales and profitability.

19. *Our marketing and advertising campaigns may not be successful in increasing the popularity of our brands. If our marketing initiatives are not effective, this may adversely affect our business.*

Our revenues are influenced by brand marketing and advertising. We rely to a large extent on our senior management's experience in defining our marketing and advertising programmes. We also rely on the expertise of a third party PR agency, which provides us public relations and media support services. If our senior management or service provider leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new guests and retain existing guests. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected.

The support of our employees, particularly our restaurant managers, is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business,

financial condition, results of operations and prospects.

In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of print or radio advertising, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business.

20. *We generated a significant portion of our business from our Barbeque Nation Restaurants in three cities (Delhi NCR, Mumbai and Bengaluru) alone making us susceptible to economic and other trends and developments in these cities.*

For the fiscal year ended March 31, 2017, our Barbeque Nation Restaurants in Delhi NCR, Mumbai and Bengaluru together contributed more than 40% of our total revenue from operations.

We may continue to open more restaurants in these cities. Existing and potential competitors to our businesses may increase their focus on these cities, which could reduce our market share. For example, our competitors may intensify their efforts in these cities to capture a larger market share by launching aggressive promotional campaigns.

The concentration of our revenues from operations generated from these areas heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of our restaurants located in these areas could have a material adverse effect on our business, financial condition and results of operations.

21. *One of our Promoters and Managing Director, Kayum Dhanani has executed a loan agreement and a share pledge agreement for a future pledge of his Equity Shares. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees or enforcement of the pledge provided by our Promoter and Managing Director.*

One of our Promoters and Managing Director, Kayum Dhanani, has executed a loan agreement and a share pledge agreement for a loan availed in his personal capacity, which is secured by a commitment to create a pledge on his entire or a part of his shareholding in our Company after a period of one year from the date of lock-in of the pre-Offer share capital of our Company. Further, the loan agreement executed by Kayum Dhanani, inter alia, provides that failure to complete listing of the Equity Shares of our Company by December 31, 2017, and failure of Kayum Dhanani to pledge his shareholding in our Company by December 31, 2018, would result in an event of default and the lender shall have the right to, inter alia, recall or accelerate repayment of the loan, declare Kayum Dhanani as a defaulter or enforce the security provided.

Any default under the loan agreement post creation of a pledge on the shares of our Company may result in, *inter alia*, the lender taking ownership of the pledged shares, selling the pledged shares to any third party purchaser, and attending and exercising voting rights in respect of the pledged shares on any matter at any meeting of the members of our Company. Accordingly, we may face certain challenges in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company.

22. *Certain of our existing shareholders shall retain the right to appoint a nominee director on the Board post completion of the Offer.*

Pursuant to the terms of the Restated SHA, as amended by the Waiver and Termination Agreement, TPL will have the right to nominate one director to be appointed as a non-executive director, liable to retire by rotation, on the Board after the listing of the Equity Shares pursuant to the Offer, until such time that TPL and PPL continue to collectively hold at least 2,172,282 Equity Shares, as adjusted for any consolidation of the share capital of the Company, subject to receipt of shareholders' approval after the successful completion of the Offer. Accordingly, TPL and PPL may continue to have the ability to participate in discussions of the Board post completion of the Offer, unlike other shareholders of the Company. Further, such nominee director appointed by TPL and PPL shall, inter alia, to the maximum extent permitted by applicable law, not be liable for any default or failure of the Company in complying with the provisions of any applicable law, including defaults under the Companies Act and taxation and labour laws of India, since such nominee director shall not be involved in the day to day management of our Company. For further details of the rights of TPL and PPL under the Restated

SHA, see “*History and Certain Corporate Matters - Summary of Key Agreements and Shareholders’ Agreements - Shareholders’ Agreements with our Company*” on page 161 of this Draft Red Herring Prospectus.

23. *If we are not able to successfully develop and integrate any future brand acquisitions, it could have a material adverse effect on our business, financial condition, results of operations and prospects.*

We evaluate potential acquisition targets from time to time, and we may in the future seek to acquire businesses and assets in order to expand our operations and brand portfolio or to enter new markets. The completion of acquisitions and, if completed, the successful integration of such newly acquired businesses into our operations may be difficult for a variety of reasons, including differing culture or management styles, poor records or internal controls and difficulty in establishing immediate control over cash flows. As a result, potential future acquisitions pose significant risks to our existing operations, including:

- additional demands placed on our senior management, who are also responsible for managing our existing operations;
- increased overall operating complexity of our business, requiring greater personnel and other resources;
- additional cash expenditures to integrate acquisitions;
- incurrence of additional debt to finance acquisitions and higher debt service costs related thereto; and
- the need to attract and retain sufficient numbers of qualified management and other personnel.

Moreover, when making acquisitions it may not be possible for us to conduct a detailed investigation of the nature of the assets being acquired due to, for example, time constraints in making acquisition decisions and other factors. We may also become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. Moreover, even if we are successful in integrating newly acquired assets and acquiring additional assets, expected synergies and cost savings may not materialise, resulting in lower than expected benefits from such acquisitions.

24. *Our Company has obtained and applied for registration of several trademarks including our logo in its name. Until such registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.*

We have applied for registration of several trademarks, including our logo, which are currently pending before the concerned authorities in India and abroad. For details of registered trademarks, see “*Government and Other Approvals – Intellectual Property Rights*” on page 341 of this Draft Red Herring Prospectus. We may not succeed in registering our marks or otherwise protecting our intellectual property. Our trademark registration applications have been unsuccessful in the past, for example where similar marks have already been registered in a particular jurisdiction.

With respect to applications made for registration of trademarks, some of our trademark applications are objected by other parties. For further details in relation to the status of our trademark applications, see “*Government and Other Approvals – Intellectual Property Rights*” on page 341 of this Draft Red Herring Prospectus. The protective steps that we take to protect our intellectual property rights, including registrations under trademark laws, confidentiality provisions and contractual arrangements, may be inadequate to deter misappropriation of our intellectual property. There can be no assurance that we will be able to protect our intellectual property rights in the future, including by successfully renewing the intellectual property rights that we own. We may be unable to detect the unauthorised use of, or take appropriate steps to enforce, our intellectual property rights in India or abroad.

Failure to protect our intellectual property and trademarks could harm our reputation and affect our ability to compete effectively. Further, defending our intellectual property rights may require significant financial and managerial resources, the expenditure of which may materially adversely affect our business, results of operations, financial condition and prospects.

Although the non-disclosure obligations under our employment contracts with certain of our key personnel extend beyond the term of the contract, we cannot assure protection of our know-how, trade-secrets or other confidential or proprietary information once these agreements are terminated. The disclosure of such information about us could have an adverse effect on our business, resulting operations, financial condition and prospects.

25. *If we are unable to accurately estimate the demand for our offerings, our business, financial condition and results of operation may be adversely affected.*

The supply of raw materials for our food products is based primarily on forecasts and requirements prepared by our restaurant managers in consultation with our chefs. These forecasts are based on past sales as well as anticipated demand, which is based to a certain extent on the subjective assessment of the restaurant managers.

If we are unable to accurately forecast demand for our food products it would lead to excess supply or a shortage in the supply of raw materials from our suppliers, which would have a material adverse impact on our business, financial condition and results of operations.

26. *We require a number of regulatory approvals, registrations, licenses and permits in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals may adversely affect our business and results of operations.*

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at the local, state and central government levels for doing our business.

The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. For further details, please see “Government and Other Approvals” on page 340 of this Draft Red Herring Prospectus.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are yet to receive or apply for several approvals, licenses, registrations and permits. We cannot assure you that we will apply for and receive these approvals and clearances in time or at all. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Further, for certain of restaurants situated in Bengaluru, we have filed letters with the fire department, police commissioner and the state pollution control board for clarification on whether a fire NOC, police license and pollution NOC, respectively are required for operation of our restaurants. We are yet to receive a response in relation to these letters. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could adversely affect our related operations. Furthermore, under such circumstances, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all.

We also serve alcoholic beverages in certain of our restaurants. Regulations governing sale of alcoholic beverages relate to numerous aspects of a restaurant’s operations, including the hours of operation, advertising, wholesale purchasing, inventory control and the handling, storage and dispensing of alcoholic beverages. We are subject to licensing and regulation by a number of governmental authorities.

Further, certain licenses and approvals obtained by us for operating our restaurants, including liquor licenses and health and trade licenses have not been obtained in the name of our Company. While relevant government authorities have not challenged/ issued any notices or letters in relation to the operation of our restaurants based on such licenses, as on date, we cannot assure you that no action will be initiated against our Company in future, in relation to such licenses. If found to be in non-compliance, our license maybe revoked, thereby adversely affecting our business and our results of operations.

Changes to licensing and regulations could cause us to incur additional costs which we may not be able to pass on to our guests or which may lead to higher prices being charged to consumers making dining out in such restaurants less attractive and leading to a decline in sales. Additionally, a change in tax regimes applicable to our business may result in uncertainty, disruption to operations and/or implementation costs which we may not be able to pass on to our guests or which may lead to higher prices being charged to consumers, making dining out less attractive and leading to a decline in sales. Further, pursuant to a recent decision of the Supreme Court of India, no alcoholic beverages can be served by any restaurant located within 500 meters from a national highway. As of June 30, 2017, 15 of the 82 Barbeque Nation Restaurants in India are affected by this decision.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavour to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased costs and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty.

For further details regarding the material approvals, licenses, registrations and permits, which have not been

obtained by our Company or are pending renewal, see “*Government and Other Approvals*” from page 340 to 341 of this Draft Red Herring Prospectus. We cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may adversely affect our business and results of operations.

27. *If we are unable to comply with health, safety and environment laws in India and markets outside India where we operate, our business and results of operations could be adversely affected.*

Our business is subject to national, state and municipal laws and regulations, which govern the handling and storage of food products, as well as the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. In addition, we are also subject to regulation relating to local land use controls, permits planning permission, fire and safety standards, minimum wage, wage payment, employment discrimination and import and export of goods and customs regulations. For further details, see the section “*Regulations and Policies*” on page 153 of this Draft Red Herring Prospectus.

We could be subject to substantial civil and criminal liability and other regulatory consequences in the event that a health or environmental hazard was to be found at any of our restaurants or if any of our operations result in contamination of the environment, including the spread of any infection or disease. We may be the subject of public interest litigation in India relating to allegations of such contamination, as well as in cases having potential criminal and civil liability filed by regulatory authorities. If such cases are determined against us, there could be an adverse effect on our business and operations. In addition, health, safety and environmental regulation in India may become more stringent, and the scope and extent of new regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in health, safety or environmental regulations, we may be required to incur significant amounts on health, safety and environmental audits and monitoring, pollution control equipment and emissions management. While we maintain insurance coverage, in amounts which we believe are commercially appropriate, we may be unsuccessful in asserting our claim for certain liabilities or losses under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows.

28. *Our business relies on the performance of our information technology systems and any interruption or failure to migrate to more advanced systems in the future may have an adverse impact on our business operations and profitability.*

The proper functioning of our financial controls, accounting, customer database, customer service and other data processing systems, including those relating to our centralised reservation and feedback systems, together with the communications systems linking our headquarters, branches, sales and service restaurants and main information technology centres, is critical to our operations and to our ability to compete effectively. We also use our IT systems to closely track guest feedback using our internal Guest Satisfaction Index (“**GSI**”). The GSI is an important parameter to monitor the performance of each of our restaurants. However, GSI is an internally computed and managed parameter and may not be accurately calculated either due to incorrect raw data or due to a flawed methodology. Further, there is no third party audit in relation to our internal computation of the GSI.

Our business activities would be materially disrupted in the event of a partial or complete failure of any of these information technologies or communications systems. These failures could be caused by, among others, hardware failure, software program errors, computer virus attacks, internet failure, failure to successfully implement ongoing information technology initiatives, human errors, blackouts and unanticipated problems at our existing and future offices and restaurants. Many of these events are wholly or partially outside of our control.

Our IT systems integrate and collate data of, *inter alia*, purchase, sales, reporting, accounting and inventory, project system and human resource management from all our restaurants and offices. We use our IT systems to monitor all aspects of our businesses and rely on such systems for the efficient operation of our business, including, the monitoring of inventory levels, the allocation of products to our restaurants and budget planning and supplemental front-end billing.

Our Company's information technology systems may not always operate without interruption and may encounter temporary abnormality or become obsolete, which may affect its ability to maintain connectivity with our restaurants and offices. We cannot assure that we will be successful in developing, installing, running and migrating to new software systems or systems as required for its overall operations. Even if we are successful in

this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability.

In addition, we cannot guarantee that the level of information security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our failure to continue its operations without interruption due to any of these reasons may adversely affect our business, financial condition and results of operations.

29. *Any increase in our employee costs may adversely affect our margins and results.*

We have seen an increasing trend in manpower costs in India, which has had a direct impact on our employee costs and consequently, on our margins. Although our staff costs have not significantly increased in the last three Fiscals, we may incur higher staff costs in the future as we continue to increase our staff count to prepare for future new restaurants. We also increased salaries across various levels of staff in Fiscal 2017.

Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase. Any of these factors could adversely affect our business, financial condition and results of operations.

30. *Our current restaurant locations may become unattractive.*

The success of any restaurant depends substantially on its location. Given the rate of urban construction in India, there can be no assurance that our current restaurant locations will continue to be attractive as neighbourhoods or demographic patterns change. Neighbourhood or economic conditions where restaurants are located could deteriorate in the future, thus resulting in potentially reduced sales in these locations. In addition, some of our less profitable or unsuccessful restaurants may be subject to long-term leases with lock-in periods, so that even if we decide to close such restaurants, we may nonetheless be required to perform our obligations under such leases including payment of lease rentals or pay penalties for terminating the leases, which will increase our operating costs. Any of these factors could adversely affect our business, financial condition, results of operations and prospects.

31. *We have significant power requirements for continuous running of our operations and business. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an adverse effect on our business, results of operations and financial condition.*

Our restaurants have significant electricity requirements and any interruption in power supply to our restaurants may disrupt our operations. Our business and financial results may be adversely affected by any disruption of operations.

We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may adversely impact our business margins.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of our restaurants and distribution centres. In majority of the markets we operate in, there are limited number of electricity providers due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

32. *Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions.*

As of July 24, 2017, we had a consolidated debt of ₹942.88 million. We have entered into agreements for short-term and long-term loans and other borrowings. Some of these agreements contain requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on, or disposal of assets, paying dividends and making investments over certain thresholds. For further details, see section “*Financial Indebtedness*” on page 297 of this Draft Red Herring Prospectus. Furthermore, some of our financing arrangements specify that upon the occurrence of an event of default, the lender shall have the right to, inter alia, cancel the outstanding facilities

available for drawdown, convert the outstanding loan into equity in the Company, right to appoint nominee directors irrespective of default, declare the loan to be immediately due and payable with accrued interest and enforce rights over the security created. There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations.

We may be required to dedicate a significant portion of our operating cash flow to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to our peers who have relatively less debt.

33. *We depend on third parties for a major portion of our transportation needs. Any disruptions may adversely affect our operations, business and financial condition.*

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our vendors and for transportation from our distribution centres to various restaurants. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. We rarely enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance.

Further, the cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have experienced few disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

34. *General and industry-specific economic fluctuations could adversely affect our business, financial condition, results of operations and prospects.*

Our business, financial condition, results of operations and prospects depend on a variety of general economic and industry-specific factors. The CDR segment of the Indian restaurant industry is highly fragmented and competitive and is affected by changes in national, regional and local economic conditions, consumer credit, taxation, unemployment and changing demographic trends. Further, in periods of economic uncertainty, consumers tend to decrease their discretionary restaurant spending, which may materially and adversely affect our business, financial condition, results of operations and prospects.

The performance of individual restaurants may also be adversely affected by factors such as changing guest traffic patterns and the establishment of nearby competing restaurants. In response to such developments, we may need to increase our marketing efforts, adjust our pricing or take other actions, which may adversely affect our results of operations. These factors are generally beyond our control, and our ability to manage the risks they present is important to our operations. Reduced guest traffic in our restaurants for any reason, increased costs of doing business or reduced prices for our products as a result of these or other considerations could adversely affect our business, financial condition, results of operations and prospects.

35. *We make significant capital improvements to our leased premises, the cost of which we may be unable to recover.*

We periodically make significant, fixed capital improvements to our leased facilities. We may also invest in additional power supply infrastructure at our locations or other significant, fixed capital improvements, but any such investments generally become the property of the landlord after the expiration of the lease. The cost of such capital improvements has gone up in recent times. Moreover, our growth strategy primarily focuses on

company owned and operated restaurants, which entail a higher capital commitment. As such, we may be unable to recover investments we make in upgrading our locations at the termination of a lease, such as investments in power supply infrastructure.

The loss of investments in such capital improvements, particularly if such losses occurred at a number of our leased locations, may have an adverse effect on our business, financial condition, results of operations and prospects.

36. *We have had instances of regulatory non-compliances, including certain lapses in relation to regulatory filings, internal controls and internal record keeping under applicable company law.*

There have been certain instances of discrepancies/non-compliances by our Company and Subsidiary in relation to certain filings and disclosures made to the RoC under applicable company law, such as delays in filing of relevant forms with the RoC and non-compliance with applicable provisions of company law by our Company, including in relation to inadvertently filing a return of allotment with the RoC for a preferential allotment of equity shares by the Company for cash consideration, when the allotment was for consideration other than cash. While our Company has filed a rectification application for the incorrect return of allotment, we cannot assure you that no penalty will be imposed on the Company for the said lapse. Any penalty applicable on the Company may adversely affect the cash flows and results of operations of our Company. For details, see “*Outstanding Litigation and Material Developments*” on page 330 of this Draft Red Herring Prospectus.

In addition, there was a delay by our Subsidiary, PGPL, in filing form MGT 14, for which an application of condonation of delay was made. The Assistant Director, Ministry of Corporate Affairs passed an order dated November 8, 2016 condoning the delay, subject to payment of additional fees. For details, see “*Outstanding Litigation and Material Developments*” on page 330 of this Draft Red Herring Prospectus.

Further, our Company does not have share transfer forms in relation to transfer of 4,999 equity shares each by Suchitra Dhanani and (late) Sajid Dhanani to SHL on April 1, 2007, and we are unable to ascertain instances of contravention of, or non-compliance with, applicable laws and regulations with respect to the said transfers. For details of the said share transfers, see “*Capital Structure*” on page 26. Additionally we do not have past records of our erstwhile subsidiary Favorite Restaurants Private Limited, which has merged with our Company, for the period prior to 2015. For details of the merger, see “*History and Certain Corporate Matters*” on page 156 of this Draft Red Herring Prospectus.

37. *Our business may be subject to periodic negative publicity, which could have a material adverse effect on our business, financial condition, results of operations and prospects.*

Our business is, to a large extent, reliant on the strength of the “Barbeque Nation” brand and our reputation, and that of our Promoters. The high media scrutiny and public attention that the Indian restaurant industry is subjected to, in addition with increasing consumer activism in India, increases the risk to the reputation of the restaurant industry in general, and a risk of negative publicity and damage to the “Barbeque-Nation” and “Johnny Rockets” brands if we are presented in a negative light.

Litigation, employee misconduct, operational failures, regulatory investigations, press speculation and negative publicity, among others relating to us or our Promoters and Group Companies, whether founded or unfounded, could damage the “Barbeque Nation” or “Johnny Rockets” brand or our reputation. Our brand and our reputation could also be harmed if products or services recommended by us (or any of our intermediaries) do not perform as expected (whether or not the expectations are founded), or there is a change in customers’ expectations from the product. Negative publicity could be based, for instance, on allegations that we have failed to comply with regulatory requirements or result from failure in business continuity or performance of our information technology systems, loss of customer data or confidential information, unsatisfactory service and support levels or insufficient transparency. Incidents or developments negatively affecting Sayaji Hotel’s brand may also negatively affect our brand and our reputation.

Any damage to our brand or our reputation could hamper the trust placed in the brand and cause existing customers or intermediaries to withdraw their business and potential customers or intermediaries to reconsider doing business with us. Furthermore, negative publicity may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business and adversely affect our profitability. Negative publicity may also influence market or rating agencies’ perception of us, which could make it more difficult for us to maintain our credit rating.

Therefore, any damage to our brand or our reputation could have a material adverse effect on our business, financial condition, results of operations and prospects.

38. *Our Restated Financial Statements included in this Draft Red Herring Prospectus has been prepared in accordance with the Companies Act and the SEBI Regulations, which vary in certain respects from other accounting principles, including Ind AS. These regulations may also vary with ICDS, which may be material to an investor's assessment of our results of operations and financial condition.*

In accordance with India's roadmap for "Convergence of its existing standards with IFRS", referred to as "Ind AS", announced by the MCA, through press notes dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, public companies in India (except banking companies, insurance companies and non-banking financial companies) are required to adopt Ind AS, effective from (i) accounting period beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), for companies with net worth of ₹5,000 million or more; and (ii) accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) for listed or to-be-listed companies (i.e. whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in or outside India) with net worth less than ₹5,000 million and unlisted companies with net worth between ₹ 2,500 million and ₹ 5,000 million. These requirements also apply to any Indian domiciled and incorporated holding company, subsidiary, joint venture or associate companies of such companies. Accordingly, for statutory reporting purposes under the Companies Act, our annual and interim financial statements will be required to be reported under Ind AS for accounting periods commencing on or after April 1, 2017.

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2017 and until March 31, 2018, the Company has chosen to prepare its Restated Financial Statements, on a standalone as well as on a consolidated basis for the preceding five Fiscals included in this Draft Red Herring Prospectus by taking Indian GAAP framework as its underlying base and restated in accordance with Companies Act and the SEBI Regulations. Our financial statements reported under Ind AS in future accounting periods may not be directly comparable with our financial statements historically prepared under Indian GAAP, including those disclosed in this Draft Red Herring Prospectus. Accordingly, our Restated Financial Statements included in this Draft Red Herring Prospectus may not form an accurate basis to consider the accounting policies and financial statements adopted by our Company for future periods, which may differ materially from our Restated Financial Statements. We would urge you to consult your own advisors regarding the differences between Indian GAAP and other accounting policies and the impact of such differences on our financial data, including the impact of our transition to, and adoption of Ind AS for statutory reporting purposes under the Companies Act, our annual and interim financial statements, for accounting periods commencing on or after April 1, 2017.

Additionally, the Ministry of Finance, GoI has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2016 and are applicable Fiscal 2017 onwards. Therefore, ICDS will have a direct impact on computation of taxable income of our Company and its Indian domiciled and incorporated subsidiaries and associate from Fiscal 2017 onwards. ICDS differs on several aspects from accounting standards including the Indian GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS based concepts, the ICDS-based calculations can have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both.

We may encounter difficulties in the ongoing process of implementing and enhancing our management information systems under Ind AS reporting and the ICDS. There can be no assurance that the adoption of Ind AS and the ICDS by our Company and its subsidiaries and associate (to the extent applicable) will not adversely affect its results of operation or financial condition.

39. *Our risk management and insurance policies may not be effective or adequate.*

Our risk management policies and procedures designed to prevent the occurrence of, or mitigate, risks such as food wastage, unaccounted cover discounts and incorrect or unapproved discounted billing may not be adequate or effective. We can provide no assurance that our IT systems, policies and procedures and personnel will always be effective or that we will always be successful in monitoring or evaluating the compliance risks to which we are or may be exposed. Non-compliance with applicable regulations could lead to reduced customers using our products and services. Further, our business involves risks and hazards which may adversely affect our profitability, including failure of systems and employee frauds. We cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above or by other factors.

We have a variety of insurance policies to cover our assets against external risks and for the benefit of our

employees including property insurance, public liability (non-industrial) insurance, standard fire and special perils policy, burglary insurance, directors' and officers' liability insurance, group insurance policy, marine cargo policy, loss of profit policy and money insurance and such other insurance policies as required by applicable law and which are subject to certain exclusions and limits on coverage.

There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses, including coverage for claims by third parties and litigation. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected. For a detailed description of the insurance policies obtained by us including the assets covered under such insurance, see “*Our Business – Insurance*” on page 151 of this Draft Red Herring Prospectus.

40. *We do not have definitive agreements or fixed terms of trade with some of our suppliers. Failure to successfully maintain our supplier relationships and network or to identify new suppliers could adversely affect us.*

One of the prime reasons we are able to offer value for money dining options to our guests is our strong relationships with our suppliers. Our growth as a business depends on our ability to attract and retain high quality and cost efficient suppliers to our network. For additional information regarding our supplier relationships, see “*Our Business*” on page 131 of this Draft Red Herring Prospectus.

In order to maintain flexibility in procurement options, we do not have any long-term supply arrangements with most of our suppliers and we procure our products on a purchase order basis. If we are unable to continue to procure supplies at competitive prices, our business will be adversely affected.

Furthermore, the success of our supplier relationships depends significantly on satisfactory performance by our suppliers and their fulfilment of their obligations. If any of our suppliers fails for any reason to deliver the products in a timely manner or at all, it may affect our ability to manage our inventory levels, which in turn, may result in unavailability of certain dishes on our menu thereby adversely affecting our guest dining experience and our reputation.

While we intend to continue to enter into new supplier relationships as a part of our business strategy, we may not be able to identify or conclude appropriate or viable arrangements in a timely manner or at all. Further, there can be no assurance that our relationships with new suppliers in the future will necessarily contribute to a better experience for our customers or to our profitability. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

41. *If there is an outbreak of an epidemic or disease affecting our supply chains, our business, financial condition and results of operations may be adversely affected.*

Outbreak of an epidemic or disease affecting our supplies of poultry, fish products or other perishable food items could significantly affect our ability to purchase such commodities, our operations and our costs of doing business. Among the diseases that could affect our supplies are highly contagious diseases that may spread rapidly through the markets in which we operate.

For example, avian influenza is a highly contagious viral disease that affects poultry. Bird flu is another contagious disease that has affected poultry in the recent past. Our markets have been affected by both these diseases.

We select poultry suppliers who monitor their supply. We also perform independent tests when there is a high risk of infection in the regions in which our suppliers operate, when we change our suppliers (or our suppliers change production facilities) or in case of any guest complaints. Despite these precautions and measures, there can be no guarantee that our supplies will not be affected in the future the outbreak of any such contagious disease. If any of our suppliers are affected, we may not be able to locate additional suppliers of poultry products in a timely manner or at all. We may also be constrained to buy the affected poultry or other items at higher prices without a corresponding increase in our menu prices.

An outbreak of a disease, whether or not directly affecting our supply chain, may also attract negative publicity resulting in declining demand. As a result of these and other factors, any outbreak of disease, or the possibility of an outbreak of disease could adversely affect our business, financial condition and results of operations.

42. *Our use of imported ingredients and other raw materials and equipment exposes us to the risk of the imposition or increase of tariffs, duties and other levies.*

We import some of our ingredients and equipment. Further, some of our third party suppliers may also import certain ingredients and raw materials. Our or our third parties' imports may increase in the future. India generally imposes import quotas and tariffs which may increase in the future thereby increasing the costs of these commodities and negatively affecting our results.

In addition, Indian authorities may ban imports of certain food items into India, as a result of health or other considerations. These and other measures that reduce the supply of imported ingredients or other food items in India may cause prices for these items to increase. Consequently, our costs would increase. We may not be able to pass this increase in our costs to our guests.

If we are unable to pass such increase in the costs of our ingredients or raw materials and are unable to replace them with locally available substitutes, our business and results of operations may be adversely affected.

43. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency*

We intend to use the Net Proceeds for the purposes described in “*Objects of the Offer*” on page 93 of this Draft Red Herring Prospectus. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, inability to identify suitable location for the restaurants at favourable terms and other financial and operational factors.

Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Offer in a timely or an efficient manner, it may affect our business and results of operations.

44. *If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected.*

We intend to utilise the Net Proceeds of the Offer as set forth in “*Objects of the Offer*” from page 93 to 101 for setting up of new restaurants in several parts of India.

The fund requirement mentioned as a part of the objects of the Offer is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. We are also yet to identify the exact location of our new restaurants or enter into agreements for purchase or lease of property for these restaurants and are yet to obtain necessary approvals that may be required. We have also not placed any orders for purchase of fit outs and constructions related items for the restaurants we plan to set-up. We have relied on past expenditure in setting up restaurants for the purposes of estimating utilisation of the Net Proceeds in the future. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Furthermore, we may need to vary the objects of the Offer due to several factors or circumstances including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost overruns or delays, which may be beyond our control. Pursuant to Section 27 of the Companies Act, 2013, any variation in the objects of the Offer would require a special resolution of our shareholders, and our Promoters or controlling shareholders will be required to provide an exit opportunity to our shareholders who do not agree to such variation. If our shareholders exercise such an exit option, our share price may be adversely affected.

45. *Our registered office and corporate office is located on properties leased to us by our Group Entity, Sara Suole Private Limited. In the event that we are unable to renew our lease or our Group Entity loses ownership or lease rights to this property, it may adversely affect our business, results of operations and financial conditions.*

Our registered and corporate office in Bengaluru is located on premises leased to us by Sara Suole Private Limited, our Group Entity, for a period of two years expiring on March 31, 2019.

In the event that we are unable to renew our lease or our Group Entity loses ownership or lease rights to this property, we may be required to vacate the current premises and make alternative arrangements for our registered and corporate office. There can be no assurance that the new arrangements will be on commercially acceptable terms, which in turn may adversely affect our business, results of operations and financial condition. For further details, see “*Our Business – Properties*” on page 151 of this Draft Red Herring Prospectus.

46. *We have contingent liabilities on our balance sheet, as restated, at March 31, 2017. If any of these actually occur, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.*

As at March 31, 2017, we had contingent liabilities that we do not consider remote, of ₹19.16 million, which relate to sales tax and VAT matters. For further details of certain matters which comprise our contingent liabilities, see “*Financial Statements*” on page 194 of this Draft Red Herring Prospectus. If at any time we are compelled to realize all or a material proportion of these contingent liabilities, it may have a material and adverse effect on our business, financial condition and results of operations.

47. *Our Company may not be able to pay dividends in the future.*

Our Company has declared and paid dividends for Fiscals 2015, 2016 and 2017. Any dividends to be declared and paid in the future are required to be recommended by our Company’s Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company’s ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company’s shareholders in future consistent with our past practices, or at all. For details pertaining to dividend declared by our Company in the past, see “*Dividend Policy*” on page 193 of this Draft Red Herring Prospectus.

48. *Our Statutory Auditors have included a matter of emphasis in relation to our Company in the Restated Financial Statements.*

Our Restated Consolidated Financial Statements included certain audit reservations/qualifications in relation to Specified Bank Notes (SBN), which do not require any corrective adjustment.

We had provided requisite disclosures in the financial statements as to holdings as well as dealings in SBN during the period from November 8, 2016 to December 30, 2016. We received amounts aggregating ₹3.95 million from transactions which are not permitted and utilised for payments of ₹0.06 million for transactions which are not permitted. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 300 of this Draft Red Herring Prospectus. Additionally, our Statutory Auditors have made certain CARO-related observations in their reports in relation to disputed VAT and sales tax claims.

49. *Our Promoters will continue to exercise significant influence over us after completion of the Offer*

As on the date of this Draft Red Herring Prospectus, our Promoters hold 51.88% of the issued and outstanding equity shares capital of our Company. Post listing, our Promoters will continue to exercise significant influence over us through their shareholding after the Offer. In accordance with our Articles of Association and applicable laws and regulations, our Promoters will have the ability to exercise, directly or indirectly, a significant influence over our business. For further details, please see “*Main Provisions of Articles of Association*” on page 416 of this Draft Red Herring Prospectus. Further, one of our Promoters and Managing Director, Kayum Dhanani has executed a binding share transfer agreement, pursuant to which, PPL and AAJVIT, at their discretion, may transfer upto 600,000 Equity Shares to him, after the Bid/Offer Closing Date and prior to filing of the Prospectus with the RoC, thereby further increasing his shareholding and the shareholding of our Promoters in our Company. For further details, please see “*History and Certain Corporate Matters – Summary of Key Agreements and Shareholders’ Agreements - Binding share transfer agreement dated August 14, 2017 between Kayum Dhanani, PPL and AAJVIT*” on page 163.

50. *Our Company has in the past entered into related party transactions and may continue to do so in the future.*

We have entered into transactions with several related parties, including our Promoters, Group Entity and

Subsidiaries in recent Fiscals. For further details of such transactions, please see “*Financial Statements – Restated Standalone Financial Statements – Annexure 30*” on page 243. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, please see “*Financial Statements – Restated Standalone Financial Statements – Annexure 30*” and “*Financial Statements – Restated Consolidated Financial Statements – Annexure 30*” on pages 243 and 294 of this Draft Red Herring Prospectus.

51. *Certain of our Directors and Key Management Personnel hold Equity Shares in our Company and are therefore interested in our Company’s performance in addition to their remuneration and reimbursement of expenses.*

Certain of our Directors (including our Promoters) and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. There can be no assurance that our Promoters and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see “*Our Management - Shareholding of Key Management Personnel*” on page 179 and “*Capital Structure – Details of Equity Shares held by our Directors, Key Management Personnel and directors of our Promoters in our Company*” to 84 of this Draft Red Herring Prospectus.

52. *This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Technopak.*

This Draft Red Herring Prospectus in the sections “*Summary of Industry*”, “*Summary of Business*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 46, 49, 109, 131, and 300, respectively of this Draft Red Herring Prospectus, includes information that is derived from an industry report titled “*Indian Food Services Market*” dated July 28, 2017 prepared by Technopak, a research house, pursuant to an engagement with the Company. We commissioned this report for the purpose of confirming our understanding of the Indian food services industry. Neither we, nor any of the BRLMs, our Directors, our Promoters, nor any other person connected with the Offer has verified the information in the commissioned report. Technopak has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the such information and disclaims responsibility for any errors or omissions in the information or for the results obtained from the use of such information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. Methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Technopak’s assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in the Equity Shares. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions.

53. *Our Company will not receive the entire proceeds from the Offer. Some of our Promoters and Promoter Group are selling shares in the Offer and will receive proceeds as part of the Offer for Sale.*

The Offer includes an offer for sale of up to 6,179,000 Equity Shares by the Selling Shareholders which includes our Promoter and Promoter Group. The proceeds from the Offer will be paid to the Selling Shareholders, in proportion of the respective portion of the offered shares transferred pursuant to the Offer, and we will not receive any such proceeds. Our Promoter and Promoter Groups being part of the Selling Shareholders will receive such proceeds from the Offer for Sale. For further details, see “*Objects of the Offer*” and “*Capital Structure*” on pages 93 and 76, respectively.

EXTERNAL RISK FACTORS

Risks Relating to India

54. *Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by changes in law or regulatory environment, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, applicable to us and our business. Any significant changes in relevant food safety regulations, laws or regulatory environment might materially impact the Company's operations and financials.

Additionally, the regulatory environment in which we operate is subject to change both in the form of gradual evolution over time and also in form of significant reforms from time to time. For instance, a recent notification issued by the Government of India withdrawing the legal tender status of currency notes of ₹500 and ₹1,000, may have had and may continue to have an adverse effect on certain sectors of the Indian economy. Further, the General Anti Avoidance Rules ("GAAR") are effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefits among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. Any such change in the future may require us to commit significant management resources and may require significant changes to our business practices and could have a material adverse effect on our business, financial condition, results of operations and prospects.

The governmental and regulatory bodies in India may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

In addition, there have been various changes and proposed changes recently in the laws and regulations relating to information technology in India. Any such changes could require us to redesign our information technology systems or redesign our digital processes to comply with such laws and regulations. We cannot assure you that we will be able to redesign such systems or processes in a cost-effective manner, or at all. Since our business depends heavily on the ability of our information technology systems and digital processes, any change in the laws or regulations relating to information technology in India could have a material adverse effect on our business, financial condition, results of operations and prospects.

55. *The GoI has implemented a new national tax regime by imposing GST. Since we are taxed at a higher rate than the previous prevailing tax rates, our financial condition and results of operations may be adversely affected.*

The GoI has enacted the Central Goods and Services Tax Act, 2017 to lay a framework for a comprehensive national goods and services tax ("GST") regime that has combined taxes and levies by the Central and State Governments into a unified rate structure. The said legislation was notified and made effective from July 1, 2017. As per the new rates notified, our restaurants are taxed at a rate of 18% for food items. We cannot assure you that our cash flows and results of operations will not be affected by the new tax regime. Further, any future increases or amendments to GST may affect the overall tax efficiency of our Company and may result in significant additional taxes becoming payable.

56. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.*

Our Company is incorporated in and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;

- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or its food and services sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

57. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act regulates practices that have or are likely to have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

58. *Investors may have difficulty enforcing foreign judgements against our Company or its management.*

Our Company is a limited liability company incorporated under the laws of India. All of our Company's Directors and executive officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgements obtained against such parties outside India.

Recognition and enforcement of foreign judgements is provided for under Section 13 of the CPC on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) where the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; and (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgements. Section 44A of the CPC provides that where a foreign judgement has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Indian central government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgement had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees or judgements not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgement or to repatriate any amount recovered.

59. *Significant differences exist between Indian GAAP and other reporting standards, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

As stated in the report of our auditors included in this Draft Red Herring Prospectus, our financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to U.S. GAAP or IFRS or any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS.

Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP, the Companies Act, and the regulations framed thereunder. Any reliance by persons not familiar with Indian GAAP, or these laws and regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

We cannot assure you that our Promoters will not in the future disclose information regarding our business that we have not disclosed and with a different presentation from what investors in the Equity Shares are used to. All consideration of financial, and other, information with regard to an investor's decision whether or not to invest in this Offering should be made of the financial statements herein presented and not to any documents published by our Promoters.

60. *Public companies in India, including our Company, are required to compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to ICDS in India is very recent and we may be negatively affected by such transition.*

The Ministry of Finance had issued a notification dated September 29, 2016 notifying ICDS which creates a new framework for the computation of taxable income. The ICDS shall apply from assessment year 2017-18 onwards. This will have impact on computation of taxable income for Financial Year 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operation and financial condition.

Risks Relating to Equity Shares

61. *The trading volume and market price of the Equity Shares may be volatile following the Offer.*

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments; announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

62. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction tax ("STT") has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. As such, any gain realised on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By notification dated June 5, 2017 issued by the Ministry of Finance, the Government of India has introduced certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares subject to certain exceptions. The said provision has been notified to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

63. *Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

64. *Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares*

by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Company, including a primary offering, may lead to the dilution of investors' shareholdings in the Company. Any future issuances of Equity Shares (including under the ESOS 2015) or the disposal of Equity Shares by our Promoters or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

65. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

66. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 102 of this Draft Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

67. *Holder of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

68. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or

economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes

- Our Company was originally incorporated as Sanchi Hotels Private Limited on October 13, 2006 at Indore, Madhya Pradesh, India as a private limited company under the Companies Act, 1956. Subsequently, the name of our Company was changed to Barbeque-Nation Hospitality Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh on February 18, 2008. Thereafter our Company was converted into a public limited company and the name of our Company was changed to Barbeque-Nation Hospitality Limited and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh on March 4, 2008. Subsequently, the registered office of our Company was changed from the state of Madhya Pradesh, India to Karnataka, India, pursuant to certificate issued by the RoC on January 15, 2014.
- Offer of up to [●] Equity Shares for cash at price of ₹[●] (including a share premium of ₹[●]) aggregating up to ₹[●] million comprising of a Fresh Issue and Offer for Sale. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.
- Our Net Worth as at March 31, 2017 was ₹1,460.26 million, as per our Restated Consolidated Financial Statements, and ₹1,509.13 million as per our Restated Standalone Financial Statements.
- The Net Asset Value per Equity Share of our Company was ₹54.04 as at March 31, 2017 as per our Restated Consolidated Financial Statements and was ₹55.84 as per our Restated Standalone Financial Statements.
- The details of average cost of acquisition of Equity Shares acquired by our Promoters is set out below. For details, see “*Capital Structure*” from page 76 of this Draft Red Herring Prospectus.

Name of the Promoter	Average cost of acquisition of Equity Shares (in ₹)
Kayum Dhanani	3.00
Sayaji Housekeeping Services Limited	5.00
Suchitra Dhanani	1.67

- Except as disclosed in “*Our Group Entity*” and “*Financial Statements- Statements of Related Parties and Related Party Transactions*” on pages 190 and 294 of this Draft Red Herring Prospectus, none of our Group Companies have business interests or other interests in our Company.
- For details of related party transactions entered into by our Company with the Group Companies, and our Subsidiaries during the last financial year, the nature of transactions and the cumulative value of transactions, see “*Financial Statements - Statements of Related Parties and Related Party Transactions*” on page 294 of this Draft Red Herring Prospectus.
- There have been no financing arrangements whereby our Promoter Group, directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.

Investors may contact the Lead Managers who have submitted a due diligence certificate with the SEBI for any complaints, information or clarification pertaining to the Offer. For further details regarding grievances in relation to the Offer, see “*General Information*” from page 69 of this Draft Red Herring Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Unless noted otherwise, the information in this section has been obtained or derived from the “Indian Food Services Market” report of July 28, 2017, by Technopak (the “Technopak Report”), as well as other industry sources and government publications. All information contained in the Technopak Report has been obtained by Technopak from sources believed by it to be accurate and reliable. Although reasonable care has been taken by Technopak to ensure that the information in the Technopak Report is true, such information is provided ‘as is’ without any warranty of any kind, and Technopak in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion. None of the Company, the BRLMs and any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information in this section must be read in conjunction with “Risk Factors”, “Industry Overview” and “Our Business” on pages 16, 109 and 131, respectively, of this Draft Red Herring Prospectus.

Indian Economy: Macroeconomic Overview

The Indian economy has a significant presence on the world economic platform. India is seventh in the world in terms of nominal GDP and the third largest in terms of purchasing power parity. It is estimated that India will be one of the five largest global economies by Fiscal 2020 and in the top three by Fiscal 2050.

India’s medium-to long-term growth will be determined by the inter-play of structural factors of demographics, policy reforms and globalisation. It is expected that the confluence of these three factors will help to raise potential growth.

GDP Ranking of Key Global Economies (Fiscal 2015)

Country	GDP Ranking	% Share of World GDP (at current prices)	Rank PPP	% Share (World GDP, PPP)
United States	1	24.3%	2	15.7%
China	2	14.8%	1	17.2%
Japan	3	5.9%	4	4.5%
Germany	4	4.5%	5	3.4%
United Kingdom	5	3.9%	10	2.4%
France	6	3.3%	9	2.4%
India	7	2.8%	3	6.9%
Italy	8	2.5%	11	2.0%
Brazil	9	2.4%	7	2.8%
Canada	10	2.1%	16	1.4%

Source: World Bank data, Technopak Analysis

Food Services Spend

The Indian economy is expected to reach an estimated US\$3.5 trillion by Fiscal 2020. Food services are emerging as a key segment in the Indian economy, with an overall market worth of US\$50 billion as of Fiscal 2017, which is approximately 8 times bigger than hotels. The market’s growth will be powered by changing consumer dynamics and increasing market proliferation by brands in the space. The Gross Value Added (“GVA”) by hotels and restaurants has witnessed an annual increase in both absolute and relative terms. It grew from US\$16 billion as of Fiscal 2014 to US\$18 billion as of Fiscal 2015, increasing its contribution to India’s overall GVA from 1% in Fiscal 2014 to 1.1% in Fiscal 2015.

Industry-wise Market Size in Fiscal 2017

S. No.	Industry	Market Size (USD Bn)
1	Retail	770
2	Insurance	75
3	Telecom	79
4	Food Services	50
5	Mobile Services	38
6	Hotels	6
7	Films	2

Source: TRAI, HVS, Crisil, IRDA, Industry Sources, Technopak Research & Analysis
1 USD = INR 67
Year indicates FY

Contribution of Food Services Industry to GDP

Year	Food Services Market Size (USD Bn)	Food Services Growth %	GDP Growth (CAGR %)	% contribution to GDP
2013	37	-	-	2.3%
2017E	50	8%	7%	2.3%
2022P	82	10%	8%	2.6%

Source: World Bank, NFAI Technopak Report, Technopak Analysis
1 USD = INR 67
Year indicates FY

The share of food services in Indian GDP is expected to increase to 2.6% by Fiscal 2022 from 2.3% currently on account of its faster growth as compared to GDP growth. Also, the growth of the food services market is expected to outpace its growth to date (from 8% to 10%). The key implications of this trend are summarised below:

- It is estimated that Indians spend 8% to 10% of their food expenditures outside the home in restaurants, cafeterias and other food establishments. This trend is expected to strengthen in future.
- Indian consumers are dining out more frequently and younger Indians are shedding the biases of their elders against international franchises and foreign foods. With over 0.1 million outlets in the organised segment (20 or more seats) in India, there is plenty of room for growth in the industry.
- With higher disposable income for the younger population who are well-travelled, brand conscious and well connected through social media, combined with a rise in the presence of branded retail chains; consumers in smaller cities i.e. Tier I & Tier II cities are also spending more on eating out and this trend is expected to further continue. National and international chains are looking at Tier I and Tier II cities as the emerging markets for growth and expansion.

The food services market can be broken down into three board segments: (i) unorganised, (ii) organised standalone and (iii) chain. The three segments can be divided further as shown below:

Structure of Indian Food Services Market

Key Segments in the Food Services Market		Average Spend per Person* (INR)
Unorganized Segment – It includes roadside eateries and dhabas which have been the most common eating out option.		10-100
Organized Segment – Consists of:		
a) Standalone restaurants across all formats with less than 3 outlets.		
b) Chain format which has 3 or more outlets across all formats.		
S. No.	Chain Segment	
1.	Café	Coffee & chai bars as well as parlours and bakeries. High focus on beverages supported by food items. E.g.: Starbucks, Café Coffee Day etc.
2.	Quick Service Restaurants (QSRs)	Focused on speed of service, affordability and convenience. Strong focus on takeaway & delivery with minimal table service. E.g.: Haidiram's, McDonald's
3.	Frozen Desserts/Ice-Cream (FD/IC)	Comprises small kiosk formats of ice-cream brands and has now extended the dine-in concept to frozen yogurt brands. E.g.: Baskin-Robbins, Red Mango etc.

4.	Casual Dining Restaurants (CDRs)	A restaurant serving moderately to high priced food in an ambience oriented towards providing an affordable dining experience, with table service along with some restaurants offering eclectic high quality interiors and high standards of service. The offerings bridge the gap between QSRs and fine dining restaurants. E.g.: Farzi Cafe, Barbeque Nation, Oh! Calcutta, Sagar Ratna, Moli Mahal Delux etc.	250-1,000
5.	Fine Dining Restaurants (FDRs)	A full service restaurant with premium interiors, specific cuisine specialty and high standard of service. They offer a unique ambience and an upscale service with the help of highly trained staff. E.g.: The Great Kebab Factory, Olive Bar, Yautcha etc.	>1,000
6.	Pubs, Bar Café & Lounges (PBCL)	This format mainly serves alcohol and related beverages and includes night clubs and sports bars. E.g.: Beer Café, Xtreme Sports Bar etc.	750-1,500

**Spend is Exclusive of Taxes
Source: Technopak NRAI India Food Services Report 2016*

The chain food services market can be further segmented based on the positioning, target group and service style as shown below.

Structure of Indian Food Services Market – Format Description

S. No.	Type of Chain	Positioning	Target Group/ Pricing	Ambiance	Locations
1.	Café	Tea-Coffee centric with limited focus on food	15-45 years/ Affordable	Relaxing, "catching up" and unwinding.	Malls, high streets, popular markets, office complexes, airports, hospitals, highways, educational campuses
2.	Quick Service Restaurants (QSRs)	Specific product offerings or cuisines with focus on convenience	15-35 years/ Affordable	Functional interiors. Compact seating with self-service.	Malls, high streets, popular markets, office complexes, airports, hospitals, highways, educational campuses, multiplexes
3.	Frozen Desserts/ Ice-Cream (FD/IC)	Focus on ice-creams and frozen yoghurt with limited options for snacks/ beverages	18-35 years/ Affordable	Colourful, fun. Focus on Takeaways.	Malls, high streets, popular markets, office complexes, airports, hospitals, highways, educational campuses, multiplexes
4.	Casual Dining Restaurants (CDRs)	Focus on moderately priced food and table service to high quality, presentation and service driven	20-50 years/ Affordable to Premium	Casual fun environment to upmarket environment with design led ambience. Regular seating with table service.	Malls, high streets, popular markets, office complexes, airports, hotels, Food Hubs
5.	Fine Dining Restaurants (FDRs)	Multi-cuisine/ specialty restaurants with a focus on quality, ingredients, presentation and service	25-50 years/ Premium to Luxury	Formal, premium design led ambience.	Malls, high streets, popular markets, office complexes, hotels
6.	Pubs, Bar Café & Lounges (PBCL)	Focus on alcohol and customer experience	20-40 years*/ Affordable to Premium	Theme based with loud music. Rustic, no frills to classy.	Malls, high streets, popular markets, office complexes, airports, hotels

**Minimum age for consumers to visit PBCL is different in various states
Source: Technopak Body of Knowledge*

SUMMARY OF OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Our Business", "Industry Overview", "Forward Looking Statements", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 131, 109, 14, 16 and 300, respectively. Our Restated Financial Statements for the Fiscals 2013, 2014, 2015, 2016 and 2017 included in this Draft Red Herring Prospectus has been prepared under Indian GAAP. References to "restated" figures below are to our restated, consolidated financial information prepared under Indian GAAP. All figures in this section are stated on a consolidated basis, unless specified otherwise.

Overview

We own and operate Barbeque Nation Restaurants, one of India's leading casual dining restaurant chains according to the Technopak Report. The first Barbeque Nation Restaurant was launched in 2005 by Sayaji Hotels, one of our promoters. Five Barbeque Nation Restaurants owned by Sayaji Hotels were transferred to us in 2012. We have steadily grown our owned and operated Barbeque Nation Restaurant network from a single restaurant in Fiscal 2007 to 81 Barbeque Nation Restaurants in 42 cities in India (including one currently under renovation) and one restaurant in Dubai as of June 30, 2017. In addition, as of June 30, 2017, we had granted the franchise rights of one Barbeque Nation Restaurant.

Through our Barbeque Nation Restaurants, we pioneered 'over the table barbeque' concept in Indian restaurants according to the Technopak Report. Live grills embedded in dining tables allow our guests to grill their own barbecues. We believe our Barbeque Nation Restaurants, compared to other fixed price dining options, offer competitive attractions such as a wide range of vegetarian and non-vegetarian appetisers and main courses, a popular dessert menu, a pleasant and casual dining environment and prompt service. We also periodically run popular food festivals at our Barbeque Nation Restaurants offering our guests a range of Indian, international and fusion cuisines. We are one of the few Indian companies in the organised Casual Dining Restaurant ("CDR") segment to have our own in-house chef training school for development of new products.

We believe the value we offer, the nature and quality of our food offering and the ambience and service of our restaurants create a one-of-a-kind overall customer experience. Our Barbeque Nation Restaurants have experienced steady growth in our number of covers and we believe that the proportion of our total revenues from weekday sales and lunch covers is relatively higher compared to the industry average. The APC (excluding taxes and service charges) at our Barbeque Nation Restaurants has grown from ₹617 in Fiscal 2013 to ₹702 in Fiscal 2017. Our restaurant locations are carefully chosen to help us keep our rent to revenue ratio lower than some of our peers.

We believe our offering format positions us well to capitalise on both the robust growth trend of the CDR segment in India and the broader chain restaurant market within the Indian food and services industry. According to Technopak, the chain CDR segment is one of the fastest growing segments in the Indian restaurant industry and is projected to grow at a Compounded Annual Growth Rate ("CAGR") of approximately 21.00% from Fiscal 2017 to Fiscal 2022.

Our number of covers, revenues and EBITDA has grown consistently as our Barbeque Nation Restaurants have matured, particularly after being in operation for more than two years. For example, our number of covers have grown from 2.98 million in Fiscal 2013 to 6.86 million in Fiscal 2017 at a CAGR of 23.20%. As of June 30, 2017, 34 out of our 81 Barbeque Nation Restaurants owned and operated by us (excluding relocated restaurants) in India were less than two years old. We believe this puts us in a strong position going forward to monetise the benefits of our expansion in the past few Fiscals.

We have recently diversified into a second brand, becoming the India franchisee of the American hamburger chain, Johnny Rockets. As of June 30, 2017, we had five Johnny Rockets Restaurants in operation (we are currently in the process of relocating one of our Johnny Rockets Restaurants) and an additional one Johnny Rockets Restaurant was under construction. We intend to scale up our Johnny Rockets Restaurants, currently located in Bengaluru, Delhi and Gurugram, to other Metro cities and Tier-I cities. We also offer fixed price vegetarian and non-vegetarian unlimited six course meals including burgers and milkshakes at some of our Johnny Rocket Restaurants, in addition to *à la carte*, to reduce the bite size encouraging consumption of a greater variety of dishes. We also intend to add new dishes to the current menu.

In 2013, CX Partners acquired a stake in our Company followed by further acquisition of an additional stake in 2015.

Our core values prioritise being customer-focused to provide excellent products and service and team-focused by maintaining a superior quality work environment. We place a strong emphasis on guest reviews and feedback and use our in-house call centre to obtain guest feedback in accordance with our internally devised and managed Guest Satisfaction Index (“GSI”). We operate two cloud-based systems: the Central Reservation System (“CRS”) and the Central Feedback System (“CFS”). We also started accepting reservations for our Barbeque Nation Restaurants through our smartphone application ‘BBQ App’ in February, 2016 and through Facebook chat messenger in December, 2016.

We were ranked among the top 50 companies to work for in India across all categories by Economic Times “Great Places to Work” survey for 2016 and 2017 by Great Places to Work Institute in collaboration with the Retailers Association of India. We were also voted among the top ten employers within the Indian retail industry for 2017.

Our total revenue, EBITDA and profit after tax have grown from ₹1,842.45 million, ₹267.43 million and ₹43.12 million, respectively, in Fiscal 2013 to ₹5,034.85 million, ₹668.88 million and ₹102.41 million, respectively, in Fiscal 2017, at a CAGR of 28.57%, 25.76% and 24.14%, respectively.

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Indian GAAP, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

For Fiscals 2015, 2016 and 2017, we served 4.22 million, 5.68 million and 6.86 million covers, respectively. In Fiscals 2015, 2016 and 2017, our total revenues were ₹3,040.96 million, ₹4,030.51 million and ₹5,034.85 million, our EBITDA was ₹474.98 million, ₹489.00 million and ₹668.88 million, our cash profit (defined as Profit after tax plus Depreciation and Amortisation) was ₹303.80 million, ₹315.60 million and ₹437.52 million, respectively and our profit after tax was ₹134.88 million, ₹58.87 million and ₹102.41 million, respectively. We also had negative net working capital in two of the last three Fiscals.

Our Strengths

We believe we benefit from a number of strengths that together differentiate us from our competitors:

One of India’s fastest growing and widely recognised restaurant brands in the rapidly growing CDR segment

The first Barbeque Nation Restaurant was launched in 2005 by Sayaji Hotels, one of our promoters. Five Barbeque Nation Restaurants owned by Sayaji Hotels were transferred to us in 2012. We have steadily grown our Barbeque Nation Restaurant network from a single restaurant in 2007 to 81 Barbeque Nation Restaurants in 42 cities in India (including one currently under renovation) and one restaurant in Dubai as of June 30, 2017 owned and operated by us. As of June 30, 2017, a further nine Barbeque Nation Restaurants were under construction. In addition, as of June 30, 2017, we had granted the franchise rights of one Barbeque Nation Restaurant.

Year	Number of owned and operated Barbeque Nation Restaurants added in India (Net) ⁽¹⁾	Total owned and operated Barbeque Nation Restaurants in India ⁽¹⁾	Number of cities added in India ⁽¹⁾	Total cities in India ⁽¹⁾
Fiscal 2013	14	32	1	14
Fiscal 2014	5	37	3	17
Fiscal 2015	8 ⁽²⁾	45	2	19
Fiscal 2016	21	66	10	29
Fiscal 2017	13 ⁽³⁾	79	11	40
Fiscal 2018 (till June 30, 2017)	2⁽⁴⁾	81	2	42

Notes:

- (1) This excludes one Barbeque Nation Restaurant which operates on a franchise model and is not owned and operated by us.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed.
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the same trade area.
- (4) In Fiscal 2018, 3 Barbeque Nation Restaurants were opened including 1 Barbeque Nation Restaurant which was relocated. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.

Our restaurant location portfolio consists of sites located in business districts, neighbourhoods and local markets, which enjoy a steady volume of guest traffic. As of June 30, 2017, more than half of our Barbeque Nation Restaurants were located in Metro cities.

City Type	Number of owned and operated Barbeque Nation Restaurants in India [^]					
	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018 (till June 30, 2017)
Metro cities	26	28	34	44	46	46
Tier-I cities	4	5	6	10	13	13
Tier-II cities	-	1	1	6	14	16
Tier-III cities	2	3	4	6	6	6
Total owned and operated Barbeque Nation Restaurants in India	32	37	45	66	79	81
Number of states and Union Territories in India with Barbeque Nation Restaurants	11	12	13	15	18	19

[^] This excludes one Barbeque Nation Restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.

Fixed price casual dining, given its convenience, quick service and moderate average spending, is increasingly popular among consumers. We are a pioneer of the fixed price live-in-the-grill concept in India, and we fall under the CDR segment according to Technopak. The chain CDR segment grew at a CAGR of 19% between Fiscal 2013 and Fiscal 2017. It is expected to further grow at a CAGR of approximately 21% from 2017 to 2022 according to Technopak.

One of the main contributors to the brand affinity of our Barbeque Nation Restaurants has been word of mouth referrals by our guests. Many of our guests have written positive reviews of our Barbeque Nation Restaurants on online discussion fora and food-related blogs. Many of our Barbeque Nation Restaurants in India have received positive feedback on such blogs and websites. Consequently, we believe that we have retained a strong market position while steadily expanding across India in a fragmented and highly competitive industry.

We also have a large social media following. As of June 30, 2017, we had over 860,000 followers on our various Facebook webpages.

Steady growth in covers and APC leading to growth in average bill size with a relatively high proportion of total revenues from weekday sales and lunch covers

We have experienced consistent cover growth in recent Fiscals. The number of covers served at our Barbeque Nation Restaurants increased from 2.98 million in Fiscal 2013 to 6.86 million in Fiscal 2017 at a CAGR of 23.20%. In addition to our consistent cover growth, the APC (excluding taxes and service charge) at our Barbeque Nation Restaurants has grown marginally from ₹617 to ₹702 at a CAGR of 3.20%.

Year	Number of covers		APC (in ₹)*
	(in million)	YOY (in %)	
Fiscal 2013	2.98	36	617
Fiscal 2014	3.92	32	671
Fiscal 2015	4.22	8	707
Fiscal 2016	5.68	35	694
Fiscal 2017	6.86	21	702

* These figures exclude taxes and service charge.

We believe Barbeque Nation Restaurants has attracted groups with an average size between 4 and 5 guests in

last three Fiscals leading to a relatively higher average bill size. Our average bill size (excluding taxes and service charge) for Barbeque Nation Restaurants owned and operated by us in India was ₹3,161, ₹3,034 and ₹2,989 in Fiscals 2015, 2016 and 2017, respectively. Our APC (excluding taxes and service charge) has increased from ₹617 in Fiscal 2013 to ₹702 in Fiscal 2017.

We believe that the CDR segment typically has a low proportion of its total revenues comprising of weekday sales (all sales from Monday through Thursday) since weekends offer greater opportunities for leisure and family time. However, weekday sales have consistently formed a relatively higher proportion of our total revenues. Our weekday sales contributed 48%, 49% and 48% of our total revenues in Fiscals 2015, 2016 and 2017, respectively.

Furthermore, we believe that the CDR segment has typically seen a low proportion of its total revenues comprising of lunch covers. However, lunch covers have consistently formed a relatively higher proportion of our total revenues. Lunch covers at our Barbeque Nation Restaurants contributed 42%, 44% and 45% of our total revenues in Fiscals 2015, 2016 and 2017, respectively.

We believe that our ability to generate a relatively high proportion of our total revenues from weekday sales and lunch covers is because we are a popular choice for corporate lunches during the week and families during the weekends. We host business lunches as well as informal get-togethers, family celebrations and other events such as birthdays, kitty parties etc. Our higher weekday sales and lunch covers also help us to increase our utilisation and efficient food waste management.

Attractive offering at competitive prices based on constant menu innovation and customer focus

We pioneered the 'over the table barbeque' concept in Indian restaurants according to the Technopak Report. Our live grills embedded in dining tables allow our guests to grill their own barbecues. Indian cuisine is a natural part of the cuisines in the markets we operate and we believe it is relatively less prone to mechanisation compared to QSR offerings. We continue to offer new menu options, both vegetarian and non-vegetarian, largely based on Indian cuisine and use seasonal guest preferences to introduce new dishes. We also run popular food festivals at our Barbeque Nation Restaurants such as Best of the Coast and Africa Magica, offering our guests a range of Indian, international and fusion cuisines. We have also introduced gift cards and vouchers as part of our offering.

Our fixed price 'all you can eat' concept offers our guests a varying spread of consistently delicious food at a value-oriented price in a pleasant and casual dining environment. We believe that barbecue cuisine is distinctively attractive as compared with other dining options due to its DIY and cooked-at-the-table nature and the flexibility and fun of mixing and matching a wide variety of meats, vegetables, sauces and condiments to create dishes according to every diner's own tastes. In addition, fixed price dining is very popular among relatively larger groups, due to the guest's perception of high value for money and the comfort of certainty over the bill amount.

Since Fiscal 2017, we have rebranded and changed our brand logo and the form of some of our relatively older Barbeque Nation Restaurants to be more appealing and contemporary. In Fiscal 2015, we introduced 'Kulfi Nation', a counter within certain of our Barbeque Nation Restaurants where our guests can choose from different *kulfi* flavours. We constantly endeavour to increase the number of live counters at our Barbeque Nation Restaurants, offering our guests customised dishes prepared in accordance with their requests. Some of our dishes may vary in taste based on the city in which our Barbeque Nation Restaurant is located keeping local tastes and preferences in mind. We believe our approach of constant innovation assists in retaining our competitiveness, maintaining our repeat guest base and attracting new guests.

We have several years of experience in catering to guest tastes and preferences in India, which has provided us with deep knowledge of their expectations. Based on our experience and regular guest feedback, we carefully design and adjust our menus to suit what we believe are the current tastes and preferences of our guests. We aim to inculcate a service mind-set in all our staff and train them to be attentive to guest needs without being overly formal.

We place a strong emphasis on guest reviews and feedback. Our in-house department gathers feedback daily across multiple satisfaction parameters from the previous day's transactions and feeds this information into our internal GSI. The results determined by our GSI play an important role in management and staff incentive schemes in our Barbeque Nation Restaurants. The current GSI criteria include areas such as ambience, hygiene, reservation experience, Food and Beverage ("F&B") quality and restaurant service. On the basis of qualitative feedback received from our guests over phone calls, our employees assign a rating to the respective guest's experience. Many of our guests have rated their overall dining experience with us as either good or excellent.

Strong business processes and back-end systems leading to efficient operations

We benefit from strong processes and systems that have been established over the past 10 years of our Company's operations. Our restaurant locations are carefully chosen by a dedicated internal team. We have been successful in opening restaurants in business districts, neighbourhoods and local markets without typically paying high street premium rentals. Our rent (including lease rentals) to revenue ratio was 9.40%, 9.22% and 10.80%, for Fiscals 2015, 2016 and 2017, respectively.

We source our ingredients from various suppliers including importing them in some cases from outside India. We also conduct regular audits to check our food quality and service standards.

We started our own in-house chef training school in July 2016 where all our new chefs have been trained. Our chef training facility also has a central kitchen used for the development of new products.

Our cloud-based Central Reservation System ("CRS") is connected to our CRS agents, smartphone app, web-based app and in-restaurant POS reservation system. This synchronised system allows us to track all reservations centrally, with all interconnected booking systems feeding the central cloud database. Our cloud-based Central Feedback System ("CFS") allows quick guest response from multiple media at any time of the day. The CFS allows us to store all guest feedback, centrally and initiate a quick response. We place a strong emphasis on guest reviews and feedback and use our in-house call centre to obtain guest feedback in accordance with our internal GSI.

We have witnessed increased reservations through our smartphone application 'BBQ App'. As of June 30, 2017, our app had registered over 460,000 downloads. In Fiscal 2017, approximately 17.11% of total reservations were made through the BBQ App.

Experienced staff and value-oriented business culture led by some of our Promoters and our senior management team bringing experience from well-known hospitality brands

Some of our Promoters have several years of experience in the Indian hospitality industry. A number of our senior management team have knowledge of and experience in the Indian hospitality industry, coming from well-known food and beverage and hospitality brands in India. Our management team's experience provides us with the skills required to implement our corporate practices and growth strategies.

To assist our management, we have a dedicated team of employees across our restaurant network. We believe that a sense of ownership across all levels is very important to the success of a guest oriented business. We place strong emphasis on instilling our core values in each of our staff. When we open new restaurants, we generally transfer some staff from existing restaurants to our new restaurants to ensure easier initial launch and set up. In addition, we emphasise organic growth, having promoted some of our staff who joined our Company as trainees to chefs or management based on their performance. We have empowered our restaurant managers with authority in certain matters to maintain their engagement with our customers and business. Our efforts are geared towards aligning the goals of our staff with our vision of strengthening staff engagement.

We place great emphasis on training our employees. Our training program is structured to provide a growth path for all our employees, from trainees to managers. We also emphasise staff welfare including offering our staff skill enhancement, subsidised meals and accommodation in some cases and annual bonuses.

As of June 30, 2017, we had over 4,800 employees, organised, supported and incentivised to maximise productivity. Compensation for our restaurant managers is linked to GSI, sales and profitability of their restaurant, which we believe promotes a culture of responsibility for customer service, revenue and costs.

We were ranked among the top 50 companies to work for in India across all categories by Economic Times "Great Places to Work" survey for 2016 and 2017 by Great Places to Work Institute in collaboration with the Retailers Association of India. We were also voted among the top ten employers within the Indian retail industry for 2017.

Healthy financial position with proven track record of revenue growth and profitability

Some of our Barbeque Nation Restaurants are located in inner lanes or higher floors in order to optimise our profitability, maintain our operational flexibility and ensure that we continue to keep our rent to revenue ratio low.

Our net working capital has been negative in two of the last three Fiscals as set out below:

(in ₹ millions)

Parameter	Fiscal 2015	Fiscal 2016	Fiscal 2017
Net working Capital	12.40	(321.62)	(244.91)
Sale of Food & Beverages	2,987.42	3,976.45	4,966.50

Note: Net Working Capital is calculated as current assets excluding cash and cash equivalents as restated minus investments as restated minus current liabilities (excluding current maturities of long term debt and short term borrowings) as restated

Our Barbeque Nation Restaurants, have historically delivered superior financial performance following their gestation periods and as the number of years for which a restaurant has been operational increases. Key performance statistics for our Barbeque Nation Restaurants by their vintage (as in Fiscals 2016 and 2017) are set out below:

(in ₹ millions)

Total Revenue from Operations						
End of Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
	Barbeque Nation Restaurants in India owned and operated by us					
13	Pre Fiscal 2013 restaurants	1,168.50	1,232.39	1,266.41	1,270.21	1,253.25
14	Fiscal 2013 restaurants	312.70	875.20	950.24	1,021.55	1,045.35
5	Fiscal 2014 restaurants	-	136.37	289.59	329.95	350.07
9 ⁽²⁾	Fiscal 2015 restaurants	-	-	137.81	483.63	514.92
21	Fiscal 2016 restaurants	-	-	-	510.18	1,139.04
13 ⁽³⁾	Fiscal 2017 restaurants	-	-	-	-	233.44
4	Relocated / renovated restaurants ⁽⁴⁾	286.70	313.84	337.75	342.06	309.25
1	Closed restaurant	70.02	71.58	17.86	-	-
79	Total Barbeque Nation Restaurants in India owned and operated by us	1,837.93	2,629.38	2,999.66	3,957.58	4,845.33
	Other operating income (not directly attributable to Barbeque Nation Restaurants in India owned and operated by us)	4.52	50.06	37.87	40.59	49.57
4	Revenue from Johnny Rockets	-	-	-	-	69.53
1	Revenue from Barbeque Nation Restaurant in Dubai	-	-	-	-	49.00
-	Revenue from Favorite Restaurants Private Limited (merged from January 1, 2017)	-	-	3.44	32.34	21.43
	Revenues from Operations⁽⁵⁾	1,842.45	2,679.44	3,040.96	4,030.51	5,034.85

Notes:

- (1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed.
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurant which were relocated within the same trade area
- (4) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated
- (5) Figures for Fiscals 2013 and 2014 are on a standalone basis since we did not have any Subsidiaries in these Fiscals.
- (6) Figures included in the table above are subject to rounding off.

(in ₹ millions)

Total Revenue from Operations per Barbeque Nation Restaurant in India						
End Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
	Barbeque Nation Restaurants in India owned and operated by us					
13	Pre Fiscal 2013 restaurants	89.88	94.80	97.42	97.71	96.40
14	Fiscal 2013 restaurants	22.34	62.51	67.87	72.97	74.67
5	Fiscal 2014 restaurants	-	27.27	57.92	65.99	70.01

Total Revenue from Operations per Barbeque Nation Restaurant in India						
End Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
9 ⁽²⁾	Fiscal 2015 restaurants	-	-	15.31	53.74	57.21
21	Fiscal 2016 restaurants	-	-	-	24.29	54.24
13 ⁽³⁾	Fiscal 2017 restaurants	-	-	-	-	17.96
4	Relocated / renovated restaurants ⁽⁴⁾	71.67	78.46	84.44	85.51	77.31
1	Closed	70.02	71.58	17.86	-	-
79	Total Barbeque Nation Restaurants in India owned and operated by us	57.44	71.06	66.66	59.96	61.33

Notes:

- (1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the same trade area
- (4) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated

(in ₹ millions)

EBITDA						
End of Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
	Barbeque Nation Restaurants in India owned and operated by us					
13	Pre Fiscal 2013 restaurants	274.62	316.69	313.14	328.06	338.15
14	Fiscal 2013 restaurants	17.26	110.26	167.00	191.83	241.14
5	Fiscal 2014 restaurants	-	13.43	50.39	73.27	84.91
9 ⁽²⁾	Fiscal 2015 restaurants	-	-	19.74	74.87	107.18
21	Fiscal 2016 restaurants	-	-	-	20.96	192.07
13 ⁽³⁾	Fiscal 2017 restaurants	-	-	-	-	11.50
4	Relocated / renovated restaurants ⁽³⁾	40.07	49.57	63.45	59.45	52.39
1	Closed	7.52	8.05	-2.14	-	-
79	Restaurant-level EBITDA (Barbeque Nation Restaurants in India owned and operated by us)	339.47	498.01	611.59	748.45	1,027.34
	Add					
	Other Operating Income (not directly attributable to Barbeque Nation Restaurants in India owned and operated by us)	4.52	50.06	37.87	40.59	49.57
	Add					
4	EBITDA from Johnny Rockets	-	-	-	-	-19.34
1	EBITDA from Barbeque Nation Restaurant in Dubai	-	-	-	-	-5.30
	EBITDA from Favorite Restaurants Private Limited (merged from January 1, 2017)	-	-	(16.20)	(43.20)	(12.84)
	Less					
	Regional and corporate expenses ⁽⁵⁾	76.57	112.19	158.28	256.84	370.54
84	Company EBITDA⁽⁶⁾	267.43	435.88	474.98	489.00	668.88

Notes:

- (1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the same trade area
- (4) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated

(5) Regional and corporate expenses comprise of employee benefit expenses, rentals, travelling, communication, power and electricity, and other expenses which are not directly attributable to the restaurant.

(6) Figures for Fiscals 2013 and 2014 are on a standalone basis since we did not have any Subsidiaries in these Fiscals.

EBITDA Margin per Barbeque Nation Restaurant in India						
End of Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
	Restaurant EBITDA Margins (%)⁽²⁾					
	(%) of respective vintages					
13	Pre Fiscal 2013 restaurants	24%	26%	25%	26%	27%
14	Fiscal 2013 restaurants	6%	13%	18%	19%	23%
5	Fiscal 2014 restaurants	-	10%	17%	22%	24%
9 ⁽³⁾	Fiscal 2015 restaurants	-	-	14%	15%	21%
21	Fiscal 2016 restaurants	-	-	-	4%	17%
13 ⁽⁴⁾	Fiscal 2017 restaurants	-	-	-	-	5%
4	Relocated / renovated restaurants ⁽⁵⁾	14%	16%	19%	17%	17%
1	Closed	11%	11%	-12%	-	-
79	Total Barbeque Nation Restaurants in India owned and operated by us⁽⁶⁾	18%	19%	20%	19%	21%
	Company EBITDA Margin⁽⁷⁾	14.51%	16.27%	15.62%	12.13%	13.29%

Notes:

(1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.

(2) Restaurant EBITDA Margins are calculated by dividing Barbeque Nation Restaurant EBITDA for respective vintages by the revenues for the same vintages

(3) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed

(4) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the trade area

(5) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated

(6) Calculated as Barbeque Nation Restaurant EBITDA prior to other income, from owned Barbeque Nation Restaurants in India divided by revenues from owned Barbeque Nation in India.

(7) Calculated as Company EBITDA divided by Company revenue from operations

Our total revenue and EBITDA have grown from ₹1,842.45 million and ₹267.43 million, respectively, in Fiscal 2013 to ₹5,034.85 million and ₹668.88 million, respectively, in Fiscal 2017, at a CAGR of 28.57% and 25.76%, respectively. Our cash profit (defined as Profit after tax plus Depreciation and Amortisation) and profit after tax have grown from ₹140.40 million and ₹43.12 million in Fiscal 2013 to ₹437.52 million and ₹102.41 million, respectively, in Fiscal 2017, at a CAGR of 32.86% and 24.14%, respectively.

We have a consistent track record of profitable growth. We have also experienced a superior cash flow generation in recent Fiscals. Our EBITDA to cash flow conversion ratio (computed as cash flows from operating activities divided by EBITDA) was 62.82%, 93.53% and 81.03% in Fiscals 2015, 2016 and 2017.

Our key financial metrics, on a consolidated restated basis, in recent Fiscals are set out below:

Parameter	Fiscal 2017	Fiscal 2016	Fiscal 2015
EBITDA Margins (%)	13.29%	12.13%	15.62%
PAT Margins (%)	2.03%	1.46%	4.44%
Net Working Capital (in ₹ million)	(244.91)	(321.62)	12.40
Net Working Capital (% of Revenue from Operations)	(4.86)%	(7.98)%	0.41%
Net Debt (in ₹ million)	639.54	336.23	156.59
Total Debt to Equity	0.60	0.42	0.26
Total Debt to EBITDA	1.30	1.06	0.65
Net Debt to Equity	0.44	0.27	0.13

Parameter	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net Debt to EBITDA	0.96	0.69	0.33
Return on average capital employed (%)	18.19%	15.88%	23.14%
Return on average equity	7.60%	4.84%	11.90%

Notes:

1. *Net Debt (excluding capital work in progress) is calculated as Total debt as restated – cash and cash equivalents as restated – investments as restated – capital work in progress as restated.*
2. *Net Working Capital is calculated as current assets excluding cash and cash equivalents as restated minus investments as restated minus current liabilities (excluding current maturities of long term debt and short term borrowings) as restated*
3. *Net Worth as restated is calculated as aggregate value of the paid up share capital (including shares pending allotment) and securities premium account, after adding surplus in statement of profit and loss and accumulated balance in foreign currency translation reserve. Average Net Worth as restated is calculated as (Opening Networth as restated + Closing Networth as restated)/2. Average net worth as restated for fiscal 2015 is based on the standalone numbers for fiscal 2014 and consolidated numbers for fiscal 2015 as there were no subsidiaries in fiscal 2014*
4. *Average Capital Employed is calculated as Average Net Worth as restated + Average Net Debt excluding capital work in progress as restated. Average capital employed as restated for fiscal 2015 is based on the standalone numbers for fiscal 2014 and consolidated numbers for fiscal 2015 as there were no subsidiaries in fiscal 2014*
5. *Average Net Debt is calculated as (Opening Net Debt excluding capital work in progress as restated + Closing Net Debt excluding capital work in progress as restated)/2*
6. *Return on average equity is calculated as Net Profit after taxes as restated/ Average networth as restated*
7. *Return on average capital employed is calculated as (EBITDA as restated– Depreciation and amortisation as restated)/ Average capital employed as restated.*

In Fiscals 2015, 2016 and 2017, our total revenues were ₹3,040.96 million, ₹4,030.51 million and ₹5,034.85 million, our EBITDA was ₹474.98 million, ₹489.00 million and ₹668.88 million, and our profit after tax was ₹134.88 million, ₹58.87 million and ₹102.41 million, respectively.

We believe that our strong financial position provides us with the financial flexibility to fund our growth and expansion and allow us to respond effectively to emerging opportunities in the Indian restaurant market.

Our Strategies

Preserve our guest and team-focussed culture and values

Our employees are critical to our guest-focussed business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as training and job rotation) to address these gaps. We have been successful in building a team of talented professionals and intend to continue placing emphasis on managing attrition as well as attracting and retaining employees. We will continue to implement staff training policies and assessment procedures in a transparent and consistent manner as in the past and to continue investing in and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our core values including our guest-oriented focus and service quality standards to enable them to continue to meet our guests' needs and preferences.

We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivised. We also intend to continuously re-engineer our organisation to remain lean in order to respond effectively to changes in our business environment and key markets.

Increase same store sales growth, revenue per store and profitability as the vintage of our Barbeque Nation Restaurants increases

We are committed to continuing to enhance our comparable restaurants sales growth and profitability. Accordingly, we intend to implement a number of initiatives, many of which represent natural extensions and a continuing refinement of our strategy to date. These key initiatives include:

- increasing sales volume by introducing new and innovative dishes and “live counters” offering dishes customised to guests' preferences;
- increasing average daily revenue per restaurant including by publicising to our customers the different food types available during various food festivals;
- increasing guest traffic by upgrading the decor of existing restaurants to revitalise their ambience and create a welcoming atmosphere;

- improving purchasing and logistics cost control through centralized purchases and strategic stocking of inventories in third-party central warehouses;
- increasing cost savings and operational efficiencies by further consolidating food preparation processes into our central kitchens;
- optimising restaurant-level staffing to maintain our service quality and reduce our labour costs;
- maximising utilisation of food ingredients by promoting multiple menu and serving arrangements;
- increasing profitability by introducing new and innovative dishes that utilise food ingredients that are available in high quality and at low costs;
- actively reducing wastage of food ingredients; and
- diversifying our product offerings to expand the reach of our existing core brand, including expanding the sale of alcoholic beverages in our Barbeque Nation Restaurants.

Continue expansion in new Indian cities including untapped Metro, Tier-I and select Tier-II and Tier-III cities

According to Technopak, the CDR segment is becoming increasingly popular in modern urban areas of India due to a rising middle class with higher disposable income and changing eating habits, and is expected to enjoy strong growth in the future.

We believe that our strong presence in the Indian market positions us well to capitalise on the anticipated growth in consumer spending from expected increases in the level of disposable income in India. Our Barbeque Nation Restaurants are mainly located in three regions in India: North, South and West which, according to Technopak, have the highest proportion of people dining out. We intend to increase both our revenues and profits by opening new Barbeque Nation Restaurants in both existing cities where we operate and new cities in India. Increasing our penetration in existing cities with a greater number of Barbeque Nation Restaurants will enable us to access new catchment areas within these cities and optimise our infrastructure usage. Enhancing our reach to cover additional cities will enable us to reach out to a larger target customer base.

We opened 9, 21 and 13 Barbeque Nation Restaurants in Fiscals 2015, 2016 and 2017. We will continue to expand our Barbeque Nation Restaurant network in Metro cities, Tier I cities and more selectively Tier II and Tier III cities. We also plan to increase the number of our Barbeque Nation Restaurants in metro cities in a selective manner.

The key factor affecting the expansion of our Barbeque Nation restaurants is the selection of suitable locations. We will continue to adopt a methodical approach in evaluating and selecting suitable locations to establish new restaurants. We have developed site selection processes based on our experience and enhanced by our local knowledge to evaluate multiple factors including demographics, spending capacity, market conditions and investment costs analysis in deciding where to locate our restaurants. We have made a deliberate choice to keep most of our Barbeque Nation Restaurants away from premium locations such as premium shopping malls or other high street areas in Metro cities where lease rentals tend to be higher. We witness a relatively high proportion of our bookings through advance reservations (58.00% in Fiscal 2017) making us a destination brand where our guests plan to dine in advance based on word of mouth and other positive feedback about us on social media. Some of our Barbeque Nation Restaurants are located in inner lanes or higher floors in order to optimise our profitability, maintain our operational flexibility and ensure that we continue to keep our rent to revenue ratio low.

We currently own and operate all our Barbeque Nation Restaurants (other than our Barbeque Nation Restaurant in Kolhapur which is run on the franchise model). We intend to continue following this model but may also allow landlords to own restaurants run and operated by us located on their respective properties on a part rental part profit sharing basis.

Expansion through owned & franchise formats in select international markets

We intend to continue to roll out primarily owned and operated restaurants and, opportunistically, franchise owned (whether franchise or company operated) Barbeque Nation Restaurants in select international cities in line with our carefully defined process for new restaurant openings.

We will prioritise our expansion in those markets where we can leverage our existing infrastructure and expertise. We currently operate one Barbeque Nation restaurant in Dubai. As of June 30, 2017, one more Barbeque Nation Restaurant in Dubai was under construction. This restaurant will also be owned and operated by us. The level of operational involvement of franchisees will depend on their expertise and position in our target international markets.

Expand the Johnny Rockets franchise to other Indian cities

We believe that our recently acquired brand, Johnny Rockets, is well-known for great food and atmosphere. We intend to expand and develop this brand by replicating our Barbeque Nation guest service model and refreshing this American hamburger chain in India.

We intend to scale up our Johnny Rockets Restaurants, currently based in Bengaluru, Delhi and Gurugram, to other metro cities such as Mumbai, Tier-I cities and Tier-II cities with a high youth population such as Manipal. We stand to benefit from the expansion of our Johnny Rockets franchise as the terms of our amended International Master Development Agreement with Johnny Rockets USA reduces the royalty payable by us from 5% to 2.5% for all Johnny Rockets Restaurants except the first ten (on which 5% royalty will continue to be payable).

We are currently in the process of relocating one of our five Johnny Rockets Restaurants and may relocate one more restaurant in the future to enable them to better support both a buffet and an *a-la carte* dining model in a larger space. The functional integration of our Johnny Rockets Restaurants with our Barbeque Nation Restaurants such as IT systems, HR and other operational processes is currently ongoing. We plan to renegotiate our existing supplier contracts for our Johnny Rockets restaurants leveraging our existing vendor relationships for our Barbeque Nation Restaurants.

We have revised the menu prices in our Johnny Rockets Restaurants offering fixed price vegetarian and non-vegetarian unlimited burgers combos, respectively at some of our Johnny Rockets Restaurants. We believe this reduces the bite size to encourage consumption of a greater variety of dishes. We also plan to add several new dishes to our existing Johnny Rockets menu including a range of new burgers and milkshakes to cater to both local and international tastes.

Continue evaluating strategic brand acquisitions

We believe that the food services industry has potential for significant further growth and we plan to leverage our market position and experience in the food services industry by introducing other international food service brands in India or through acquisition of an existing Indian brand.

Barbeque Nation is our core brand in the CDR segment. Johnny Rockets, which is still in its early stages of development, is our recently-franchised brand focused on a different cuisine within the CDR segment. We believe that a strategy focussed on one brand at a time is key to making the brand successful and allowing it to achieve its full potential. We intend to continue disciplined diversification by building a diversified brand portfolio once our Johnny Rockets brand is further scaled-up across Indian cities.

We plan to pursue brand diversification to capture additional market segments, take advantage of a wider range of market opportunities and ultimately increase our overall market share by enlarging our customer base. We intend to structure our brand portfolio to offer different price points and appeal to different clientele, with each brand maintaining a distinctive identity. A multi-brand strategy will allow us to (i) reduce our exposure to risks in a specific market segment, and (ii) derive cost efficiency and synergy from sharing operations or functions, leveraging our industry knowledge and experience, pooling negotiating powers with landlords and suppliers, and coordinating marketing and promotion initiatives across different brands and market segments.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Standalone Financial Statements of our Company and the Restated Consolidated Financial Statements of our Company.

The Restated Financial Statements have been prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations and presented under the "Financial Statements" on page 194. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 194 and 300 respectively.

RESTATEd STANDALONE FINANCIAL INFORMATION ON ASSETS AND LIABILITIES

(Amount in ₹ in million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
I. EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	135.12	133.12	133.12	110.60	95.65
(b) Reserves and surplus	1,383.63	1,186.47	1,084.65	957.29	319.10
Total (A)	1,518.75	1,319.59	1,217.77	1,067.89	414.75
Non-current liabilities					
(a) Long-term borrowings	523.69	358.74	179.00	314.28	420.00
(b) Other long-term liabilities	3.05	5.02	6.53	6.53	4.25
(c) Long-term provisions	39.96	23.93	21.22	12.36	9.15
Total (B)	566.70	387.69	206.75	333.17	433.40
Current liabilities					
(a) Short-term borrowings	14.26	10.09	-	-	18.02
(b) Trade payables					
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises	396.88	307.69	148.17	159.64	245.38
(c) Other current liabilities	329.20	326.44	180.70	134.67	241.56
(d) Short-term provisions	67.05	89.60	84.23	49.83	3.05
Total (C)	807.39	733.82	413.10	344.14	508.01
TOTAL D=(A + B + C)	2,892.84	2,441.10	1,837.62	1,745.20	1,356.16
II. ASSETS					
Non-current assets					
(a) Fixed assets					
- Tangible assets	1,641.30	1,388.01	1,013.92	889.10	763.17
- Intangible assets	185.29	212.32	119.29	134.42	150.04
- Capital work-in-progress	149.54	142.18	73.66	35.75	77.15
(b) Non-current investments	225.31	95.07	62.12	-	-
(c) Deferred tax assets (net)	39.13	33.98	18.28	7.66	9.01
(d) Long-term loans and advances	258.38	261.04	171.58	145.60	122.84
(e) Other non-current assets	25.08	11.15	5.58	4.07	11.50
Total (E)	2,524.03	2,143.75	1,464.43	1,216.60	1,133.71
Current assets					
(a) Current investments	27.86	30.00	21.24	45.61	-
(b) Inventories	150.07	121.11	134.51	106.79	73.83
(c) Trade receivables	40.68	47.95	29.59	36.27	25.48
(d) Cash and cash equivalents	44.35	10.45	50.88	83.60	35.56
(e) Short-term loans and advances	83.17	85.93	122.40	250.70	87.58
(f) Other current assets	22.68	1.91	14.57	5.63	-
Total (F)	368.81	297.35	373.19	528.60	222.45
TOTAL G=(E+F)	2,892.84	2,441.10	1,837.62	1,745.20	1,356.16

RESTATED STANDALONE FINANCIAL INFORMATION ON PROFITS AND LOSSES

(Amount in ₹ in million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
REVENUE					
Revenue from operations					
Sale of food & beverages	4,828.76	3,944.11	2,983.99	2,648.34	1,828.38
Other operating revenues (net of expense directly attributable to such income)	66.14	54.06	53.54	31.10	14.07
Total (A)	4,894.90	3,998.17	3,037.53	2,679.44	1,842.45
EXPENSES					
(a) Cost of food and beverages consumed	1,742.25	1,474.04	1,108.70	1,019.76	732.58
(b) Employee benefits expenses	876.15	667.08	426.08	326.26	235.88
(c) Occupancy cost and other operating expenses	1,570.13	1,324.85	1,011.57	897.54	606.56
Total (B)	4,188.53	3,465.97	2,546.35	2,243.56	1,575.02
Earnings before exceptional items, finance costs, other income, depreciation and amortisation EBITDA C=(A-B)	706.37	532.20	491.18	435.88	267.43
Finance costs (D)	139.76	97.18	84.40	91.07	75.00
Depreciation and amortisation expense (E)	324.73	233.49	167.68	130.47	97.28
Other Income (F)	7.53	4.91	20.96	24.70	1.74
Profit before tax and exceptional items G=(C-D-E+F)	249.41	206.44	260.06	239.04	96.89
EXCEPTIONAL ITEMS					
Net loss relating to restaurant units closed / relocated during the year	(8.01)	-	(18.95)	-	(25.46)
Total Exceptional Items (H)	(8.01)	-	(18.95)	-	(25.46)
Profit before tax I=(G + H)	241.40	206.44	241.11	239.04	71.43
TAX EXPENSE					
(a) Current tax expense	88.51	96.29	97.28	84.55	21.60
(b) Deferred tax	(5.18)	(15.70)	(9.58)	1.35	6.71
Net tax expense (J)	83.33	80.59	87.70	85.90	28.31
Net Profit for the year (as restated) K=(I - J)	158.07	125.85	153.41	153.14	43.12
Earnings per share (Rs.5/- per each):					
- Basic	5.86	4.73	6.14	6.95	2.25
- Diluted	5.86	4.73	5.77	5.77	2.25

RESTATED STANDALONE FINANCIAL INFORMATION ON CASH FLOWS

(Amount in ₹ in million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A. Cash flow from operating activities					
Profit before tax, as restated	241.40	206.44	241.11	239.04	71.43
Adjustments for:					
Depreciation and amortisation expense	324.73	233.49	167.68	130.47	97.28
Loss on sale / write off of assets	8.01	-	11.56	0.20	0.57
Finance costs	74.55	44.87	44.02	66.00	52.97
Interest income	(4.30)	(2.18)	(17.83)	(9.94)	(1.74)
Dividend income	-	(0.03)	(2.77)	(13.89)	-
Net (gain) / loss on sale of investments	(3.23)	(2.70)	(0.36)	(0.87)	-
Expense on employee stock option scheme	9.62	-	-	-	-
Expense on phantom option scheme	3.33	-	-	-	-
Provision for doubtful trade and other receivables, loans and advances, bad debts written off (net)	7.46	5.69	1.22	4.29	-
Operating profit before working capital changes	661.57	485.58	444.63	415.30	220.51
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(28.62)	13.40	(27.72)	(32.96)	(37.78)
Trade receivables	7.82	(18.36)	6.69	(5.52)	(13.10)
Short-term loans and advances	(1.20)	5.77	2.08	(44.56)	208.42
Long-term loans and advances	(30.36)	(62.30)	(28.23)	(22.52)	(29.32)
Other current assets	(16.49)	-	-	-	-
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables	87.83	159.50	(11.44)	(90.00)	137.03
Other current liabilities	16.60	6.90	6.29	3.22	46.28
Short-term provisions	(3.96)	10.69	4.89	6.68	1.71
Other long-term liabilities	(1.98)	(1.50)	-	6.53	-
Long-term provisions	11.75	2.72	8.85	3.21	7.31
Cash generated from operations	702.96	602.40	406.04	239.38	541.06
Net income tax (paid) / refunds	(86.77)	(101.50)	(93.58)	(31.72)	(14.67)
Net cash flow from / (used in) operating activities (A)	616.19	500.90	312.46	207.66	526.39
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(634.37)	(652.75)	(340.60)	(280.74)	(712.05)
Proceeds from sale of fixed assets	4.35	-	-	5.61	0.79
Purchase / acquisition of long-term investments:					
- in subsidiaries	(225.32)	(32.95)	(62.12)	-	-
Inter-corporate deposits given	-	-	-	(150.00)	(26.00)
Realisation of inter-corporate deposits	-	25.00	125.00	-	-
Deposits placed for margin money	(13.93)	(5.57)	(1.51)	-	-
Deposits realised from margin money	-	-	-	7.44	2.11
Proceeds from sale of current investment not considered as cash and cash equivalents	-	-	-	-	25.00
Loans and advances given to subsidiaries	(22.84)	(23.32)	-	-	-
Receipt towards repayment of loan from subsidiary	5.73	-	-	-	-
Interest received	5.40	14.76	8.90	4.30	1.74
Profit from sale of mutual funds	3.23	2.70	0.36	0.87	-
Dividend received from Mutual Funds units	-	0.04	2.77	13.89	-
Net cash flow from / (used in) investing activities (B)	(877.75)	(672.09)	(267.20)	(398.63)	(708.41)
C. Cash flow from financing activities					
Proceeds from issue of equity shares	124.00	-	22.52	500.00	-
Expenses towards proposed Initial Public Offering	(5.39)				
Proceeds from long-term borrowings	400.00	325.51	-	-	296.85
Repayment of long-term borrowings	(134.75)	(129.00)	(78.28)	(130.72)	(33.00)
Dividend paid	(19.97)	(19.97)	-	-	-
Tax on dividend	(4.07)	(4.07)	-	-	-
Net increase / (decrease) in working capital borrowings	4.16	10.09	-	(18.02)	1.12

Particulars	For the year ended				
Finance costs	(74.86)	(43.04)	(46.59)	(66.64)	(50.06)
Net cash flow from / (used in) financing activities (C)	289.12	139.52	(102.35)	284.62	214.91
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	27.56	(31.67)	(57.09)	93.65	32.89
Cash and cash equivalents at the beginning of the year	40.45	72.12	129.21	35.56	2.67
Add: Cash and cash equivalents pertaining on merger of subsidiary	4.20	-	-	-	-
Cash and cash equivalents at the end of the year	72.21	40.45	72.12	129.21	35.56
Cash and cash equivalents as per Balance Sheet, as restated	44.35	10.45	50.88	83.60	35.56
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements	27.86	30.00	21.24	45.61	-
Cash and cash equivalents as per AS 3 Cash Flow Statements	72.21	40.45	72.12	129.21	35.56

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON ASSETS AND LIABILITIES

(Amount in ₹ in million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	135.12	133.12	133.12
(b) Reserves and surplus	1,334.76	1,100.90	1,066.06
Total (A)	1,469.88	1,234.02	1,199.18
Minority Interest	-	0.01	0.05
Total (B)	-	0.01	0.05
Non-current liabilities			
(a) Long-term borrowings	582.18	358.74	179.00
(b) Deferred Tax Liability	-	-	1.07
(c) Other long-term liabilities	3.05	5.02	6.53
(d) Long-term provisions	40.36	24.24	21.22
Total (C)	625.59	388.00	207.82
Current liabilities			
(a) Short-term borrowings	34.45	10.09	-
(b) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises	417.89	317.47	153.95
(c) Other current liabilities	341.31	327.51	181.25
(d) Short-term provisions	67.03	90.23	84.23
Total (D)	860.68	745.30	419.43
TOTAL, E=(A + B + C+D)	2,956.15	2,367.33	1,826.48
II. ASSETS			
Non-current assets			
(a) Fixed assets			
- Tangible assets	1,768.60	1,420.11	1,052.46
- Intangible assets	208.03	214.81	121.92
- Capital work-in-progress	150.42	142.26	78.98
(b) Goodwill on consolidation	67.30	0.04	0.04
(c) Deferred tax assets (net)	39.13	34.03	18.28
(d) Long-term loans and advances	289.60	239.98	173.96
(e) Other non-current assets	25.08	12.17	5.58
Total (F)	2,548.16	2,063.40	1,451.22
Current assets			
(a) Current investments	27.86	30.00	21.24
(b) Inventories	160.73	124.24	137.10
(c) Trade receivables	40.72	51.25	29.63
(d) Cash and cash equivalents	52.70	10.85	51.19
(e) Short-term loans and advances	119.79	86.47	121.53
(f) Other current assets	6.19	1.12	14.57
Total (G)	407.99	303.93	375.26
TOTAL H=(F+G)	2,956.15	2,367.33	1,826.48

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON PROFITS AND LOSSES

(Amount in ₹ in million)

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
REVENUE			
Revenue from operations			
Sale of food & beverages	4,966.50	3,976.45	2,987.42
Other operating revenues (net of expense directly attributable to such income)	68.35	54.06	53.54
Total A	5,034.85	4,030.51	3,040.96
EXPENSES			
(a) Cost of food and beverages consumed	1,797.35	1,493.01	1,110.91
(b) Employee benefits expenses	918.92	695.63	431.63
(c) Occupancy cost and other operating expenses	1,649.70	1,352.87	1,023.44
Total B	4,365.97	3,541.51	2,565.98
Earnings before exceptional items, finance costs, other income, depreciation and amortisation EBITDA C=(A-B)	668.88	489.00	474.98
Finance costs D	143.99	97.19	84.44
Depreciation and amortisation expense E	335.11	256.73	168.92
Other Income F	4.48	3.84	20.96
Profit before tax and exceptional items G=(C-D-E+F)	194.26	138.92	242.58
EXCEPTIONAL ITEMS			
Net loss relating to restaurant units closed / relocated during the year	(11.51)	-	(18.95)
Total Exceptional Items H	(11.51)	-	(18.95)
Profit/(Loss) before tax I=(G + H)	182.75	138.92	223.63
TAX EXPENSE			
(a) Current tax expense	88.59	96.91	97.28
(b) Deferred tax	(5.18)	(16.82)	(8.51)
Net tax expense J	83.41	80.09	88.77
Net profit after tax before minority interest K=(I-J)	99.34	58.83	134.86
Share of Loss attributable to Minority interest L	(3.07)	(0.04)	(0.02)
Profit for the year, as restated, attributable to the shareholders of the Company M=(K-L)	102.41	58.87	134.88
Earnings per share (Rs.5/- per each):			
- Basic	3.80	2.21	5.40
- Diluted	3.80	2.21	5.08

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON CASH FLOWS

(Amount in ₹ in million)

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
A. Cash flow from operating activities			
Profit before tax, as restated	182.75	138.92	223.63
Adjustments for:			
Depreciation and amortisation expense	335.11	256.73	168.92
Loss on sale / write off of assets	11.51	-	11.56
Finance costs	75.20	44.87	44.02
Interest income	(1.25)	(1.10)	(17.83)
Dividend income	-	(0.04)	(2.77)
Net (gain) / loss on sale of investments	(3.23)	(2.70)	(0.36)
Expense on employee stock option scheme	9.62	-	-
Expense on phantom option scheme	3.33	-	-
Provision for doubtful trade and other receivables, loans and advances, bad debts written off (net)	7.46	5.70	1.22
Unrealised foreign exchange loss	(1.40)	-	-
Operating profit before working capital changes	619.10	442.38	428.39
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	(31.90)	12.87	(30.32)
Trade receivables	8.52	(21.62)	6.64
Short-term loans and advances	(32.29)	4.36	2.95
Long-term loans and advances	(36.42)	(62.18)	(30.60)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	77.33	163.50	(5.68)
Other current liabilities	14.98	7.43	6.84
Short-term provisions	(0.82)	11.23	4.89
Other long-term liabilities	(1.98)	(1.50)	-
Long-term provisions	12.30	3.02	8.85
Cash generated from operations	628.82	559.49	391.96
Net income tax (paid) / refunds	(86.85)	(102.13)	(93.58)
Net cash flow from / (used in) operating activities (A)	541.97	457.36	298.38
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances	(705.50)	(664.17)	(388.32)
Proceeds from sale of fixed assets	5.06	-	-
Purchase / acquisition of long-term investments:			
- in subsidiaries	(177.73)	-	(0.04)
Deposits placed for margin money	(12.91)	(6.59)	(1.51)
Realisation of inter-corporate deposits	-	25.00	125.00
Interest received	1.56	14.56	8.90
Profit from sale of mutual funds	3.23	2.70	0.36
Dividend received from Mutual Funds units	-	0.04	2.77
Net cash flow from / (used in) investing activities (B)	(886.29)	(628.46)	(252.84)
C. Cash flow from financing activities			
Proceeds from issue of equity shares	124.00	-	22.52
Expenses towards proposed Initial Public Offering	(5.39)	-	-
Proceeds from long-term borrowings	461.57	325.51	-
Repayment of long-term borrowings	(164.69)	(129.00)	(78.28)
Net increase / (decrease) in working capital borrowings	(64.77)	10.09	-
Dividend paid	(19.97)	(19.97)	-
Tax on dividend	(4.07)	(4.07)	-
Finance costs	(75.17)	(43.04)	(46.59)
Net cash flow from / (used in) financing activities (C)	251.51	139.52	(102.35)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(92.81)	(31.58)	(56.81)
Cash and cash equivalents at the beginning of the period/ year	40.85	72.43	129.21
Add: Cash and cash equivalents pertaining on acquisition of subsidiary	132.52	-	0.03
Cash and cash equivalents at the end of the year/period	80.56	40.85	72.43
Cash and cash equivalents as per Balance Sheet, as restated	52.70	10.85	51.19
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements	27.86	30.00	21.24
Cash and cash equivalents as per AS 3 Cash Flow Statements	80.56	40.85	72.43

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares [#]	Up to [●] Equity Shares aggregating up to ₹[●] million
<i>of which</i>	
Fresh Issue ⁽¹⁾	[●] Equity Shares aggregating up to ₹2,000 million
Offer for Sale ⁽²⁾	Of up to 6,179,000 Equity Shares aggregating up to ₹[●] million
<i>of which</i>	
Employee Reservation Portion ⁽³⁾	Up to 150,000 Equity Shares aggregating up to ₹[●] million
<i>Accordingly,</i>	
Net Offer	Upto [●] Equity Shares
<i>of which</i>	
A) QIB portion ⁽⁴⁾⁽⁵⁾	Not more than [●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion	Not more [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion excluding the Anchor Investor Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽⁵⁾	Not less than [●] Equity Shares
C) Retail Portion ⁽⁵⁾	Not less than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	27,024,014 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See “Objects of the Offer” on page 93 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

[#]Our Company may consider a pre-offer placement of up to 2,574,002 Equity Shares for an aggregate amount not exceeding ₹2,000 million at the discretion of the Company and the Selling Shareholders. The Pre-IPO Placement will be at a price to be decided by our Company and the Selling Shareholders, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted will be reduced from the Fresh Issue, as applicable, subject to a minimum offer of [●]% of the post-Offer paid-up Equity Share capital being offered to the public.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see “Offer Procedure - Basis of Allotment” on page 404. The allocation to each Retail individual Bidder shall not be less than minimum Bid Lot, subject to availability of shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.

(1) The Fresh Issue has been authorised by a resolution of our Board of Directors dated June 29, 2017 and a special resolution of our Shareholders in their AGM dated July 10, 2017.

(2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent/authorisation/resolution
AAJVIT	109,800	August 10, 2017
Azhar Dhanani	400,000	August 11, 2017
Kayum Dhanani	270,000	August 11, 2017
Sadiya Dhanani	400,000	August 11, 2017
Sanya Dhanani	270,000	August 11, 2017
TPL	4,729,200	August 10, 2017

The Equity Shares being offered by each Selling Shareholder have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations and are eligible for being offered for sale in the Offer.

- (3) Retail Discount of ₹[●] to the Offer Price may be offered to the Retail Individual Bidders and the Employee Discount may be offered to Eligible Employees Bidding in the Employee Reservation Portion.
- (4) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (excluding Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 370. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations
- (5) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange

Note: The Retail Discount, if any, will be determined by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Kannada newspaper [●] (Kannada being the regional language of Karnataka, where the Registered Office of our Company is situated), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount or Employee Discount, as applicable), at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Retail Discount or Employee Discount, as applicable) does not exceed ₹500,000. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 on a net basis only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000, on a net basis. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Bid Amount while filling the "SCSB/Payment Details" block in the Bid cum Application Form. For details, refer "Offer Structure" and "Offer Procedure" on pages 367 and 370.

GENERAL INFORMATION

Registered and Corporate Office

Barbeque-Nation Hospitality Limited

Survey No. 62, Site no. 13
6th Cross, NS Palya, BTM Layout
Bengaluru 560 076
Karnataka, India
Tel: +91 80 4511 3000
Fax: +91 80 4511 3062
E-mail: compliance@barbequenation.com
Website: www.barbeque-nation.com

Corporate Identity Number: U55101KA2006PLC073031

Registration Number: 073031

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies

‘E’ Wing, 2nd Floor
Kendriya Sadan
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

The Board of our Company as on the date of filing of this Draft Red Herring Prospectus comprises the following:

Name	Designation	DIN	Address
T Narayanan Unni	Chairman, Non-Executive, Independent Director	00079237	303, Bee Yash Raj Residency 10/1 Manorma Ganj, Indore Madhya Pradesh,, India
Kayum Dhanani	Managing Director	00987597	No. 20 Vaswani Ashton Wood Kariyammana Agrahara, Bellandur Bengaluru 560103, Karnataka, India
Raooof Dhanani	Non-Executive Director	00174654	Kalpataru Heights, Flat No. 281 28 th Floor, Dr. A Nair Road Mumbai Central, Mumbai 400 011 Maharashtra, India
Suchitra Dhanani	Non-Executive Director	00712187	20 Sector, BF Vijay Nagar Indore, Madhya Pradesh, India
Tarun Khanna	Non-Executive, Nominee Director	02306480	B-9/21 2 nd Floor Vasant Vihar, New Delhi 110057, India
Abhay Chaudhari	Non-Executive, Independent Director	06726836	906/907, RK Spectra DSK Ranvara Road Patil Nagar, Bavdhan Pune 411021 Maharashtra, India

For further details of our Directors, see “Our Management” on page 166.

Company Secretary and Compliance Officer

Nagamani CY

Survey No. 62, Site no. 13

6th Cross, NS Palya, BTM Layout
Bengaluru 560 076
Karnataka, India
Tel: +91 80 4511 3000
Fax: +91 80 4511 3062
E-mail: compliance@barbequention.com

Chief Financial Officer

Mohankumar Ramamurthy
Survey No. 62, Site no. 13
6th Cross, NS Palya, BTM Layout
Bengaluru 560 076
Karnataka, India
Tel: +91 80 4511 3000
Fax: +91 80 4511 3062
E-mail: mohan.k@barbequention.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Managers

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: bnhl.ipo@iiflcap.com
Investor grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Pranay Doshi
SEBI Registration No.: INM000010940

Jefferies India Private Limited
42/43, 2 North Avenue,
Maker Maxity, Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4356 6000
Fax: +91 22 6765 5595
E-mail: BBQ.IPO@jefferies.com
Investor Grievance email:
jjpl.grievance@jefferies.com
Website: www.jefferies.com
Contact Person: Gaurav Arora
SEBI Registration No.: INM000011443

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off C.S.T. Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
E-mail: bnhl.ipo@edelweissfin.com
Investor grievance e-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Nishita John/ Devesh Vij
SEBI Registration No.: INM0000010650

SBI Capital Markets Limited
202, Maker Tower "E"
Cuffe Parade
Mumbai 400 005
Maharashtra, India
Tel: +91 22 2217 8300
Fax: +91 22 2218 8332
E-mail: bbq.ipo@sbicaps.com
Investor grievance E-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Gitesh Vargantwar/ Nikhil Bhiwapurkar
SEBI Registration No.: INM000003531

Syndicate Members

[●]

Indian Legal Counsel to our Company**Cyril Amarchand Mangaldas**

201, Midford House, Midford Garden
Off MG Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Indian Legal Counsel to the BRLMs**S&R Associates**

One Indiabulls Centre
1403 Tower 2B
841 Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel : +91 22 4302 8000
Fax : +91 22 4302 8001

International Legal Counsel to the BRLMs**Herbert Smith Freehills LLP**

50 Raffles Place
#24-01 Singapore Land Tower
Singapore 048623
Tel: +65 6868 8000
Fax: +65 6868 8001

Auditors to our Company**Deloitte Haskins & Sells**

Chartered Accountants
Deloitte Centre
Anchorage II
100/2, Richmond Road
Bengaluru 560 025
Karnataka, India
E-mail: ssundaresan@deloitte.com
Tel: +91 80 6627 6000
Fax no: +91 80 6627 6407
Firm Registration No.: 008072S
Peer Review No.: 008781

Registrar to the Offer**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, L.B.S. Marg
Vikhroli (West)
Mumbai - 400 083
Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: bnhl.ipo@linkintime.co.in
Investor grievance email: bnhl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer/ Escrow Collection Banks

[●]

Refund Bank

[●]

Bankers to our Company

Axis Bank Limited

Corporate Banking Branch
Indian Express Building
No. 1, Queen's Road
Bengaluru 56001
Tel: +91 80 2205 8550
Fax: +91 80 2205 8567
Email: ramavarma.nk@axisbank.com
Website: www.axisbank.com
Contact Person: Ramavarma Raja

State Bank of India

Commercial Branch
GPO Campus, Indore
Tel: +91 731 4273 208
Fax: +91 731 2707 309/ 301
Email: amt3.09632@sbi.co.in
Website: www.sbi.co.in
Contact Person: Manish Mishra

Yes Bank Limited

1st Floor, Prestige Obelisk,
Municipal No 3, Kasturba Road
Bengaluru 560 001
Tel: +91 80 3042 9111
Fax: +91 80 3042 9139
Email: dhananjaya.c@yesbank.in
Website: www.yesbank.in
Contact Person: Dhananjaya C

Designated Intermediaries**Self Certified Syndicate Banks/ Broker Centres**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

ICICI Bank Limited

Shobha Pearl, First Floor
Commissariat Road,
Bengaluru 560 025
Tel: +91 80 4129 6202/ +91 76187 70801
Fax: Not available
Email: Shashi.prabha@icicibank.com
Website: www.icicibank.com
Contact Person: Shashi Prabha

RBL Bank Limited

99&100, G-12, Third Floor
Prestige Towers, Residency Road
Ashoknagar, Bengaluru 560 025
Tel: +91 80 4277 5068
Fax: Not available
Email: Manmohan.RaoMV@rblbank.com
Website: www.rblbank.com
Contact Person: MV Manmohan Rao

- (a) Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated August 5, 2017 and the statement of tax benefits dated August 11, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and the consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.
- (b) Our Company has received written consent from Technopak, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the report entitled “*Indian Food Services Market*” dated July 28, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

In terms of Regulation 16(2) of the SEBI ICDR Regulations, our Company shall appoint a monitoring agency for the Fresh Issue prior to the filing of the Red Herring Prospectus. The requisite details shall be accordingly incorporated in the RHP.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No	Activities	Responsibility	Coordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	All BRLMs	IIFL
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	All BRLMs	IIFL
3.	Drafting and approval of all statutory advertisement	All BRLMs	IIFL
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including media monitoring, corporate advertisement, brochure etc.	All BRLMs	SBICAP
5.	Appointment of other intermediaries viz., Registrar, Printers, Advertising Agency and Bankers to the Offer	All BRLMs	SBICAP
6.	Preparation of road show presentation & FAQs	All BRLMs	Jefferies
7.	International institutional marketing strategy Finalize the list and division of investors for one to one meetings, in consultation with the Company and Selling Shareholders Finalizing roadshow schedule and investor meeting schedules	All BRLMs	Jefferies
8.	Domestic institutions / banks / mutual funds marketing strategy Finalize the list and division of investors for one to one meetings, in consultation with the Company and Selling Shareholders Finalizing roadshow schedule and investor meeting schedules	All BRLMs	IIFL
9.	Non-Institutional marketing of the Offer, which will cover, inter alia, Formulating marketing strategies for Non-institutional Investors Finalize Media and PR strategy	All BRLMs	Edelweiss

10.	Retail marketing of the Offer, which will cover, inter alia, Formulating marketing strategies, preparation of publicity budget Finalize Media and PR strategy Finalizing centers for holding conferences for press and brokers Finalizing collection centres; Finalizing and follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	All BRLMs	Edelweiss
11.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading, payment of 1% security deposit through cash and bank guarantee, Anchor Investor Allocation letters etc.	All BRLMs	Edelweiss
12.	Finalization of pricing and managing the book in consultation with the Company and the Selling Shareholders	All BRLMs	Edelweiss
13.	Post-issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Offer and Designated Intermediaries to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Offer, Bankers to the Offer, Designated Intermediaries etc. Including responsibility for underwriting arrangements, as applicable. The designated coordinating BRLM shall also be responsible for coordinating the redressal of investor grievances in relation to post Offer activities and coordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the Offer.	All BRLMs	SBICAP
14.	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	All BRLMs	Jefferies

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper, [●] and the [●] edition of the Kannada newspaper [●] (Kannada being the regional language of Karnataka where the Registered Office of our Company is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding, see “Offer Procedure” on page 370.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process” on page 403.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹in millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The underwriting arrangement mentioned above shall not apply to subscription by the Bidders in the Offer, except for Bids procured by the Syndicate.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	AUTHORIZED SHARE CAPITAL⁽¹⁾		
	60,000,000 Equity Shares of face value of ₹5 each	300,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	27,024,014 Equity Shares of face value of ₹5 each	135,120,070	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Fresh Issue of upto [●] Equity Shares of face value of ₹5 each ^{(2)#}	[●]	2,000,000,000
	Offer for Sale of up to 6,179,000 Equity Shares of face value of ₹5 each ⁽³⁾	30,895,000	[●]
	Which includes:		
	EMPLOYEE RESERVATION PORTION		
	Up to 150,000 Equity Shares*	[●]	[●]
D	SECURITIES PREMIUM ACCOUNT		
	Before the Offer	864,801,110	
	After the Offer	[●]	
E	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value ₹5 each (assuming full subscription in the Offer)	[●]	

[#] Our Company may consider a pre-offer placement of up to 2,574,002 Equity Shares comprising for an aggregate amount not exceeding ₹2,000 million at the discretion of the Company and the Selling Shareholders. The Pre-IPO Placement will be at a price to be decided by our Company and the Selling Shareholders, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted will be reduced from the Fresh Issue, as applicable, subject to a minimum offer of [●]% of the post-offer paid-up Equity Share capital being offered to the public.

- (1) For details in relation to the changes in the authorised share capital of our Company, see “History and Certain Corporate Matters” on page 156.
- (2) The Fresh Issue has been authorized by a resolution of our Board of Directors dated June 29, 2017 and a special resolution of our Shareholders in their Annual General Meeting dated July 10, 2017
- (3) For details of authorisations received for the Offer for Sale, see “The Offer” on page 67. The Equity Shares being offered by each Selling Shareholder have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations and are eligible for being offered for sale in the Offer.
- * Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Employee Discount) does not exceed ₹500,000 on a net basis. Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion, post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Retain Discount).

Notes to the Capital Structure

1. Equity Share Capital History of our Company

- (a) The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
October 13, 2006	10,000	10	10	Cash	Initial subscription to the Memorandum of Association ⁽¹⁾	10,000	100,000
February 27, 2008	40,000	10	50	Cash	Preferential allotment of equity shares ⁽²⁾	50,000	500,000
February 27, 2008	4	10	10	Cash	Preferential allotment of equity shares ⁽³⁾	50,004	500,040
March 22, 2008	6,000,000	10	10	Cash	Preferential allotment of equity shares ⁽⁴⁾	6,050,004	60,500,040
March 31, 2009	415,000	10	60	Other than cash	Preferential allotment of equity shares ⁽⁵⁾	6,465,004	64,650,040
July 7, 2009	2,800,000	10	60	Cash	Preferential allotment of equity shares ⁽⁶⁾	9,265,004	92,650,040
February 23, 2012	300,300	10	333	Cash	Preferential allotment of equity shares ⁽⁷⁾	9,565,304	95,653,040
April 12, 2013	1,494,579	10	334.54	Cash	Preferential allotment of equity shares ⁽⁸⁾	11,059,883	110,598,830
August 12, 2014	2,252,124	10	10	Cash	Allotment of equity shares on conversion of share warrants ⁽⁹⁾	13,312,007	133,120,070
May 12, 2016	200,000	10	620	Cash	Preferential allotment of equity shares ⁽¹⁰⁾	13,512,007	135,120,070
Sub Total	13,512,007						
December 15, 2016	-	5	-	-	Share split of the equity shares from ₹10 each to ₹5 each	27,024,014	135,120,070
Total	27,024,014						

(1) 5,000 equity shares were allotted to (late) Sajid Dhanani and 5,000 equity shares were allotted to Suchitra Dhanani

(2) 40,000 equity shares were allotted to SHL

(3) 1 equity share each was allotted to Prosenjit Roy Choudhary, R Venkatraman, SK Khandelwal and Captain. Salim Sheikh

(4) 6,000,000 equity shares were allotted to SHL

(5) 415,000 equity shares were allotted to SHL

(6) 2,800,000 equity shares were allotted to Blue Deebaj

(7) 150,150 equity shares were allotted to Sana Dhanani, 105,105 equity shares were allotted to Nasreen Dhanani and 45,045 equity shares were allotted to Abdulgani Sarfaraz Dhanani

(8) 1,429,475 equity shares were allotted to TPL and 65,104 equity shares were allotted to AAJVIT

(9) 497,894 equity shares were allotted to Kayum Dhanani, 248,945 equity shares were allotted to Azhar Dhanani, 248,945 equity shares were allotted to Zuber Dhanani, 248,945 equity shares were allotted to Zoya Dhanani, 248,945 equity shares were allotted to Sanya Dhanani, 248,945 equity shares were allotted to Saba Dhanani, 248,945 equity shares were allotted to Sadiya Dhanani and 260,560 equity shares were allotted to SHL on conversion of warrants

(10) 200,000 equity shares were allotted to Kayum Dhanani

(b) Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

(c) For details of issue of Equity Shares by our Company in the last two preceding years, see "Equity Share Capital History of our Company" on page 76.

2. Issue of shares for consideration other than cash

Our Company has not issued any Equity Shares out of revaluation of reserves.

Except as set out below, we have not issued shares for consideration other than cash and no benefits have

accrued to our Company on account of allotment of shares for consideration other than cash:

Date of Allotment	Number of Shares Allotted	Face Value (₹)	Allotees and reason for allotment
March 31, 2009	415,000 equity shares	10	Issued to SHL as consideration in lieu of transfer of the brand name "Barbeque-Nation" to our Company

3. History of the Equity Share Capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 14,019,806 Equity Shares, constituting 51.88% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) Build-up of our Promoters' shareholding in our Company

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
SHL	April 1, 2007	Transfer of shares from (late) Sajid Dhanani	4,999	Cash	10	10	0.04	[●]
	April 1, 2007	Transfer of shares from Suchitra Dhanani	4,999	Cash	10	10	0.04	[●]
	February 27, 2008	Allotment of equity shares	40,000	Cash	10	50	0.30	[●]
	March 22, 2008	Allotment of equity shares	6,000,000	Cash	10	10	44.40	[●]
	March 31, 2009	Allotment of equity shares	415,000	Other than cash	10	60	3.07	[●]
	April 12, 2013	Transfer to TPL	(415,000)	Cash	10	334.54	(3.07)	[●]
	August 12, 2014	Allotment of equity shares	260,560	Cash	10	10	1.93	[●]
	March 28, 2016	Transfer to SHKSL	(6,004,103)	Cash	10	10	(44.44)	[●]
	March 30, 2016	Transfer to SHKSL	(306,455)	Cash	10	10	(2.27)	[●]
Sub Total (A)			Nil				-	-
SHKSL	March 28, 2016	Transfer from SHL	6,004,103	Cash	10	10	44.44	[●]
	March 30, 2016	Transfer from SHL	306,455	Cash	10	10	2.27	[●]
	Sub Total		6,310,558				-	-
	December 15, 2016	Share split of equity shares from ₹10 each to ₹5 each	12,621,116	-	-	-	46.70	[●]
Sub Total (B)			12,621,116				46.70	[●]
Kayum Dhanani**	August 12, 2014	Allotment of equity shares on conversion of share warrants	497,894	Cash	10	10	3.68	[●]
	May 12, 2016	Allotment of	200,000	Cash	10	620	1.48	[●]

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
		equity shares						
	Sub Total		697,894				-	-
	December 15, 2016	Share split of equity shares from ₹10 each to ₹5 each	1,395,788	-	-	-	5.16	[●]
	August 3, 2017	Transfer to Rahul Agrawal	(25,000)	Cash	5	500	(0.09)	[●]
	August 2017	Transfer to Menu Private Limited	(532,104)	Cash	5	592	(1.97)	[●]
	August 2017	Transfer from TPL	367,538	Consideration other than cash	5	-	1.36	[●]
	August 2017	Transfer from PPL	192,462	Consideration other than cash	5	-	0.71	[●]
	Sub Total (C)		1,398,684				5.18	[●]
Suchitra Dhanani	October 13, 2006	Initial subscription to the Memorandum of Association	5,000	Cash	10	10	0.04	[●]
	April 1, 2007	Transfer to SHL	(4,999)	Cash	10	10	(0.04)	[●]
	Sub Total		1				-	-
	December 15, 2016	Share split of equity shares from ₹10 each to ₹5 each	2	-	-	-	0.00*	[●]
	June 1, 2017	Transmission of Equity Shares of (late) Sajid Dhanani	4	N/A	5	N/A	0.00*	[●]
	Sub Total (D)		6				0.00*	[●]
	Total (A)+(B)+(C)+(D)		14,019,806				51.88	[●]

*Negligible

**Kayum Dhanani has executed a binding share transfer agreement dated August 14, 2017, pursuant to which PPL and AAJVIT may transfer upto 600,000 Equity Shares to him. For details see "History and certain corporate matters – Summary of Key Agreements and Shareholders' Agreements - Binding share transfer agreement dated August 14, 2017 between Kayum Dhanani, PPL and AAJVIT" of page 163.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by SHKSL, one of our Promoters which shall be locked-in for three years as Promoters' contribution have been financed from investments from SHL and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. Further, one of our Promoters, Kayum Dhanani, has executed a share pledge agreement to secure a loan availed by him, wherein he has provided a commitment to substitute the security currently provided by him with a pledge over all or a part of the Equity Shares held by him, after expiry of the one year lock-in effective from the date of Allotment of Equity Shares. None of our Promoters have not pledged any of the Equity Shares that they hold in our Company, as on the date of this Draft Red Herring Prospectus.

- (b) *The details of the shareholding of our Promoters and the members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus:*

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital
Promoters		
SHKSL	12,621,116	46.70
Kayum Dhanani	1,398,684	5.18
Suchitra Dhanani	6	0.00*
Total Holding of the Promoters (A)	14,019,806	51.88
Promoter Group		
Azhar Dhanani	497,890	1.84
Saba Dhanani	497,890	1.84
Sadiya Dhanani	497,890	1.84
Sanya Dhanani	497,893	1.84
Zoya Dhanani	444,631	1.65
Zuber Dhanani	497,890	1.84
Total holding of the Promoter Group (other than Promoter) (B)	2,934,084	10.86
Total Holding of Promoter and Promoter Group (A+B)	16,953,890	62.74

*Negligible

(c) *Details of Promoters' contribution and lock-in:*

- (i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as the minimum promoter's contribution and locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.
- (ii) As on the date of this Draft Red Herring Prospectus, our Promoters hold 14,019,806 Equity Shares out of which upto 270,000 Equity Shares are being offered in the Offer for Sale and accordingly upto [●] Equity Shares are eligible for promoters' contribution.
- (iii) Details of the Equity Shares to be locked-in for three years are as follows:

Name	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
SHKSL	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]

Note: To be updated in the Prospectus

- (iv) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.
- (v) In this connection, we confirm the following:
 - The Equity Shares offered for Promoters' contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) does not comprise bonus shares out of revaluation reserves or unrealised profits of our Company or bonus

shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

- The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- All the Equity Shares held by our Promoters are in dematerialised form; and
- The Equity Shares forming part of the Promoters' contribution are not subject to any pledge.

(d) *Other lock-in requirements:*

- (i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by SHKSL, one of our Promoters and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, shall be locked-in for a period of one year from the date of Allotment.
- (ii) The Equity Shares allotted to eligible employees (who will continue to be employees of the Company as on the date of Allotment) under the ESOP 2015 and the Equity Shares held by AAJVIT, being a category II AIF, shall not be subject to lock in.
- (iii) The Equity Shares which will be transferred by the Selling Shareholders in the Offer for Sale shall not be subject to lock-in.
- (iv) Pursuant to Regulation 39 (a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of three years from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that that the loan has been granted by such bank or financial institution for the purposes of financing one or more of the objects of Offer and such pledge of the Equity Shares is one of the terms of the sanction of such loans

Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.
- (v) One of our Promoters, Kayum Dhanani has executed a share pledge agreement to secure a loan availed by him, wherein he has provided a commitment to substitute the security currently provided by him with a pledge over all or a part of the Equity Shares held by him, after expiry of the one year lock-in effective from the date of Allotment of Equity Shares.
- (vi) The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or another promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.
- (vii) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.
- (viii) Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. **Selling Shareholders' Shareholding in our Company**

The total number of Equity Shares held by the Selling Shareholders in our Company as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Selling Shareholder	No. of Equity Shares	Percentage of the pre- Offer capital (%)
AAJVIT	198,392	0.73
Azhar Dhanani	497,890	1.84
Kayum Dhanani	1,398,684	5.18
Sadiya Dhanani	497,890	1.84
Sanya Dhanani	497,893	1.84
TPL	6,078,402	22.49
Total	9,169,151	33.93

5. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights						No	As a % of total Shares held (a)	No	As a % of total Shares held (b)	
								Class: Equity	Class: N/A	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	9	16,953,890	0	0	16,953,890	62.74	16,953,890	0	16,953,890	62.74	0	0	0	0	16,953,890		
(B)	Public	6	10,070,124	0	0	10,070,124	37.26	10,070,124	0	10,070,124	37.26	0	0	0	0	10,070,124		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	15	27,024,014	0	0	27,024,014	100.00	27,024,014	0	27,024,014	100.00	0	0	0	0	27,024,014		

6. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them**

- (a) The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	SHKSL	12,621,116	46.70
2.	TPL	6,078,402	22.49
3.	PPL	3,182,964	11.78
4.	Kayum Dhanani	1,398,684	5.18
5.	Menu Private Limited	532,104	1.97
6.	Sanya Dhanani	497,893	1.84
7.	Azhar Dhanani	497,890	1.84
8.	Saba Dhanani	497,890	1.84
9.	Sadiya Dhanani	497,890	1.84
10.	Zuber Dhanani	497,890	1.84
	Total	26,302,723	97.33

- (b) The top 10 Shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	SHKSL	12,621,116	46.70
2.	TPL	6,445,940	23.85
3.	PPL	3,375,426	12.49
4.	Kayum Dhanani	838,684	3.10
5.	Menu Private Limited	532,104	1.97
6.	Sanya Dhanani	497,893	1.84
7.	Azhar Dhanani	497,890	1.84
8.	Saba Dhanani	497,890	1.84
9.	Sadiya Dhanani	497,890	1.84
10.	Zuber Dhanani	497,890	1.84
	Total	26,302,723	97.33

- (c) The top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of equity shares*	Percentage (%)
1.	SHL	6,310,558	46.70
2.	TPL	3,222,970	23.85
3.	PPL	1,687,713	12.49
4.	Kayum Dhanani	497,894	3.68
5.	Saba Dhanani	248,945	1.84
6.	Sadiya Dhanani	248,945	1.84
7.	Sanya Dhanani	248,945	1.84
8.	Azhar Dhanani	248,945	1.84
9.	Zuber Dhanani	248,945	1.84
10.	Zoya Dhanani	248,945	1.84
	Total	13,212,805	97.79

*Equity shares with face value of ₹10 each.

7. **Details of Equity Shares held by our Directors, Key Management Personnel and directors of our Promoters in our Company**

- (i) Set out below are details of the Equity Shares held by our Directors, Key Management Personnel and directors of our Promoters in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Kayum Dhanani	1,398,684	5.18	[●]
2.	Suchitra Dhanani	6	0.00*	[●]

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
3.	Rahul Agrawal	25,000	0.09	●

**Negligible*

- (ii) Other than as disclosed above, the Key Management Personnel in our Company do not hold any Equity Shares.
8. The BRLMs and their respective associates (in accordance with the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
 9. All Equity Shares were fully paid up as on the date of allotment.
 10. Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
 11. Our Company has not made any public or rights issue of any kind or class of securities since its incorporation.
 12. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters or the Selling Shareholders to the persons who receive Allotment.
 13. Our Company adopted the ESOP 2015, pursuant to resolutions passed by our Board and Shareholders dated July 1, 2015 and August 26, 2015, respectively. The ESOP 2015 was brought in line with the SEBI ESOP Regulations pursuant to resolutions passed by our Board and Shareholders dated June 15, 2017 and June 30, 2017, respectively. The aggregate number of Equity Shares, which may be issued under ESOP 2015, shall not exceed 516,387 Equity Shares. The ESOP 2015 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013.

Particulars	Details															
Options granted	516,387 options translating to 516,387 equity shares of ₹5 each.															
Pricing formula	The exercise price shall not be less than the face value of the Equity shares of the company and shall not exceed fair market value of equity shares of the company on the date of grant.															
Vesting Period	3 years from the date of Grant (few of the employees having vesting period varying between one to three years).															
Options vested and not exercised	Nil															
Options exercised	Nil															
The total number of shares arising as a result of exercise of option already granted (net of cancelled options)	4,56,777 options (outstanding options which are in force, net of options lapsed) translating to 4,56,777 equity shares of face value of ₹5 each															
Options forfeited/lapsed	59,610 option due to resignation of employees <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Sr. No.</th> <th>Name of Employees</th> <th>Option Forfeited</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Rituraj Abhay Shaw</td> <td>6,124</td> </tr> <tr> <td>2</td> <td>Sandeep Goel</td> <td>2,886</td> </tr> <tr> <td>3</td> <td>Surendran Raghavan</td> <td>3,294</td> </tr> <tr> <td>4</td> <td>Sunil Vishwanath</td> <td>6,022</td> </tr> </tbody> </table>	Sr. No.	Name of Employees	Option Forfeited	1	Rituraj Abhay Shaw	6,124	2	Sandeep Goel	2,886	3	Surendran Raghavan	3,294	4	Sunil Vishwanath	6,022
Sr. No.	Name of Employees	Option Forfeited														
1	Rituraj Abhay Shaw	6,124														
2	Sandeep Goel	2,886														
3	Surendran Raghavan	3,294														
4	Sunil Vishwanath	6,022														

Particulars	Details			
	5	Laxmikant Hiranman Bodhare	6,430	
	6	Uma Rajendran	2,932	
	7	Praveen Moejaes Gonsalves	1,632	
	8	Dhawal Modi	1,940	
	9	Ashish Verma	1,822	
	10	Ravikumar R	1,850	
	11	Joju P O	9,194	
	12	Ramamurthy Mohankumar	15,484	
		Total	59,610	
Variation of terms of options	Vesting period shall be 3 years from the date of grant (few of the employees having vesting period varying between one to three years) of options or the occurrence of a liquidity event as approved by the board, whichever is later. Exercise period increased from 6 months to 12 months from the date of vesting as per the EGM date 30 th June, 2017			
Money realised by exercise of options	Nil			
Total number of options in force;	4,56,777 options translating to 4,56,777 Equity shares of Rs 5 each			
Employee wise details of options granted to:				
(a) Senior Managerial Personnel, i.e. Directors and key managerial personnel	As per note 1 to senior management personnel , including key management personnel			
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil			
(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NA			
Fully diluted Earnings per Equity Share- (face value Rs 5 per Equity Share) Pursuant to issue of Equity Shares on exercise of options calculated in accordance with relevant accounting standards.	Employee stock options granted in terms of ESOP 2015 were granted in FY 17 only.			
	Year	Reported Diluted EPS as per Standalone Restated Financial Information #	Reported Diluted EPS as per Consolidated Restated Financial Information #	
	Financial Year 2017	5.86	3.80	
	<i># The option being anti-dilutive are ignored in calculation of diluted EPS.</i>			

Particulars	Details																								
Lock-In	No Lock-in post exercise of option.																								
Impact on profit and Earnings per Equity Share- (face value Rs 5 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI ESOP regulations had been followed	Employee stock options granted in terms of ESOP 2015 is accounted under the “Fair Value Method” stated in the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The same is in accordance with the SEBI ESOP Regulations. Since the accounting policies complied with SEBI ESOP regulations there is no impact																								
Differences, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share- (face value Rs 5 per Equity Share)	The company follow fair value method, accordingly there is no change in the reported EPS.																								
weighted average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock;	NA																								
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the options	<p>The employee stock options granted in terms of this plan is accounted under the Fair Value Method.</p> <p>For estimating the fair value of options our Company has adopted the Black Scholes method with the following assumptions:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Financial year 2017</th> <th style="text-align: center;">Financial year 2016</th> <th style="text-align: center;">Financial year 2015</th> </tr> </thead> <tbody> <tr> <td>Risk Free Interest Rate</td> <td style="text-align: center;">6.60%</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>Option life(comprising the vesting period and the exercise period)</td> <td style="text-align: center;">3 yrs</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>Expected period from the date of vesting</td> <td style="text-align: center;">1 yr</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>Expected Annual Volatility of Shares</td> <td style="text-align: center;">33.33%</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>Expected Dividend Yield</td> <td style="text-align: center;">0.24%</td> <td style="text-align: center;">NA</td> <td style="text-align: center;">NA</td> </tr> </tbody> </table>	Particulars	Financial year 2017	Financial year 2016	Financial year 2015	Risk Free Interest Rate	6.60%	NA	NA	Option life(comprising the vesting period and the exercise period)	3 yrs	NA	NA	Expected period from the date of vesting	1 yr	NA	NA	Expected Annual Volatility of Shares	33.33%	NA	NA	Expected Dividend Yield	0.24%	NA	NA
Particulars	Financial year 2017	Financial year 2016	Financial year 2015																						
Risk Free Interest Rate	6.60%	NA	NA																						
Option life(comprising the vesting period and the exercise period)	3 yrs	NA	NA																						
Expected period from the date of vesting	1 yr	NA	NA																						
Expected Annual Volatility of Shares	33.33%	NA	NA																						
Expected Dividend Yield	0.24%	NA	NA																						

Particulars	Details
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	NA
Intention to sell Equity Shares arising out of the ESOP 2015 within three months after the listing of Equity Shares by director, senior managerial personnel and employees having Equity Shares arising out of ESOP 2015 amounting to more than 1 % of the issued capital (excluding outstanding warrants and conversions), which inter alia shall include name, designation and quantum of the equity shares issued under the ESOP 2015 and the quantum they intend to sell within 3 months.	NA

Note I

Sr. No.	Name of employees	Total options in force	% for total granted (first grant)	% for total granted (second grant)
1	Ahmed Raza Sayed	15,360	7.76%	0.00%
2	Ashish Rai	13,272	6.70%	0.00%
3	Manish Kumar Pandey	11,386	5.75%	0.00%
4	Sandeep Pandey	8,098	4.09%	0.00%
5	Basab Bordoloi	7,158	3.61%	0.00%
6	Neelanjan Datta	6,808	3.44%	0.00%
7	Suman Mukherjee	6,454	3.26%	0.00%
8	Devang Agrawal	6,124	3.09%	0.00%
9	Sanatan Jojowar	5,138	2.59%	0.00%
10	Ritam Mukherjee	4,846	2.45%	0.00%
11	Manish Kumar Dhakaita	4,840	2.44%	0.00%
12	Roger Keiping Yen	4,644	2.34%	0.00%
13	Chandan Kumar	4,448	2.25%	0.00%
14	Sushil Yadav	4,152	2.10%	0.00%
15	Birju Raika	4,152	2.10%	0.00%

Sr. No.	Name of employees	Total options in force	% for total granted (first grant)	% for total granted (second grant)
16	Naresh Kumar Jain	4,152	2.10%	0.00%
17	Mitu Mohanan	4,148	2.09%	0.00%
18	Tarun Asharam Kushwah	4,070	2.06%	0.00%
19	Akash Pal	3,686	1.86%	0.00%
20	Rajaram Pai	3,342	1.69%	0.00%
21	Sabirraza k. Sayyed	3,336	1.68%	0.00%
22	Narayan Dutt Sharma	2,734	1.38%	0.00%
23	Dharmender	2,354	1.19%	0.00%
24	Pankaj Kumar Singh	2,316	1.17%	0.00%
25	Subba Raman Govindan	2,258	1.14%	0.00%
26	Rajiv Roychowdhury	2,150	1.09%	0.00%
27	Ram Ranjan Chandra	2,076	1.05%	0.00%
28	Nagamani c.y.	1,942	0.98%	0.00%
29	Paras Kochhar	1,830	0.92%	0.00%
30	Sarfaraaj Ahmed Shaikh Khalil	1,820	0.92%	0.00%
31	Adnan Abdul Rehman	1,788	0.90%	0.00%
32	Rishi Khanduri	1,542	0.78%	0.00%
33	Saumitra Shashikant Kulkarni	1,494	0.75%	0.00%
34	Amit Tiwari	2,503	0.00%	0.79%
35	Stalin Kumar Dhal	2,695	0.00%	0.85%
36	Navin Rai	2,721	0.00%	0.85%
37	Kushal Singh	2,503	0.00%	0.79%
38	Pritam Kumar Mishra	2,905	0.00%	0.91%
39	Avijit Das	2,503	0.00%	0.79%
40	Rohit Ram	2,903	0.00%	0.91%
41	Deepak Kumar Choudhary	2,721	0.00%	0.85%
42	Vikram Singh Gill	1,646	0.00%	0.52%
43	Shubham Kumar Shukla	1,622	0.00%	0.51%
44	Shahzad Anwer Ansari	1,502	0.00%	0.47%
45	Mohammed Ather Iqbal	1,738	0.00%	0.55%
46	Gaurav Vishal Singh	1,742	0.00%	0.55%
47	Vandita Mahajan	1,642	0.00%	0.52%
48	Atul Garg	1,709	0.00%	0.54%
49	Lokesha V	1,603	0.00%	0.50%
50	Mukesh Mohan Kathekar	1,252	0.00%	0.39%
51	Harish Manjunath Komarla	1,822	0.00%	0.57%
52	Muthuluri Naresh	1,252	0.00%	0.39%
53	V C B Desai	1,493	0.00%	0.47%
54	Vinod Venkata Rao Kalyani	3,391	0.00%	1.07%
55	Ayan Sanyal	1,073	0.00%	0.34%
56	Chand Singh	1,165	0.00%	0.37%
57	Dharam Pratap Singh	1,073	0.00%	0.34%

Sr. No.	Name of employees	Total options in force	% for total granted (first grant)	% for total granted (second grant)
58	Sukhminder Singh	2,024	0.00%	0.64%
59	Sameer Bhasin	13,887	0.00%	4.36%
60	Tariq Sait	3,536	0.00%	1.11%
61	Sanjoy Dutta	1,059	0.00%	0.33%
62	Komal Priya	1,634	0.00%	0.51%
63	Kaushal Kumar verma	4,102	0.00%	1.29%
64	Prashant Narula	4,166	0.00%	1.31%
65	Anil La Roia	4,258	0.00%	1.34%
66	Atibudhi Pravat Kumar	1,350	0.00%	0.42%
67	Laxmikant H Bodhare	3,061	0.00%	0.96%
68	Irshad M Bhairakadar	1,119	0.00%	0.35%
69	Ramamurthy Mohankumar	15,484	0.00%	9.73%
70	Rahul Agrawal	200,000	0.00%	62.83%
		456,777	100.00%	100.00%

14. Except as stated below, none of the members of our Promoter Group, our Promoters, our Directors, directors of SHL and/or SHKSL and their immediate relatives have purchased or sold any securities of our Company or the Subsidiaries during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer per Equity Share (₹)	Percentage of the pre-Offer capital (%)
(Late) Sajid Dhanani	June 1, 2017	Transmission of Equity Shares to Suchitra Dhanani	4	NA	5	NA	0.00
	June 1, 2017	Transmission of Equity Shares to Sanya Dhanani	3	NA	5	NA	0.00
	June 1, 2017	Transmission of Equity Shares to Zoya Dhanani	3	NA	5	NA	0.00
Kayum Dhanani	August 3, 2017	Transfer to Rahul Agrawal	25,000	Cash	5	500	0.09
	August 4, 2017	Transfer to Menu Private Limited	532,104	Cash	5	592	1.97
	August 7, 2017	Transfer from TPL	367,538	Consideration other than cash	5	NA	1.36
		Transfer from PPL	192,462	Consideration other than	5	NA	0.71

				cash			
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15. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 15.
16. Neither our Company nor our Directors have and, neither our Company nor our Directors shall enter, into buyback arrangements for purchase of the Equity Shares to be offered as a part of the Offer. Further, the BRLMs have not made any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.
17. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
18. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
19. Our Promoters, members of the Promoter Group and our Group Entity will not submit Bids, or otherwise participate in this Offer, except to the extent of offering the Offered Shares in the Offer for Sale.
20. There have been no financing arrangements whereby our Promoters, Promoter Group, our Directors, directors of SHL and SHKSL, and their respective relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
21. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any stock options pursuant to ESOP 2015, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.
22. Except for any issue of Equity Shares pursuant to exercise of employee stock options granted under ESOP 2015 and Equity Shares allotted pursuant to the Fresh Issue and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.
23. The Offer is being made in terms of Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are mandatorily required to utilise the ASBA process by providing details of their respective bank accounts which will be blocked by the SCSBs, to participate in the Offer. For further details, see "Offer Procedure" on page 370.

24. Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than [●] Equity Shares at or above the Offer Price, allocation shall be made on a proportionate basis. The Employee Reservation Portion will not exceed 5% of the post-Offer capital of our Company.
25. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Such *inter-se* spillover, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Undersubscription, if any, in the QIB Category will not be allowed to be met with spill-over from any category or combination thereof.
26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
27. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
28. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
29. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group and Group Entity, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
30. Except options granted pursuant to ESOP 2015, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale.

Requirement of Funds

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

- A. Setting-up of new Barbeque Nation restaurants in India;
- B. Repayment or prepayment of loans of our Company and Subsidiaries; and
- C. General corporate purposes (collectively, referred to herein as the “**Objects**”)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue. Further, the loans availed by our Company and Subsidiaries, which are proposed to be repaid or prepaid from the Net Proceeds, are for activities carried out as enabled by the objects clause of their respective memorandum of association.

Offer Proceeds and Net Proceeds

The details of the proceeds of the Fresh Issue are summarised in the table below:

Particulars	Amount ⁽¹⁾
Gross proceeds from the Fresh Issue	2,000.00 ⁽³⁾
(Less) Fresh Issue related expenses ⁽¹⁾⁽²⁾	[●]
Net Proceeds of the Issue	[●]

⁽¹⁾ To be finalised upon determination of the Offer Price

⁽²⁾ The fees and expenses relating to the Offer, other than the listing fees which will be borne by our Company, shall be shared between the Company and the Selling Shareholders, as mutually agreed, in accordance with applicable law.

⁽³⁾ Includes, the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

Utilization of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Particulars	Amount (₹ in million)
A. Setting-up of new Barbeque Nation restaurants in India	685.43
B. Repayment or pre-payment of loans of our Company and Subsidiaries	850.00
C. General corporate purposes ⁽¹⁾	[●]
Total Net Proceeds	[●]

⁽¹⁾ To be finalised upon determination of the Issue Price. The amount shall not exceed 25% of the Gross Proceeds.

Means of Finance

The fund requirements described below are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals, as required under Regulation 4(2)(g) of the SEBI ICDR Regulations.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on

account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of the management of our Company and our Subsidiaries, as the case may be. This may entail rescheduling and revising the schedule of the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of the management of our Company or our Subsidiaries, as the case may be, in accordance with applicable law. In case of any increase in the actual utilisation of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company or our Subsidiaries, as the case may be, including from internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used from general corporate purposes, subject to applicable law. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer. If surplus funds are unavailable, the required financing will be through our internal accruals and/ or debt, as required subject to compliance with applicable law. Further, our Company may, during the period of scheduled deployment, consider to set-up additional restaurants over and above the number of restaurants proposed to be set-up from the proposed utilisation of the Net Proceeds. The requirement of funds for setting-up of such additional restaurants will be met by way of internal accruals or by seeking additional debt from existing and future lenders or such other means as available to our Company.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see section “Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency” on page 37.

Schedule of implementation and deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule as set forth below:

(₹ in million)

Sr. No.	Particulars	Total estimated costs	Amount to be financed from Net Proceeds	Estimated utilisation of Net Proceeds		
				Financial Year	Financial Year	Financial Year
				2018	2019	2020
A.	Setting-up of new Barbeque Nation restaurants in India	685.43	685.43	-	342.72	342.71
B.	Repayment or pre-payment of loans of our Company and Subsidiaries	850.00	850.00	850.00	-	-
C.	General corporate purposes ⁽¹⁾	[•]	[•]	[•]	[•]	[•]
	Total	[•]	[•]	[•]	[•]	[•]

⁽¹⁾ To be finalised upon determination of the Offer Price

Details of the Objects of the Fresh Issue

A. Setting-up of new Barbeque Nation restaurants in India

We propose to utilise a portion of the Net Proceeds towards expansion of Barbeque Nation restaurants in India. The details of our expansion plans in restaurant businesses and the estimated costs proposed to be funded from the Net Proceeds are enumerated below.

We plan to leverage the brand equity of our brand, “Barbeque Nation”, to expand within our existing markets and explore new markets with intent to expand our footprint and further increase our market share. As per our

growth plans, we plan to expand by setting-up new Barbeque Nation restaurants in Metro, Tier I and Tier II cities across the four regions, viz. South, West, North and East, in India with the focus to meet the growing demand of casual dining restaurants amongst the consumers within these markets.

We intend to utilise a portion of Net Proceeds aggregating to ₹685.43 million for setting-up 36 new Barbeque Nation restaurants during Financial Year 2019 and Financial Year 2020 as below:

Region	Financial Year 2019	Financial Year 2020	Total
South	6	6	12
West	6	6	12
North	5	5	10
East	1	1	2
Total Barbeque Nation restaurants proposed to be set-up in the Financial Year	18	18	36

The premises for the proposed new restaurants are expected to be taken on lease basis.

The costs for setting-up of the new Barbeque Nation restaurants primarily comprises of set-up costs such as (i) civil interior, electrical and other related costs; (ii) air conditioning, ventilation and related costs; (iii) furniture and fixtures costs; (iv) kitchen equipment and related costs; (v) consultants fees; (vi) diesel generator & cable costs, (vii) information technology costs; and (viii) costs related to kitchen accessories, amongst other costs.

Methodology for computation of estimated costs

The size of our Barbeque Nation restaurants varies across regions and is dependent on various factors such as availability of suitable locations, addressable market, lease rentals and competition within a given region or across regions. The average size of a Barbeque Nation restaurant i) in a metro city, ranges between about 5,500 square feet to 6,500 square feet; ii) in a Tier I city, ranges between about 4,000 square feet to 5000 square feet; and iii) in a Tier II city, ranges between about 3,000 square feet to 4,000 square feet. Considering our business plan for setting-up new Barbeque Nation restaurants across regions, we have considered an average restaurant size of 3,500 square feet for arriving at the estimated costs for setting-up a Barbeque Nation restaurant across regions and metro, Tier I and Tier II cities.

Our estimate of costs are based on (i) quotations received from our empanelled pan-India contractors or from vendors from whom we have purchased similar items for our restaurants in the past; and (ii) our internal estimates for specifications and item requirements based on our prior experience of setting-up similar restaurants in the past.

The table below sets forth the total estimated costs for setting-up of a new Barbeque Nation restaurant:

Particulars	Amount (Rs. in million)
Civil interior, electrical and other related costs	7.77
Air conditioning, ventilation and related costs	2.96
Furniture and fixtures costs	1.92
Kitchen equipment and related costs	2.89
Consultant fees	0.77
Diesel generator and cable costs	1.15
Information technology costs	0.56
Kitchen accessories costs	1.04
Total estimated costs per restaurant	19.04
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36.00
Total estimated costs	685.43

The detailed break-up of these estimated costs is as below:

- a. *Civil interior, electrical and other related costs:* These costs would include, *inter alia*, costs in relation to fit-out charges including civil work, carpentry work, glass work, setting up false ceiling, painting & polishing, plumbing, fitting gas pipelines, fitting, electrical panelling and other electrical works. The

table below sets forth the basis of our estimation for the total civil interior, electrical and other related costs:

(₹ in million)

Particulars	Total Estimated Costs
Civil work	2.30
Carpentry work	2.06
Painting and polishing	0.25
Plumbing	0.34
Others	2.82
Total estimated costs per restaurant	7.77⁽¹⁾
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated civil interior, electrical and other related costs	279.58

⁽¹⁾ Based on quotation dated July 24, 2017 from Riya Buildcon, Universal Sign Factory and Syska LED Lights Private Limited

- b. *Air conditioning, ventilation and related costs:* These costs would include, *inter alia*, the costs in relation to purchasing and installing air conditioning systems, exhaust/fresh air systems and air cleaners. The table below sets forth the basis of our estimation for the total air conditioning, ventilation and related costs:

(₹ in million)

Particulars	Total estimated costs
Air conditioning system	1.52 ⁽¹⁾
Exhaust/fresh air system	0.90 ⁽²⁾
Air cleaners	0.54 ⁽³⁾
Total estimated costs per restaurant	2.96
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated air conditioning, ventilation and related costs	106.43

⁽¹⁾ Based on quotations dated July 24, 2017 from Blue Star Limited

⁽²⁾ Based on quotation dated July 24, 2017 from APC Air Control

⁽³⁾ Based on quotation dated June 20, 2017 from Johnson Controls Air Conditioning and Refrigeration (Wuxi Company Limited). Based on RBI reference rate of 1USD = ₹64.47 as of June 20, 2017

- c. *Furniture and fixtures costs:* These costs would include, *inter alia*, the costs in relation to purchasing furniture such as sofas, chairs and music systems. The table below sets forth the basis of our estimation for the furniture and fixtures related costs:

(₹ in million)

Particulars	Total estimated costs
Furniture	1.82 ⁽¹⁾
Music system	0.09 ⁽²⁾
Total estimated costs per restaurant	1.92
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated furniture and fixtures costs	68.94

⁽¹⁾ Based on quotations dated July 25, 2017 from Furniture Systems

⁽²⁾ Based on quotation dated July 24, 2017 from Rontek Systems

- d. *Kitchen equipment and related costs:* These costs would include, *inter alia*, the costs in relation to purchasing kitchen equipment such as those in the display kitchen area, main kitchen area, bakery, dish-wash and grill tandoor area, cafeteria and the bar area. These would also include other related costs such as refrigeration equipment, crockery, racks, lockers and dishwashers. The table below sets forth the basis of our estimation for the total kitchen equipment and related costs:

(₹ in million)

Particulars	Total estimated costs
Kitchen equipment, refrigeration equipment, crockery, lockers and racks	2.55 ⁽¹⁾
Dishwasher	0.34 ⁽²⁾

Total estimated costs per restaurant	2.89
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated kitchen equipment and related costs	103.89

⁽¹⁾ Based on quotations dated July 24, 2017 from Customized Kitchen India Private Limited

⁽²⁾ Based on quotation dated July 24, 2017 from IFB Industries Limited

- e. *Consultant fees:* These costs would include, *inter alia*, the costs to be incurred in relation fees of consultants such as interior designers, architect fees and MEP consulting. The table below sets forth the basis of our estimation for the total consultant costs:

(₹ in million)

Particulars	Total estimated costs
Total estimated costs per restaurant	0.77 ⁽¹⁾
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated consulting fees costs	27.63

⁽¹⁾ Based on quotations dated July 24, 2017 from Sandeep Shikre & Associates

- f. *Diesel generator and cable costs:* These costs would include, *inter alia*, the costs to be incurred in relation to acquiring power back up sets and other installation related costs such as exhaust pipe, cabling and safety systems. The table below sets forth the basis of our estimation for the diesel generator and cable costs:

(₹ in million)

Particulars	Total estimated costs
Total estimated costs per restaurant	1.15 ⁽¹⁾
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated diesel generator costs	41.50

⁽¹⁾ Based on quotations dated July 24, 2017 from Powerica Limited

- g. *Information technology costs:* These costs would include, *inter alia*, the costs for purchasing and installing information technology equipments such as servers, desktops, laptops, printers, CCTV and purchasing software licenses. The table below sets forth the basis of our estimation for the DG and cable costs:

(₹ in million)

Particulars	Total estimated costs
Total estimated costs per restaurant	0.56 ⁽¹⁾
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated information technology costs	20.13

⁽¹⁾ Based on quotations dated July 24, 2017 from Prosol IT

- h. *Kitchen accessories costs:* These costs would include, *inter alia*, the costs for purchasing tableware, serving equipments and uniforms. The table below sets forth the basis of our estimation for the kitchen accessories and uniforms costs:

(₹ in million)

Particulars	Total estimated costs
Tableware and serving equipment	0.87 ⁽¹⁾
Uniforms	0.17 ⁽²⁾
Total estimated costs per restaurant	1.04
Total no. of restaurants proposed to be set-up in Financial Year 2019 and Financial Year 2020	36
Total estimated kitchen accessories and uniforms costs	37.32

⁽¹⁾ Based on quotations dated July 24, 2017 from Varada Glass & Crockeries

⁽²⁾ Based on quotation dated July 24, 2017 from V Designs Inc

We have not entered into any definitive agreements with any of these contractors/ vendors and there can be no assurance that the same contractors/ vendors would be engaged to eventually supply the materials.

Our Promoter or Directors or Group Companies have no interest in the proposed procurements, as stated above.

B. Repayment or prepayment of loans of our Company and Subsidiaries

Our Company and our Subsidiaries viz., PGPL and BHL have entered into various financing arrangements with banks and financial institutions. Arrangements entered into by our Company, PGPL and BHL include borrowings in the form of secured loans, unsecured loans, long term facilities and short term facilities. For a summary of these debt financing arrangements including the terms and conditions, see section “Financial Indebtedness” on page 297. As on July 24, 2017, the amounts outstanding from the loan agreements entered into by our Company, PGPL and BHL, as stated below, were ₹846.01 million, ₹22.55 million and ₹61.23 million, respectively.

Our Company intends to utilize ₹850 million of Net Proceeds towards full or partial repayment or prepayment of certain borrowings availed by our Company, PGPL and BHL. We believe that such repayment/ pre-payment will help reduce the outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in the business growth and expansion. In addition, we believe that this would improve the ability to raise further resources in the future to fund the potential business development opportunities.

The selection of borrowings proposed to be repaid or pre-paid amongst our facilities availed will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents for pre-payment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. For details, see section “Risk Factors – Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions” on page 32.

Some of our loan agreements provide for the levy of pre-payment penalties or charges. We will take such provisions into consideration while deciding the loans to be pre-paid from Net Proceeds. Payment of such pre-payment penalty, if any, shall be made out of Net Proceeds. In the event that Net Proceeds are insufficient for the said payment of pre-payment penalty, such payment shall be made from the internal accruals of our Company, PGPL or BHL, as the case may be. We may also be required to provide notice to some of our lenders prior to repayment/ pre-payment.

The following table provides details of certain loans availed by our Company, PGPL and BHL, out of which any or all of the loans may be repaid/ pre-paid from Net Proceeds, without any obligation to any particular bank/ financial institution:

(₹ in million)

Sr. No.	Outstanding Loans	Nature of Borrowing	Amount Sanctioned	Amount outstanding as on July 24, 2017	Purpose
Our Company					
1.	Ratnakar Bank Limited	Term loan	400.00	360.78	Capital expenditure for opening new Barbeque Nation restaurants
2.	Yes Bank Limited	Term loan	250.00	142.50	Capital expenditure for opening new Barbeque Nation restaurants and long term working capital purposes
3.	State Bank of India - I	Term loan	200.00	31.50	Capital expenditure for opening new Barbeque Nation restaurants
4.	State Bank of India – II	Term loan	200.00	35.00	Capital expenditure for opening new restaurants

5.	Axis Bank Limited	Term loan/ Foreign currency term loan sub limit	540.00	276.23	Capital expenditure for opening new Barbeque Nation restaurants
TOTAL (A)			1,590.00	846.01	
PGPL					
6.	Axis Bank Limited	Term loan	168.50	22.55	Capital expenditure for opening Johnny Rockets restaurants
TOTAL (B)			168.50	22.55	
BHL					
7.	Axis Bank (Dubai)	Term loan*	67.50	61.23**	Capital expenditure for opening new Barbeque Nation restaurants
TOTAL (C)			67.50	61.23	
TOTAL (A) + (B) + (C) = (D)			1,826.00	929.79	

* The term loan is backed by stand by letter of credit issued by Axis Bank India in terms of the sanction letter dated September 26, 2016.

** Repayment not started, difference in the amount sanctioned and the amount outstanding as on July 24, 2017 is on account of depreciation in USD and margin money retained by Axis Bank Limited.

Given the nature of these borrowings and the terms of repayment/ pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid/ pre-paid or further drawn-down prior to the completion of the Issue, we may utilize Net Proceeds towards repayment/ pre-payment of such additional indebtedness.

To the extent that Net Proceeds are utilized to repay/ pre-pay any of the loans availed by PGPL and BHL, we shall be deploying Net Proceeds in PGPL and BHL in the form of debt or equity or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus.

As per the certificate dated August 8, 2017 issued by Singhal Gupta & Co., Chartered Accountants, the above facilities have been utilised for the purposes for which they were sanctioned.

C. **General corporate purposes**

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Fresh Issue, in compliance with Regulation 4(4) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include brand building and marketing efforts, acquisition of fixed assets, meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, long term or short term working capital requirements, meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board.

In accordance with section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Banker to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The fees and expenses relating to the Offer, other than the listing fees which will be borne by our Company, shall be shared between the Company and the Selling Shareholders, as mutually agreed, in accordance with applicable law. The Selling Shareholders shall reimburse our Company for the expenses incurred by our Company in relation to their respective Equity Shares offered in the Offer for Sale. The break-up for the estimated Offer expenses are as follows:

Activity	Amount ⁽¹⁾ (₹in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Fees payable to the Managers including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Advertising and marketing expenses			
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate Members and SCSBs, Registered Brokers, RTAs and CDPs ^{(2) (4) (5)}	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs ⁽³⁾			
Others (listing fees, legal fees, SEBI and NSE processing fees, etc.)	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Will be completed after finalisation of the Offer Price

⁽²⁾ Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Employee Reservation portion which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Employee Reservation portion*	[●]% of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

No additional bidding charges shall be payable by the Company and Selling Shareholder to the SCSBs on the applications directly procured by them

⁽³⁾ Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Employee reservation portion which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Employee Reservation portion*	[●]% of the Amount Allotted (plus applicable taxes)

* For each valid application.

⁽⁴⁾ Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders and Employee Reservation portion which are procured by Syndicate Members (including their sub Syndicate Members) would be as follows:

Portion for Retail Individual Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Employee Reservation portion*	[●]% of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

- (5) Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders and Employee Reservation portion which are procured by the Registered Brokers, RTAs/CDPs would be as follows:

Portion for Retail Individual Bidders*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ [●] per valid application (plus applicable taxes)
Portion for Employee Reservation portion*	₹ [●] per valid application (plus applicable taxes)

* Based on valid applications

* Amount of selling commission payable to Registered Brokers, RTAs / CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs / CDPs the commission is payable to, the terminal from which the bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable being maximum of ₹ [●] plus applicable taxes.

Monitoring utilization of funds

Our Company shall appoint a monitoring agency for monitoring the utilization of the Net Proceeds prior to filing of Red Herring Prospectus. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule IX of SEBI ICDR Regulations on a quarterly basis, till at least 95% of the Net Proceeds, excluding the amount raised for general corporate purposes, have been utilized. Our Board and our management shall provide their comments on such report of the Monitoring Agency. Our Company shall thereafter, within 45 days from the end of each quarter, publically disseminate the report of the Monitoring Agency by uploading the same on our website as well as submitting the same to the Stock Exchanges.

Pursuant to the Listing Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds, on a quarterly basis. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds from the objects of the Offer as stated above and details of category wise variation in the actual utilization of the Net Proceeds from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, the vernacular language of the jurisdiction where our Registered Office and Corporate Office is situated. Our Promoter or controlling shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price and in such manner as prescribed in chapter VI-A of the SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilized have been appraised by any bank/financial institution.

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our Board of Directors, our Key Management Personnel or Group Entity. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, our Board, our KMPs, or our Group Entity.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹5 each and the Offer Price is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price of the Price Band.

Investors should also refer to “Our Business”, “Risk Factors” and “Financial Statements” on pages 131, 16 and 194, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- One of India’s fastest growing and widely recognised restaurant brands in the rapidly growing CDR segment.
- Steady growth in covers and APC leading to growth in average bill size with a relatively high proportion of total revenues from weekday sales and lunch covers.
- Attractive offering at competitive prices based on constant menu innovation and customer focus.
- Strong business processes and back-end systems leading to efficient operations.
- Experienced staff and value-oriented business culture led by some of our Promoters and our senior management team bringing experience from well-known hospitality brands.
- Healthy financial position with proven track record of revenue growth and profitability.

For further details, see “Our Business - Our Strengths” on page 133.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see “Financial Statements” on page 194.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share (“EPS”):

On a standalone basis:

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	6.14	1	5.77	1
March 31, 2016	4.73	2	4.73	2
March 31, 2017	5.86	3	5.86	3
Weighted Average	5.53		5.47	

Note:

1. The earning per share calculations have been done in accordance with Accounting Standard 20 – Earning per Share as prescribed by the Companies (Accounting Standard) Rules, 2006.
2. The ratios have been computed as below:
 - a. Basic EPS (in ₹) = Net profit after tax as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding
 - b. Diluted EPS (in ₹) = Net profit after tax as restated, divided by weighted average number of diluted equity shares outstanding during the year

On a consolidated basis:

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	5.40	1	5.08	1
March 31, 2016	2.21	2	2.21	2

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2017	3.80	3	3.80	3
Weighted Average	3.54		3.48	

Note:

- The earning per share calculations have been done in accordance with Accounting Standard 20 – Earning per Share as prescribed by the Companies (Accounting Standard) Rules, 2006.
- The ratios have been computed as below:
 - Basic EPS (in ₹) = Consolidated net profit after tax as restated, attributable to equity shareholders divided by weighted average number of equity shares outstanding
 - Diluted EPS (in ₹) = Consolidated net profit after tax as restated, divided by weighted average number of diluted equity shares outstanding during the year

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for FY 2017 on an standalone basis	[●]	[●]
Based on basic EPS for FY 2017 on a consolidated basis	[●]	[●]
Based on diluted EPS for FY 2017 on an standalone basis	[●]	[●]
Based on diluted EPS for FY 2017 on a consolidated basis	[●]	[●]

Industry Peer Group P/E ratio

Jubilant FoodWorks Limited is the listed public industry peer of our Company with a positive P/E ratio.

	Industry P/E*
Highest	126.13
Lowest	126.13
Average	126.13

* Source: Based on the closing prices as on March 31, 2017 on BSE Limited divided by the consolidated basic earnings per share for the fiscal year ended March 31, 2017

Note: Speciality Restaurants Limited and Westlife Development Limited have negative P/E ratio and have not been used for the calculation of the average P/E ratio

C. Average Return on Net Worth (“RoNW”)

On an standalone basis

Fiscal Year ended	RoNW (%)	Weight
March 31, 2015	12.60%	1
March 31, 2016	9.54%	2
March 31, 2017	10.47%	3
Weighted Average	10.52%	

Note:

RoNW = Restated profit after tax attributable to equity shareholders for the year / net worth as at the end of year.

On a consolidated basis

Fiscal Year ended	RoNW (%)	Weight
March 31, 2015	11.25%	1
March 31, 2016	4.77%	2
March 31, 2017	7.01%	3
Weighted Average	6.97%	

Note:

RoNW = Consolidated Restated profit after tax attributable to equity shareholders for the year / net worth as at the end of year.

D. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2017

On an standalone basis:

1. To maintain pre-offer Basic EPS:
At the Floor Price – [●]
At the Cap Price – [●]
2. To maintain pre-offer Diluted EPS:
At the Floor Price – [●]
At the Cap Price – [●]

On a consolidated basis:

- 1) Based on Basic EPS:
At the Floor Price – [●]
At the Cap Price – [●]
- 2) Based on Diluted EPS:
At the Floor Price – [●]
At the Cap Price – [●]

E. Net Asset Value (“NAV”) per Equity Share of face value of ₹5 each

NAV per Equity Share	₹ NAV Standalone	₹ NAV Consolidated
As on March 31, 2017	55.84	54.04
After the Offer		
- At the Floor Price	[●]	[●]
- At the Cap Price	[●]	[●]
- Offer Price	[●]	[●]

Note:

NAV at Offer Price per Equity Share will be determined on conclusion of the book building process

NAV = Net Worth, as restated at the end of the period / Number of equity shares outstanding at the end of the period

F. Comparison with Listed Industry Peers

Our Company is a player in the food services space with a focus on casual dining. While there are no pure play exclusive casual dining players, we believe that the following listed companies in India are focused on the food services space.

Name of the company	Revenue from operations (₹in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Company	5,034.85	5	-	3.8	7.01%	54.04
Jubilant Food Works Limited	25,833.89	10	126.13	8.77	7.17%	122.11
Speciality Restaurants Limited	3,151.70	10	NA*	-5.62	-9.51%	59.09
Westlife Development Limited	9307.86	2	NA*	-0.78	-2.30%	33.91

Source: All financial information for the peers are based on the financial results submitted to the stock exchanges for the year ended March 31, 2017. Company results are based on the restated consolidated financial statements for fiscal year ended March 31, 2017

*P/E ratio is negative

Notes:

1. Basic EPS (on consolidated basis) is based on the annual results of such companies for the Fiscal Year 2017 as submitted to the stock exchanges
2. Net-worth = Equity Share Capital + Reserves and surplus + Money received against share warrants as applicable
3. Return on Net-worth = Consolidated net profit at the end of the year divided by outstanding shares at the end of the year
4. NAV / Share = Networth as at the end of the year divided by outstanding shares at the end of the year

G. The Offer Price will be [●] times of the face value of the Equity Shares.

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 16, 131, 300 and 194, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “Risk Factors” beginning on page 16 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,

Barbeque-Nation Hospitality Limited
The Board of Directors
Sy No. 62, Site No. 13
6th Cross NS Palya, BTM Layout
Bengaluru – 560076
Karnataka, India

Dear Sirs,

Sub: Statement of possible special direct tax benefits available to Barbeque-Nation Hospitality Limited and its shareholders under the Indian tax laws.

We refer to the proposed initial public offer of equity shares of **Barbeque-Nation Hospitality Limited** (the “**Company**”) and enclose the statement showing the current position of special direct tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 (the “**Act**”) for inclusion in the Draft Red Herring Prospectus (“**DRHP**”), Red Herring Prospectus (the “**RHP**”) and the Prospectus (“**Offer Documents**”) for the proposed initial public offer of Equity Shares of the Company.

This statement is provided for general information purposes only and each investor is advised to consult its own tax consultant with respect to specific income tax implications arising out of participation in the issue.

Unless otherwise specified, sections referred below are sections of the Act. The benefits set out below are subject to conditions specified therein read with the Income Tax Rules, 1962, as amended from time to time, presently in force.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Company are neither exhaustive nor conclusive.

We do not express any opinion or provide any assurance as to whether:

- a) the Company or its shareholders will continue to obtain these benefits in future;
- b) the conditions prescribed for availing the benefits have been/would be met with; and
- c) the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement regarding special direct tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed initial public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s).

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of **Barbeque-Nation Hospitality Limited** and shall not, without our prior written consent, be disclosed to any other person.

Yours faithfully,

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm’s Registration No. 008072S)

S. Sundaresan

Partner

(Membership No. 025776)

Place: Bangalore

Date: August 11, 2017

STATEMENT OF POSSIBLE TAX BENEFITS SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Statement of special direct tax benefits available to Barbeque-Nation Hospitality Limited (the “Company”) and its shareholders

1. Special tax benefits available to the Company

There are no Special tax benefits available to the Company

2. Special tax benefits available to shareholders of the Company

There are no Special tax benefits available to the shareholders of the Company

Notes:

1. The above statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax law presently in force in India.
2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained or derived from the “Indian Food Services Market” report of July 28, 2017, by Technopak (the “Technopak Report”), as well as other industry sources and government publications. All information contained in the Technopak Report has been obtained by Technopak from sources believed by it to be accurate and reliable. Although reasonable care has been taken by Technopak to ensure that the information in the Technopak Report is true, such information is provided ‘as is’ without any warranty of any kind, and Technopak in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion. None of the Company, the BRLMs and any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information in this section must be read in conjunction with “Risk Factors” and “Our Business” on pages 16 and 131, respectively, of this Draft Red Herring Prospectus.

Indian Economy: Macroeconomic Overview

The Indian economy has a significant presence on the world economic platform. India is seventh in the world in terms of nominal GDP and the third largest in terms of purchasing power parity. It is estimated that India will be one of the five largest global economies by Fiscal 2020 and in the top three by Fiscal 2050.

India’s medium-to long-term growth will be determined by the inter-play of structural factors of demographics, policy reforms and globalisation. It is expected that the confluence of these three factors will help to raise potential growth.

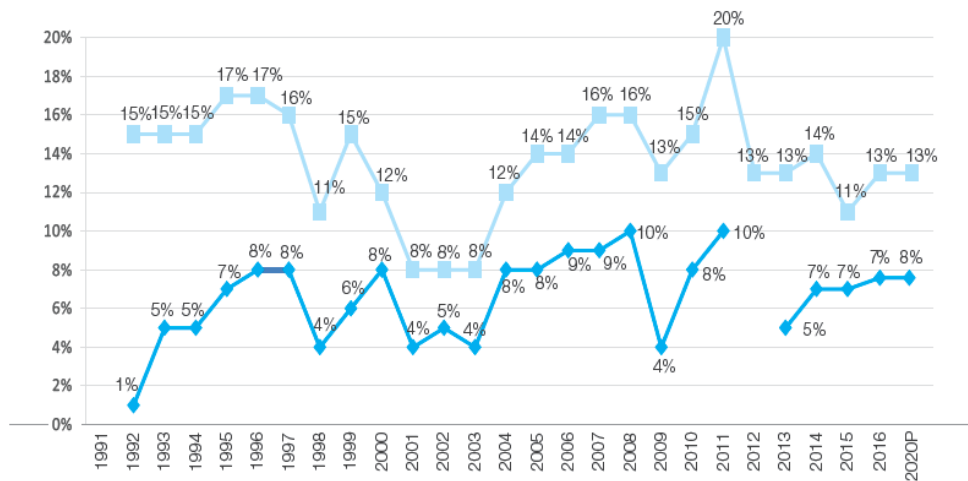
GDP Ranking of Key Global Economies (Fiscal 2015)

Country	GDP Ranking	% Share of World GDP (at current prices)	Rank PPP	% Share (World GDP, PPP)
United States	1	24.3%	2	15.7%
China	2	14.8%	1	17.2%
Japan	3	5.9%	4	4.5%
Germany	4	4.5%	5	3.4%
United Kingdom	5	3.9%	10	2.4%
France	6	3.3%	9	2.4%
India	7	2.8%	3	6.9%
Italy	8	2.5%	11	2.0%
Brazil	9	2.4%	7	2.8%
Canada	10	2.1%	16	1.4%

Source: World Bank data, Technopak Analysis

Sustained high real GDP growth of over 6% since Fiscal 1991 has led to a fundamental transformation of the Indian economy. India has become the fastest-growing G20 Economy (G20 economies include: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, USA, European Union), with growth rates of approximately 7.5%. India’s economy is projected to expand by 7.1% during Fiscal 2017 as per the Economic Survey 2016-2017 and 7.7% in Fiscal 2018 according to the International Monetary Fund, respectively, benefiting from strong private consumption. Since 2005, the Indian economy has grown at twice the rate of the world economy. This higher growth rate will enable the Indian economy to secure its place in the top three global economies by Fiscal 2050.

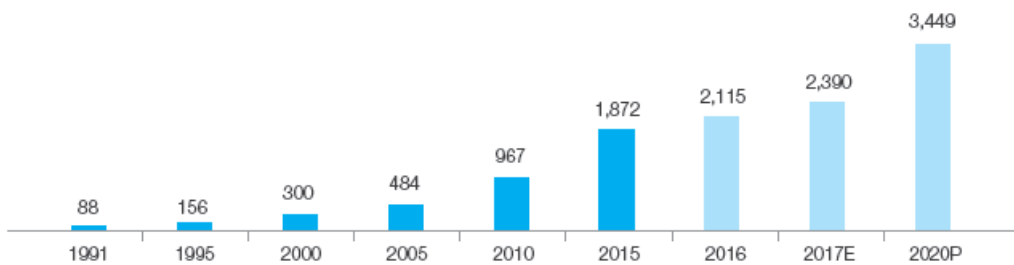
Historical GDP Growth (%)



Source : RBI data, Economic Survey, World Bank, EIU, IMF
 2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well
 ^Real GDP growth projected by leading internal institutions:
 EIU – 7.2%-7.4% (FY 16-20)
 World Bank – 7.8%-7.9% (FY 16-17)
 IMF – 7.5%-7.7% (FY 16-20)
 Year indicates FY

India’s GDP is poised to reach US\$3.5 trillion by Fiscal 2020 (in nominal terms). This will be equivalent to China’s economy and approximately 60% of the US economy as of Fiscal 2015.

India’s Nominal GDP (US\$ billions)



Source : RBI data, Economic Survey, World Bank, EIU, IMF
 1 USD = INR 67
 Year indicates FY

Several factors will continue to drive consumption and contribute to the economy including:

- favourable demographics, reducing dependency ratio, rapidly rising education levels and steady urbanisation;
- growing young and working population;
- IT revolution and increasing penetration of mobile and internet infrastructure; and
- increasing aspirations and affordability.

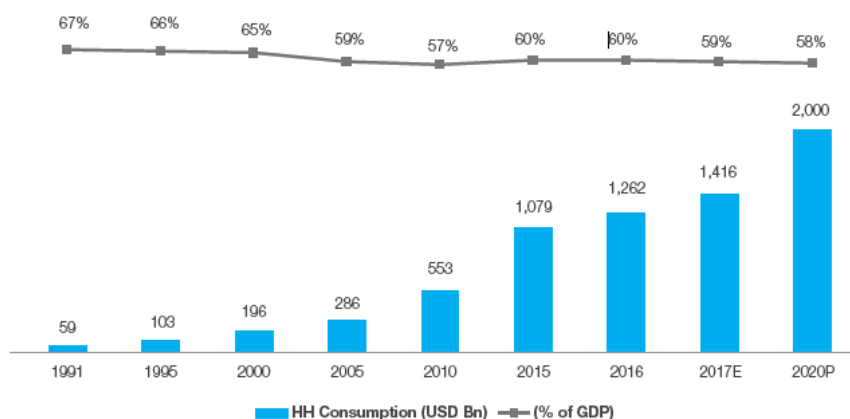
Consumption Growth

India is seen as one of the key consumer markets from where future growth is likely to emerge. As more people move beyond the basic sustenance level in any country, it is reflected in the consumption expenditure. Although the share of Private Final Consumption Expenditure (“PFCE”) as a percentage of GDP is slowly decreasing, in absolute terms it has increased from US\$59 billion to US\$1,262 billion between Fiscal 1991 and Fiscal 2016. Rising income levels coupled with a growing, young, working-age population will lead PFCE to grow steadily and it is expected to reach to US\$2 trillion by Fiscal 2020.

The decadal annual growth rate between Fiscal 1995 and Fiscal 2005 was approximately 11% and grew to approximately 15% for Fiscal 2005 to Fiscal 2015. Going forward, India is expected to continue the trend with

private consumption reaching 54% by Fiscal 2030.

India's Household Final Consumption Expenditure as a Share of GDP



Source : RBI data, Economic Survey, World Bank, EIU, IMF
Year indicates FY
1 USD = INR 67

In Fiscal 2016, household consumption accounted for approximately 60% of GDP. This is much higher than the share of household consumption in China (approximately 37%) and comparable to that of the UK (approximately 65%) and USA (approximately 68%). It is estimated that India's consumption expenditure will increase to US\$2,000 billion by Fiscal 2020 and will surpass the consumption expenditure of developed economies like Italy, France and UK.

Total PFCE (US\$ billions)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2020P	Contribution to GDP 2015
UK	1,792	1,498	1,553	1,672	1,710	1,763	1,933	1,847	1,665	69%
U.S.	10,014	9,847	10,202	10,689	11,050	11,392	11,865	12,271	13,913	68%
Brazil	1,012	1,032	1,330	1,575	1,510	1,519	1,507	1,124	2,350	63%
Italy	1,424	1,325	1,296	1,400	1,276	1,302	1,312	1,108	1,143	63%
India*	424	485	553	651	737	852	977	1,079	2,000	58%
Germany	2,075	1,963	1,915	2,078	1,970	2,074	2,112	1,813	2,108	57%
Indonesia	309	317	424	494	517	518	509	491	909	56%
France	1,615	1,514	1,486	1,596	1,492	1,560	1,572	1,332	1,470	55%
Thailand	156	149	177	196	209	218	211	NA	339	55%
Malaysia	103	99	122	143	156	167	177	160	295	51%
China	1,608	1,809	2,079	2,615	3,019	3,424	3,954	NA	10,024	36%

Source: World Bank, Technopak Research & Analysis

2020P; The projections have been arrived at by considering the growth trends for the past five years.

Year indicates CY
India* indicates FY

Household consumption in India has skewed towards the urban population. Socio Economic Class (“SEC”) A, B and C1 which accounts for 45% of the urban and a little over 10% of the rural Indian population is commonly referred to as the ‘Top 20%’ (by income of Indian households).

The ‘Top 20%’ of Indian households account for 40 to 50% of total household consumption expenditure and 50 to 60% of household income. The next 40% of households account for 40% of the overall household expenditure while the bottom 40% (largely comprising of SEC E) make up 10% to 20% of household consumption. The per capita consumption of SEC A, B & C1 Indian households is twice the national average.

SEC Breakup of Indian Households (Fiscal 2016)



Source : RBI data, Economic Survey, World Bank, EIU, IMF

Demographic Profile

Young Population

India has the lowest median age (26 years old) across larger, key, developed and emerging countries of world and nearly 65% of the population was below the age of 35 years in Fiscal 2012. These younger consumers are indulgent, well-travelled, brand conscious and well-connected. They have higher spending power and are open to experimentation and exploration.

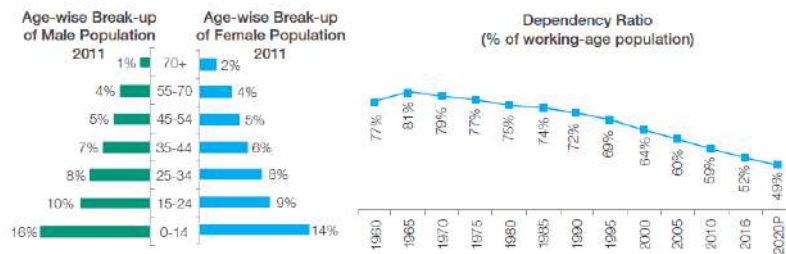
Median Age: Key Emerging and Developed Economies (2012)

Country	India*	China	USA	Singapore	Russia	Korea	Canada	UK
Median Age (Yrs)	26	35	37	38	38	39	40	40

Source: UN data, Technopak Analysis
Year indicates CY
India* indicates FY

The improvement in demographics, as measured by the declining age dependency (the ratio of the dependent population size to the working-age population size) has been one of the most important factors supportive of higher potential growth in India. The ratio of the number of elderly people and children to the working-age (15 to 64 years old) population declined from 64% in Fiscal 2000 to 52% in Fiscal 2016 and is expected to further decrease to 49% in Fiscal 2020. In other words, the working-age population has been growing faster than the dependent population. A substantial rise in the working age population (from 36% in Fiscal 2000 to 48% in Fiscal 2016) augurs well for the growth momentum of the Indian economy going forward, as it will lead to rising income levels.

Age Dependency Ratio



Source: The census of India 2011, United Nations database, Technopak Analysis, Year indicates FY

Age dependency ratio is the ratio of dependents—people younger than 15 or older than 64—to the working-age population—those ages 15-64. Data are shown as the proportion of dependents per 100 working-age population.

Increasing Urbanisation

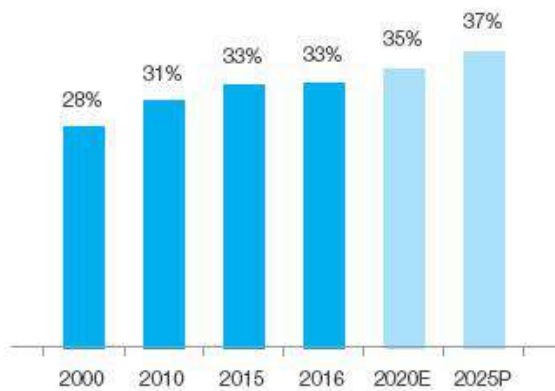
India is the second largest urban community in the world after China, with an urban population of approximately 435 million as of Fiscal 2016. However, India fares lower than the global average in terms of the urban population's share in total population. In Fiscal 2016, 33% of India's population was urban, compared to

global average of 54%.

Urbanisation in India is fast-paced. This will see growth in households where both husband and wife work. Higher income and lesser time will fuel the growth of eating out and ordering in and many companies have recognised this and offer value meals or combos for this target segment. The ‘Smart Cities’ initiative by the government to create new ‘urban clusters’ will also expedite urban development and urbanisation in India.

Increasing Urbanisation

India's Urban Population (% of total population)



Source: World Bank, IMF, MGI: Urban India Awakening, Technopak analysis
Year indicates FY

Emerging Cities: 2025



Increasing Women Power

According to the International Labour Organisation, India ranks 11th from bottom in terms of female labour force participation. The proportion of women in private sector companies was 24.5% of the total workforce as of Fiscal 2011 compared to 17.9% of the public sector. In Central Government jobs, women accounted for 7.6% as of Fiscal 1991, which has risen to 10% over the past two decades. In recent years there has also been a decline in the labour force and workforce participation rates of women, whereas, the service sector may see an increase in female employment from approximately 20% in Fiscal 2011 to approximately 25% in Fiscal 2020.

With an increasing proportion of women in the working population; the trend for home-cooked meals has gone down, leading to a robust demand for ‘out of home’ food from households with working couples.

Growing Middle Class

The households with annual earnings between US\$5,000 and US\$10,000 have grown at a CAGR of 17% over the last five years and are further projected to grow at a rate of 12% to reach 109 million in Fiscal 2020. The households with annual earnings between US\$10,000 and US\$50,000 have also grown at a CAGR of 20% over the last five years.

An increase in the number of households with annual earnings of US\$10,000 to US\$50,000 will lead to an increase in indulgence spending by the group. This will lead to an increase in expenditure on eating out, luxury products, consumer durables and across all the consumption categories. It is estimated that 23% of the global middle class will be from India by Fiscal 2030.

Nuclearisation

The increase in the number of households exceeds the increase in population growth indicating an increasing trend towards nuclear families in India. According to census data 2011, 74% of urban households have five or less members as compared to 65% in Fiscal 2001. The fall in the average household size coupled with rising disposable income will lead to a greater percentage on discretionary spending, such as eating out.

Food Services Spend

The Indian economy is expected to reach an estimated US\$3.5 trillion by Fiscal 2020. Food services are emerging as a key segment in the Indian economy, with an overall market worth of US\$50 billion as of Fiscal 2017, which is approximately 8 times bigger than hotels. The market's growth will be powered by changing consumer dynamics and increasing market proliferation by brands in the space. The Gross Value Added ("GVA") by hotels and restaurants has witnessed an annual increase in both absolute and relative terms. It grew from US\$16 billion as of Fiscal 2014 to US\$18 billion as of Fiscal 2015, increasing its contribution to India's overall GVA from 1% in Fiscal 2014 to 1.1% in Fiscal 2015.

Industry-wise Market Size in Fiscal 2017

S. No.	Industry	Market Size (USD Bn)
1	Retail	770
2	Insurance	75
3	Telecom	79
4	Food Services	50
5	Mobile Services	38
6	Hotels	6
7	Films	2

Source: TRAI, HVS, Crisil, IRDA, Industry Sources, Technopak Research & Analysis
1 USD = INR 67
Year indicates FY

Contribution of Food Services Industry to GDP

Year	Food Services Market Size (USD Bn)	Food Services Growth %	GDP Growth (CAGR %)	% contribution to GDP
2013	37	-	-	2.3%
2017E	50	8%	7%	2.3%
2022P	82	10%	8%	2.6%

Source: World Bank, NRAI Technopak Report, Technopak Analysis
1 USD = INR 67
Year indicates FY

The share of food services in Indian GDP is expected to increase to 2.6% by Fiscal 2022 from 2.3% currently on account of its faster growth as compared to GDP growth. Also, the growth of the food services market is expected to outpace its growth to date (from 8% to 10%). The key implications of this trend are summarised below:

- It is estimated that Indians spend 8% to 10% of their food expenditures outside the home in restaurants, cafeterias and other food establishments. This trend is expected to strengthen in future.
- Indian consumers are dining out more frequently and younger Indians are shedding the biases of their elders against international franchises and foreign foods. With over 0.1 million outlets in the organised segment (20 or more seats) in India, there is plenty of room for growth in the industry.
- With higher disposable income for the younger population who are well-travelled, brand conscious and well connected through social media, combined with a rise in the presence of branded retail chains; consumers in smaller cities i.e. Tier I & Tier II cities are also spending more on eating out and this trend is expected to further continue. National and international chains are looking at Tier I and Tier II cities as the emerging markets for growth and expansion.

Food Services Market in India

India's food services market has come a long way from early 1980s when the number of organised brands was few and the market was dominated by unorganised service providers. The revolution in this sector began in Fiscal 1996 with the opening up of restaurants by McDonald's, Pizza Hut, Domino's followed by entry of brands like Subway and Barbeque Nation after 2000 and expansion of well-known home grown brands like Haldiram's and Moti Mahal. The food services market has been growing and it has witnessed many changes with respect to rising disposable income, availability of quality labour force and use of technology.

Evolution of Food Services Market in India

	Phase I (1991-2001)	Phase II (2001-2010)	Phase III (2010- 2020)
Geographical	High focus on Metros & Mini-Metros	Initial entry into Tier II Cities	Greater presence in newer locations
Operating Model	Ownership & Franchisee Model	More Franchisee Models	Concept of JVs
Investment Needs	Family/Self-funded	Partnerships, JVs and start of PE funding	Brand expansion driven by IPO, PE and others
Strategic Focus	Sustainable revenue growth	New opportunity areas with focus on CRM	Format diversification, birth of food technology etc.
Industry Segmentation	Indian & International Brands	Emergence of defined formats e.g. CDR, QSR, FDR, Cafe etc.	Further sharpening of formats based on consumer needs

Source: Technopak NRAI India Food Services Report 2016

Phase 1 – Faster development in infrastructure and business opportunities in mega metros and mini-metros like Delhi NCR, Mumbai and Bengaluru rapidly increased the number of organised restaurants in the 1990s. With the help of their first mover advantages, players looked to maximise revenues. There was no clear segmentation based on offering as most of the Indian brands were operating Multi Cuisines Restaurants and offering different products under the same category. Segmentation based on offerings and services started in India in Fiscals 1995-1996 with the entry of international brands such as McDonald’s, Pizza Hut, KFC and Domino’s.

Phase 2 – Demand for food joints in Tier II cities in the 2000s was powered by increasing urbanisation, rising personal disposable incomes and more economic activities. A huge untapped population coupled with changing consumer lifestyles gave players an incentive to expand to Tier II cities. A clear segmentation of formats also started to emerge based on the offerings and service style such as Quick Service Restaurant (“QSR”), Casual Dining Restaurant (“CDR”) and Fine Dining Restaurant (“FDR”).

Phase 3 – The current decade is overseeing a shift to a larger organised sector. Customer retention, a higher range and depth of offerings are new goals among organised players. This phase witnessed a sharper segmentation within the different formats based on consumer needs and offerings by the brands, e.g., within QSRs there is a clear differentiation between pizza chains and burger chains, within CDRs a further segmentation was observed as premium and value based CDRs based on attributes like ambience, services style and cuisines etc. This phase has also seen the beginning of food technology (visual kitchens, ready to cook/eat, delivery logistic etc.) which is estimated to be growing at almost 15-20% per year.

The food services market can be broken down into three board segments: (i) unorganised, (ii) organised standalone and (iii) chain. The three segments can be divided further as shown below:

Structure of Indian Food Services Market

Key Segments in the Food Services Market		Average Spend per Person* (INR)
Unorganized Segment – It includes roadside eateries and dhabas which have been the most common eating out option.		10-100
Organized Segment – Consists of:		
a) Standalone restaurants across all formats with less than 3 outlets.		
b) Chain format which has 3 or more outlets across all formats.		
S. No.	Chain Segment	
1.	Café	Coffee & chai bars as well as parlours and bakeries. High focus on beverages supported by food items. E.g.: Starbucks, Café Coffee Day etc. 50-250
2.	Quick Service Restaurants (QSRs)	Focused on speed of service, affordability and convenience. Strong focus on takeaway & delivery with minimal table service. E.g.: Haldiram’s, McDonald’s 75-250
3.	Frozen Desserts/Ice-Cream (FD/IC)	Comprises small kiosk formats of ice-cream brands and has now extended the dine-in concept to frozen yogurt brands. E.g.: Baskin-Robbins, Red Mango etc. 50-150

4.	Casual Dining Restaurants (CDRs)	A restaurant serving moderately to high priced food in an ambience oriented towards providing an affordable dining experience, with table service along with some restaurants offering eclectic high quality interiors and high standards of service. The offerings bridge the gap between QSRs and fine dining restaurants. E.g.: Farzi Café, Barbeque Nation, Oh! Calcutta, Sagar Ratna, Moli Mahal Delux etc.	250-1,000
5.	Fine Dining Restaurants (FDRs)	A full service restaurant with premium interiors, specific cuisine specialty and high standard of service. They offer a unique ambience and an upscale service with the help of highly trained staff. E.g.: The Great Kebab Factory, Olive Bar, Yautcha etc.	>1,000
6.	Pubs, Bar Café & Lounges (PBCL)	This format mainly serves alcohol and related beverages and includes night clubs and sports bars. E.g.: Beer Café, Xtreme Sports Bar etc.	750-1,500

*Spend is Exclusive of Taxes
Source: Technopak NRAI India Food Services Report 2016

The chain food services market can be further segmented based on the positioning, target group and service style as shown below.

Structure of Indian Food Services Market – Format Description

S. No.	Type of Chain	Positioning	Target Group/ Pricing	Ambiance	Locations
1.	Café	Tea-Coffee centric with limited focus on food	15-45 years/ Affordable	Relaxing, "catching up" and unwinding.	Malls, high streets, popular markets, office complexes, airports, hospitals, highways, educational campuses
2.	Quick Service Restaurants (QSRs)	Specific product offerings or cuisines with focus on convenience	15-35 years/ Affordable	Functional interiors. Compact seating with self-service.	Malls, high streets, popular markets, office complexes, airports, hospitals, highways, educational campuses, multiplexes
3.	Frozen Desserts/ Ice-Cream (FD/IC)	Focus on ice-creams and frozen yoghurt with limited options for snacks/ beverages	18-35 years/ Affordable	Colourful, fun. Focus on Takeaways.	Malls, high streets, popular markets, office complexes, airports, hospitals, highways, educational campuses, multiplexes
4.	Casual Dining Restaurants (CDRs)	Focus on moderately priced food and table service to high quality, presentation and service driven	20-50 years/ Affordable to Premium	Casual fun environment to upmarket environment with design led ambience. Regular seating with table service.	Malls, high streets, popular markets, office complexes, airports, hotels, Food Hubs
5.	Fine Dining Restaurants (FDRs)	Multi-cuisine/ specialty restaurants with a focus on quality, ingredients, presentation and service	25-50 years/ Premium to Luxury	Formal, premium design led ambience.	Malls, high streets, popular markets, office complexes, hotels
6.	Pubs, Bar Café & Lounges (PBCL)	Focus on alcohol and customer experience	20-40 years*/ Affordable to Premium	Theme based with loud music. Rustic, no frills to classy.	Malls, high streets, popular markets, office complexes, airports, hotels

*Minimum age for consumers to visit PBCL is different in various states
Source: Technopak Body of Knowledge

Food Services Chain Market – Key Brand Positioning within Formats

Type of Chain	Domestic Players		International Players
	National Brands	Regional Brands	
Café	Café Coffee Day, Barista	Just Bake	Starbucks, Costa Coffee, Coffee Bean Tea Leaf
Quick Service Restaurants (QSRs)	Goli Vada Pav	Jumbo King	McDonald's, Domino's, Subway, KFC
Frozen Desserts/ Ice-Cream (FD/IC)	Havmor Ice Cream	Giani's, Natural's	Baskin Robbin's, Kwality Walls, Häagen-Dazs
Casual Dining Restaurants (CDRs)	Barbeque Nation, Mainland China	Moti Mahal, Sagar Ratna	Pizza Hut, Chili's, Nando's, Pizza Express,
Fine Dining Restaurants (FDRs)	The Great Indian Kebab Factory, Punjab Grill	Indigo	Yautcha, Hakkasan
Pubs, Bar Café & Lounges (PBCL)	The Beer Café, Social	10 Downing Street, Pop Tate's	TGIF, Hard Rock Café

Source: Technopak Research & Analysis

The organised market (chain and organised standalone outlets, excluding restaurants in hotels) is estimated at ₹1,055 billion as of Fiscal 2017 and is projected to grow, at a CAGR of 16%, to reach ₹2,225 billion as of Fiscal 2022 gaining a share of 40% from 31% as of Fiscal 2017.

Food Services Market CAGR

Year	CAGR FY 2013-17	CAGR FY 2017-22
Unorganized Market	6%	7%
Organized Standalone	11%	14%
Chain Market	16%	21%
Restaurants in Hotels	8%	9%

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis

Food Services Market Share

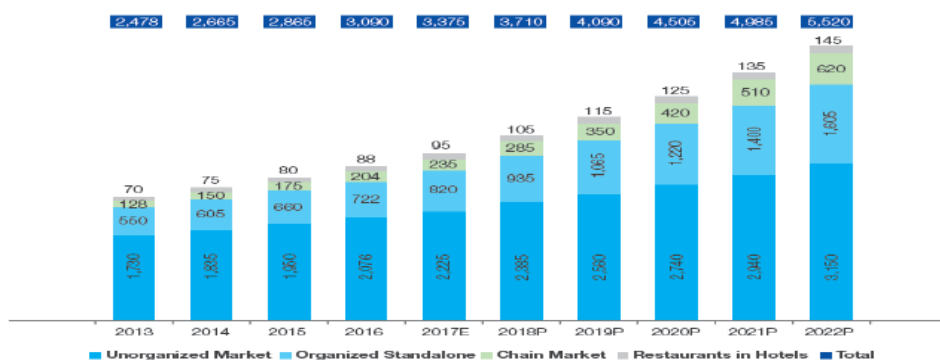
Year	Market Share (FY 2013)	Market Share (FY 2017)	Market Share (FY 2022P)
Unorganized Market	70%	66%	57%
Organized Standalone	22%	24%	29%
Chain Market	5%	7%	11%
Restaurants in Hotels	3%	3%	3%

Source: Technopak NRAI India Food Services Report 2016, Technopak analysis

Market Size, Structure and Growth

The estimated size of the food services market in India is ₹3,375 billion as of Fiscal 2017 and is projected to grow at a CAGR of 10% over the next 5 years to reach ₹5,520 billion as of Fiscal 2022.

Food Services Market Size in ₹ billions Fiscal 2013 to Fiscal 2022

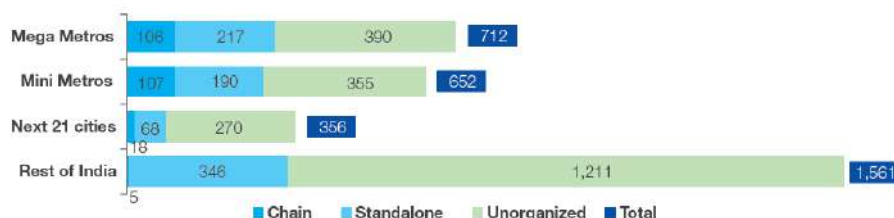


Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis
Year indicates FY

City wise Market Size

India's two mega metros, Delhi NCR & Mumbai, contribute a total of 22% (11% each) to the food services market. The six Mini-Metros constitute approximately 20% of the food services market, while the rest of the contribution comes from the Tier I & II cities along with the rest of India.

City wise Market Size Fiscal 2017 (₹ billion)



Source: Technopak NRAI India Food Services Report 2016, Technopak Analysts
 List of Mega Metros cities like Delhi NCR
 List of Mini Metros cities like Ahmedabad, Pune, Kolkata, Hyderabad, Bangalore, Chennai
 List of Next 21 cities is mentioned in annexure

The top eight cities in India have been the centre for development, especially for the organised food services. Due to increased economic activity, rising disposable incomes, a greater need for convenience and an increasing female workforce, the chain food service brands have done well in these cities. The two mega metros, Delhi NCR & Mumbai, contribute approximately 45% of the chain food services market in India. The next six cities: Kolkata, Bengaluru, Chennai, Hyderabad, Pune and Ahmedabad along with Delhi & Mumbai contribute approximately 90% of the total chain market.

The top eight cities together contribute 50% of the standalone market segment in the food services market. Meanwhile, the mega metros make up for 26% of the standalone market segment.

The mega metros and the next six mini metros have a high concentration of organised food services (chain and organised standalone) causing players to move to the next set of cities for higher growth. This shift clubbed with increasing disposable income and high aspirational value of the younger consumer in Tier I & II cities is resulting in higher acceptability of chain food services players. Based on the NRAI Food Service Report 2016, in the past one year, the chain market size of Tier I & II cities has witnessed a growth of 60% to 70%, indicating the growing importance of these cities in the food services ecosystem.

Growth Drivers

With a prospering economy and a vibrant population of 1.3 billion people, India is today under the global spotlight for consumption-oriented sectors. Changing cultural dynamics and family structures have resulted in the creation of multiple households across the length and breadth of the nation. These new households have spurred the trend of food consumption from alternate avenues (non-home cooked food).

A larger workforce and greater employment generation in the liberalised economy is another factor which has contributed to higher discretionary spending on eating-out and dining-in. Thus the interplay of these factors is anticipated to sustain the industry's growth momentum in the foreseeable future.

Favourable Demographics

India has a high young and working-age population driving the growth of food business, which is, demographically, the youngest consumer market with 33% of the population younger than 15 years old and 50% younger than 24 years old, according to the 2011 census of India. India has the largest working age population (15 to 54 years old) which is expected to rise by 135 million by 2021, which will represent 20% of the world's working-age population.

Increasing Urbanisation

Urbanisation is a catalyst for encouraging consumption growth across all sectors. Urbanisation brings with it increasing exposure to various trends and lifestyles, promoting experimentation. Such emerging trends have had a positive effect on encouraging new avenues within established sectors, as well as spurring overall growth in

consumption. Urban lifestyles are also associated with higher incomes as well as disproportionately higher discretionary spending and an emphasis on experiences such as eating-out.

Higher Experimentation

With seamless interaction, facilitated by the growth of multiple communication channels such as the internet, mobiles etc., the youth of India have been increasingly exposed to global trends in terms of newer cuisines and formats. A view into the developed market way of life as promoted through the media, which has engaged a large number of viewers in India, has prompted an increasing trend to evaluate spending patterns and habits depicted therein.

A vibrant middle class, having widely travelled across the globe, is open to spending on dining experiences similar to experiences found elsewhere in the world. Such factors have prompted the growth of new outlets serving yet-unexplored cuisines within the country, and these outlets have demonstrated the potential for a novel offering to the discerning Indian consumer.

Eating-out as an experience

With multiple binding time-commitments, both on the personal and professional fronts, consumers look forward to experiences in order to de-stress from their routines. Apart from pure-entertainment avenues such as movies and social gatherings, eating-out has emerged as a prominent avenue for winding-down, whether with the family or with friends. The emergence of newer formats and their popularity is evidence of these underlying trends.

A schematic representation of the time spent by an urban couple annually on various activities in a year shows that a total of nine days are spent on eating-out. This has led to an increase in the overall spending on eating-out at a household level across various city types. The penetration of food services in India has largely been in the Northern, Southern and Western parts of the country. Major developed cities and towns in the country with high net worth individuals lie in these parts of the country, resulting in higher spend on eating-out.

Spending pattern and format preference among consumers in Fiscal 2016

City Type	Average House Hold Size	Preferred Formats	Average Spend per House Hold per Month (INR)	Eating Out Frequency per Month per Household
Mega Metros	4.09	QSR (37%), CDR (25%)	6,500-6,750	7-8
Mini Metros	4.12	QSR (48%), CDR (21%)	4,500- 4,750	5-6
Tier I & II	4.80	CDR (40%), QSR (31%)	2,750-3,000	4-5

Source: Technopak NRAI India Food Services Report 2016

Availability of Organised Space leading to Food Services Expansion

Food services has recently emerged as a key sector in driving the retail space and is a leading segment to increase footfalls within a mall or high-street. With the intent to leverage on higher revenues generated by the segment, malls are leasing out prime floor spaces to bring new food and beverage brands within their fold. On average, approximately 20% to 25% of the mall space is dedicated to food services outlets.

The concept of mall spaces dedicated completely to food services is also coming up. Additionally, with the change in consumer consumption patterns and profiles, eating-out has emerged in non-traditional locations such as office complexes, educational institutions and hospitals.

Exhibit 33: Opportunities & Challenges for a Location

Destination Type	Opportunities	Challenges
Malls	<ul style="list-style-type: none"> Steady & reliable stream of footfall Well laid out services with ample Parking space Safe & secure environment for both consumers & operators 	<ul style="list-style-type: none"> High rentals and Common Area Maintenance (CAM) Presence of strong competition within close proximity
High Streets	<ul style="list-style-type: none"> A destination in itself Low rentals & negligible CAM High footfalls Lower concentration of competition 	<ul style="list-style-type: none"> Lack of parking space Safety & security might be a challenge Less reliability on footfall conversion within the outlet
Food Hubs	<ul style="list-style-type: none"> A destination in itself Steady & reliable stream of footfall Well laid out services with ample Parking space Safe & secure environment for both consumers & operators 	<ul style="list-style-type: none"> High rentals and Common Area Maintenance (CAM) Presence of strong competition within close proximity

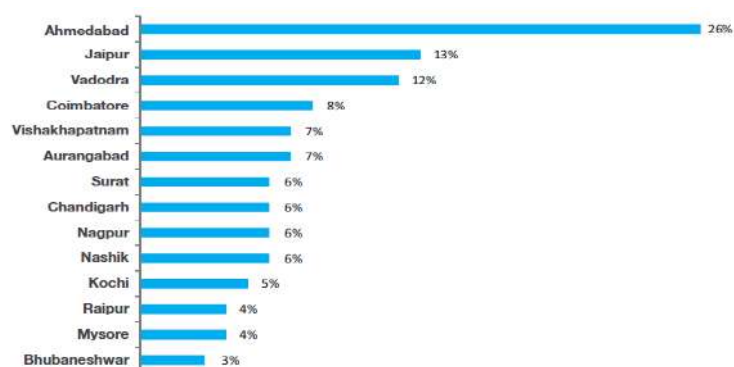
Source: Technopak NRAI India Food Services Report 2016

Increasing Indulgence in Smaller Cities

An increased enthusiasm in Tier II & III cities by foreign investors has been witnessed over last few years. The investments were centred on infrastructure, business services and industries resulting in an increase in jobs and overall spending power of consumers in these cities.

With increasing investments in infrastructure, business services and industries, the spending power of consumers is increasing in Tier II & III cities. Consumers in these cities are also emerging as a strong new segment that is open to trying out branded and organised food and beverage dining options. This is a result of exposure to media and various socio-economic factors such as the rise in the number of working women, the increase in families' disposable incomes, the evolution of aspirations of the younger generation, the rise in presence of branded retail chains and the growth of entertainment as a concept with emergence of malls & multiplexes. Consequently, the preference nowadays is towards dining options that are more hygienic, have better service levels and provide a pleasing experience.

India's Emerging City (Fiscal 2015)



The percentage corresponds to the attractiveness of a particular city for investment by foreign investors
Source: EY- Attractiveness Survey India FY 2015

Consistent growth of Indian and International brands

The untapped potential in the Indian market to cater to the needs of its growing population have encouraged the entry of key international brands into the domestic food services sector. These brands are not only concentrating on Metros, Mini Metros and Tier I cities but have also started venturing into the Tier II and Tier III cities as well. With the highest number of organised companies, the QSR formats dominate the chain market currently, followed by the CDR and Café formats. In the CDR segment, the market in Tier I & II cities has been well penetrated by some brands with lower Average Per Cover (“APC”) operating in the casual dining space such as

Moti Mahal and Sagar Ratna. However, with the increase in disposable income, companies with higher APC in the casual dining space such as Barbeque Nation and Mainland China have started to venture into these cities.

Pizza Hut is the leading company in the CDR segment followed by Moti Mahal, Sagar Ratna and Barbeque Nation. The top three brands have expanded their reach in Tier II cities and beyond, whereas brands like Mainland China and Chilli's are focused on Metros and Mini Metros. Barbeque Nation is focusing more on Tier II cities for attaining higher growth.

Food Trends

Food Festivals

Contemporary food festivals in metro cities have emerged in the past two to three years that cater to numerous tastes and cuisines with 90% of these food festivals organised in winter. While earlier festivals focussed on regional cuisines such as Rajasthani, Gujarati etc., food festivals in metro cities today focus on western and pan Asian cuisines in addition to Indian food. The most popular festivals occur in stadiums, parks and selected malls with a focus on aesthetics, and typically incorporate live music performances and alcoholic beverages.

Key Food Festivals across India

Name of Food Festival	Place	Month in which organised
Grub Fest	New Delhi, Gurgaon, Pune	March, October, December
Asian Hawker's Market	New Delhi	February
Gourmet High Street	Gurgaon	December
Palate Fest	New Delhi, Goa	November
Family Food Fest	Mumbai	December
Bengaluru Food Fete	Bengaluru	April
Ahare Bangla	Kolkata	October-November
Street Food Festival	Chennai	February

Source: Technopak NRAI India Food Services Report 2016

Unlimited Food at a Limited Price

The recent years have witnessed the emergence and growth of fixed price menu concepts in the Indian food services space, especially in the CDR and FDR formats. The increased exposure to eating out has helped develop the market by enticing people to try new cuisines, concepts and recipes and eat out frequently. This prevalent shift in the lifestyle has encouraged the operators to try formats and concepts that can cater to the needs of this growing segment and give them a platform that requires engagement from the diner. Fixed buffet menu restaurants that have been traditionally popular within hotels have seen growth outside their traditional premises. CDR and FDR formats are now coming up with fixed buffet menu ranges that offer a medium to large spread of options in various courses at a fixed price. Some of the prominent restaurant chains with fixed price offerings are The Great Kebab Factory, Barbeque Nation, Absolute Barbecue, Bombay Barbeque and Sigree Global Grill. In the CDR segment, Barbeque Nation is the pioneer in establishing a format built around "over the table barbeque". However, in the FDR segment, The Great Kebab Factory has been offering a similar menu since 1996 and currently has around 13 outlets.

Key Cuisines Offered across Food Services Segments

The Indian diner is becoming more experimental in their approach to food and is open to any and all options that deliver a great dining experience and value for money. This trend can be witnessed by the growth in market share of certain cuisines in the food services segment. North Indian, Chinese and South Indian contribute approximately 56% of the total market offerings and American, Pizza, Italian and other western cuisines contribute approximately 21% of the total offerings as of Fiscal 2016. The increase in the share of American cuisine and pizza can be attributed to the growth of QSRs and CDRs offering these cuisines. Furthermore, regional Indian cuisines and bakery and desserts are also gaining market share and are presently at approximately 3% and 6% respectively. The cuisine options in India are evolving in terms of new tastes, origin and styles and will continue to do so in the coming years.

Share of Key Cuisines across Formats (FY 2016)

Cuisine	Share of Cuisine	Cuisine	Share of Cuisine
North Indian	28.0%	Street Food	6.0%
Chinese	19.0%	Italian	4.5%
South Indian	9.0%	Regional Indian	3.1%
American	7.0%	Continental	3.5%
Pizza	6.2%	Pan Asian	2.0%
Bakery & Dessert	6.0%	Others	5.7%

Source: Technopak NRAI India Food Services Report 2016

Organised Food Services Market

Organised Standalone Market

The organised standalone market is the largest organised segment with a market share of 24% in Fiscal 2017. The segment is expected to grow at a CAGR of 14% from ₹820 billion in Fiscal 2017 to ₹1,605 billion by Fiscal 2022. The CDRs estimated at ₹505 billion in Fiscal 2017 account for approximately 62% of the organised standalone market, growing at a CAGR of 16% to reach ₹1,055 billion (66%) in Fiscal 2022 followed by QSRs growing at 15% to reach ₹215 billion in Fiscal 2022.

Organised Standalone Market Size in ₹ billions



Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis
Year indicates FY.

Organised Standalone Format CAGR

Year	CAGR FY 2013-17	CAGR FY 2017-22
Casual Dining Restaurants	11%	16%
Quick Service Restaurants	14%	15%
PBCL	8%	11%
Cafés	7%	9%
Fine Dining Restaurants	4%	7%
Frozen Dessert/ Ice Cream	8%	8%

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis

Organised Standalone Format Share

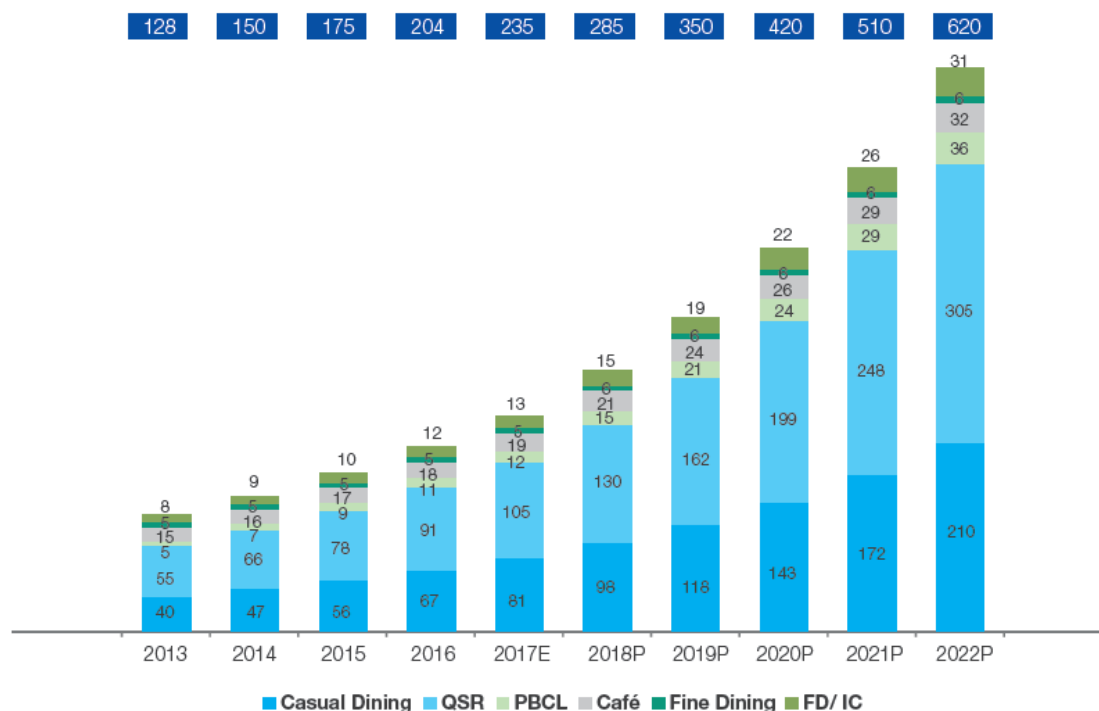
Year	Market Share (FY 2013)	Market Share (FY 2017)	Market Share (FY 2022P)
Casual Dining Restaurants	60.0%	62.0%	66.0%
Quick Service Restaurants	11.0%	13.0%	13.0%
PBCL	16.0%	14.0%	12.0%
Cafés	8.0%	7.0%	6.0%
Fine Dining Restaurants	3.0%	2.0%	1.5%
Frozen Dessert/ Ice Cream	2.0%	2.0%	1.5%

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis

Chain Market

The chain market reached ₹235 billion as of Fiscal 2017 and is expected to grow at a CAGR of 21% to reach ₹620 billion by Fiscal 2022. QSRs have the maximum market share followed by CDRs. QSRs and CDRs constitute 79% market share in the chain market as of Fiscal 2017 and are expected to grow to 83% by Fiscal 2022. QSRs will be driving the growth based on their operating model, where centralised commissaries and a robust supply chain will help in attaining deeper penetration in Tier II and Tier III cities.

Chain Market Size in ₹ billions



Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis
Year indicates FY

The market share of CDRs will remain the same in Fiscal 2022. However, the segment will grow at a healthy CAGR of 21% to reach ₹210 billion as of Fiscal 2022. The growth for CDRs will be fuelled by more CDRs in the chain segment making inroads in Tier II and Tier III cities.

As the food services market has evolved over time, each format has catered to a distinct primary target group and occasions. Within the eating out space, the CDR segment is best placed in the overall chain segment based on pricing, wholesome offering and family involvement. Apart from convenience and quick bites, the consumers are also looking at experiential formats due to higher disposable income and changing eating out habits. CDRs continue to be a popular format in Tier I and Tier II cities along with the metros and mini metros.

Chain Market Format CAGR

Year	CAGR FY 2013-17	CAGR FY 2017-22
Casual Dining Restaurants	19%	21%
Quick Service Restaurants	18%	24%
PBCL	24%	25%
Cafés	6%	11%
Fine Dining Restaurants	2%	3%
Frozen Dessert/ Ice Cream	13%	19%

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis

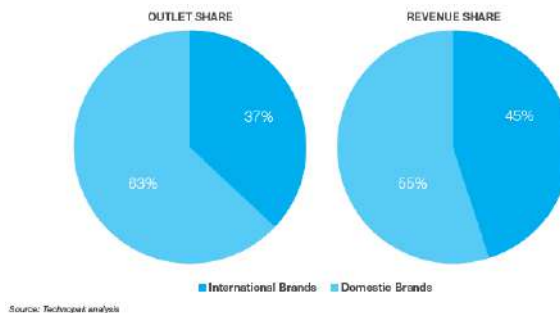
Chain Market Format Share

Year	Market Share (FY 2013)	Market Share (FY 2017)	Market Share (2022P)
Casual Dining Restaurants	31%	34%	34%
Quick Service Restaurants	43%	45%	49%
PBCL	4%	5%	6%
Cafés	12%	8%	5%
Fine Dining Restaurants	4%	2%	1%
Frozen Dessert/ Ice Cream	6%	6%	5%

Source: Technopak NRAI India Food Services Report 2016, Technopak Analysis

The chain market is dominated by the international QSR brands operating in India such as Domino's, McDonald's, KFC, Burger King etc. The overall share of international brands in terms of outlets in the chain market is approximately 37%, contributing a 45% share to the total revenue in the chain market. For the international brands the QSR segment is the maximum revenue contributor with approximately 70% to 75% share followed by CDR, whereas in the domestic segment, the market is dominated by CDRs with an approximate 50% to 55% revenue share. Home grown companies like Barbeque Nation, Moti Mahal Delux, Sagar Ratna and dominate the chain CDR market along with some key brands like Sigree and Mainland China.

Chain Market Construct: Contribution of International and Domestic Brands (Fiscal 2017)



Source: Technopak analysis

Competitive Landscape

Following India's economic liberalisation, the Indian food services market has been significantly growing in terms of the number of brands, both domestic and international. Additionally, from Fiscal 2008 the industry has witnessed a significant growth in terms of the number of outlets in various cities including Tier I & II cities. Key brands within the chain market have expanded across the length and width of the country through well-organised supply chains and a network of commissaries.

Key QSR brands include Domino's, McDonald's, KFC and Subway. Some prominent CDR brands include Barbeque Nation, Pizza Hut and Mainland China.

Opportunities and Challenges in Food Services Chain Market

Type of Chain	Opportunities	Challenges
Café	<ul style="list-style-type: none"> • Increase in "hang out culture", a place for socializing • Scalable model in smaller format • Large play in food and beverage based innovation 	<ul style="list-style-type: none"> • Low margins • Limited brand salience and loyalty • High table turn around time vis a vis per table spend
QSRs- International Brands	<ul style="list-style-type: none"> • Increasing time poverty among youth • Popularity of international cuisines • Improved supply chain 	<ul style="list-style-type: none"> • Highly price-competitive market • High investment in equipment
QSRs- Domestic Brands	<ul style="list-style-type: none"> • Increasing popularity of the format • Increasing focus on convenience • Menu that caters to the Indian masses 	<ul style="list-style-type: none"> • Mostly family operated & lack of management bandwidth • Competition from street food • High tax implication vs nothing being paid by the unorganized segment
Frozen Desserts/Ice-Cream (FD/IC)	<ul style="list-style-type: none"> • Popularity across age segments with increasing spends on desserts • No more a seasonal business • Scalable model as they require smaller formats 	<ul style="list-style-type: none"> • Low transaction value • Competition from FMCG products in FD/IC segment
Casual Dining Restaurants (CDRs)	<ul style="list-style-type: none"> • Increasing middle and upper middle class in urban India • Increasing incidence of eating out • Increasing value for money focus • Scope of penetration in Tier II cities 	<ul style="list-style-type: none"> • Fragmented market with increasing competition • Maintaining consistency across location • Standardization / scaling up in ethnic Indian cuisine is more challenging vs. Western cuisines
Fine Dining Restaurants (FDRs)	<ul style="list-style-type: none"> • Rising disposable income • Increasing focus on premium lifestyle 	<ul style="list-style-type: none"> • Shorter shelf life • Require constant innovation and differentiation • High fixed operating costs
Pubs, Bar Café & Lounges (PBCL)	<ul style="list-style-type: none"> • Favourable Indian demographics with 65% of population below 35 years • Increasing incidence of alcohol consumption • Changing lifestyle 	<ul style="list-style-type: none"> • Price competitive segment with competition from in-home consumption • Setting up process is cumbersome with extensive licensing process

Source: Technopak B&B

Chain Casual Dining Market

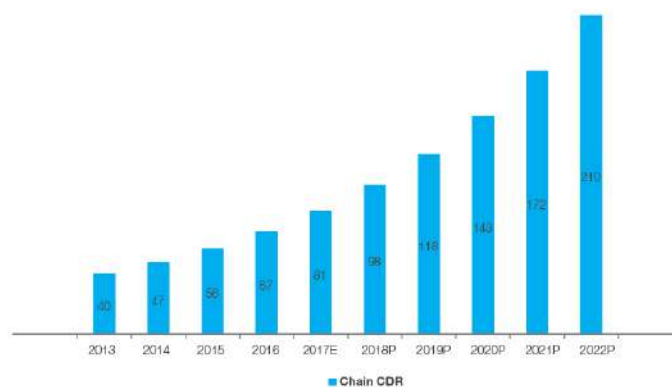
Market Overview

The chain CDR segment represents the second largest market share in the chain food services market in India after QSR. It has seen an evolution of sorts in the preceding years and now there are a few brands generating revenue of more than ₹5 billion in this category. Exhaustive menus, quality food, high focus on presentation and the presence of specific cuisines or themes are all features of the CDR segment. For example, the Farzi Café blends molecular gastronomy and fusion with Indian concoctions in a lively atmosphere. On the other hand, the Barbeque Nation serves unlimited starters and buffets.

As of Fiscal 2017, the size of the chain casual dining market is estimated at ₹81 billion. It is projected to grow at a CAGR of approximately 21% to reach a size of ₹210 billion as of Fiscal 2022. Chain CDR's market share witnessed a growth in the food services sector from 31% to 34% between Fiscal 2013 and Fiscal 2017 and it is expected to remain 34% in Fiscal 2022.

The chain CDR segment caters to the various needs of consumers by offering different service styles, cuisines, ambience and price points such as Sagar Ratna, with an APC of ₹250-300, which caters to the value seeking consumer whereas Barbeque Nation, with an APC of ₹700-800, caters to the experiential consumer who prefers to enjoy a sumptuous meal with a great ambience. Also, outlets like Farzi Café, with an APC of ₹1000-1100, caters to consumers keen to experiment with Indian food in a lively and eclectic environment.

Chain CDR Market Size in ₹ billions



Source: Technopak/NRAI India Food Services Report 2016, Technopak Analysis
Year indicates FY

Key Brands

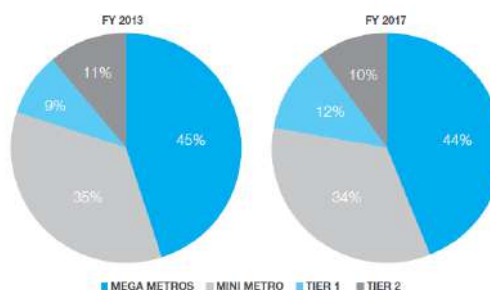
Domestic brands dominate the CDR chain market, though there are a few international brands present in this segment. As the CDR sector continues to witness high growth, new brands have entered the market. As a result, the existing brands are innovating on a larger scale than before. Moreover, many successful domestic brands like Barbeque Nation, Moti Mahal and Sagar Ratna have turned their attention to the national and international stage.

Outlet Presence

It is estimated that as of Fiscal 2017, the chain CDR segment had approximately 3,000 to 3,400 outlets in India, growing from approximately 1,700 to 1,800 as of Fiscal 2013. A few examples are Barbeque Nation, Moti Mahal, Papa John’s, Café Zoe, Flavours of Italy, Rajdhani, Pizza Hut and Sarvana Bhavan. Newer formats like Chilli’s, Farzi Café, Carl’s Jr. and Soda Bottle Openerwala have also taken a share of the pie. With lines thinning between each format type, some brands from the QSR and FDR segment have started venturing into the CDR segment. These transitions between various brands within the CDR market have only added to its burgeoning growth.

Mega metros have the highest presence of CDR outlets at 44%, while mini-metros are next with a share of 34%. The remaining 22% market share is accounted for by Tier I and Tier II cities. However, with existing higher penetration in Metros and Tier I cities, most of the CDR formats are taking cues from the QSR brands like Domino’s and McDonald’s to venture into Tier I & II cities for further growth.

Chain CDR – City Type Outlet Presence



Source: Technopak/NRAI India Food Services Report 2016, Technopak analysis

The following factors may contribute to a rapid scalability of chain CDRs in India:

- Increasing experimentation and increasing spending capacity of the Indian consumer, especially in the Tier II and III cities;
- Continuous innovation in terms of formats, themes and cuisines, to attract and retain consumers;
- Opting for a multi brand strategy to capture bigger audience;

- Leveraging learnings from QSRs and taking advantage of the increased demand in Tier II & III cities;
- Building efficiencies in terms of cost;
- Focus on developing strong SOPs and training programmes to attract and retain quality staff;
- Developing a mechanism to interact with the consumer in real time using digital platforms.

Below are the examples of companies which ventured into different formats:

Companies Operating Different Formats

Formats	Massive Restaurants	Impresario Hospitality	Specialty Restaurants	Barbeque Nation
CDR	<ul style="list-style-type: none"> • Farzi Café • Made in Punjab • Pa Pa Ya 	<ul style="list-style-type: none"> • Salt Water Café • Priithvi Café 	<ul style="list-style-type: none"> • Oh! Calcutta • Mainland China • Global Sigree • Café Mezzuana 	<ul style="list-style-type: none"> • Barbeque Nation • Johnny Rockets
PBCL	<ul style="list-style-type: none"> • Masala Bar 	<ul style="list-style-type: none"> • Social • The Tasting Room 	<ul style="list-style-type: none"> • Hoppipola • Kix • Shack 	-
Café	-	<ul style="list-style-type: none"> • Mocha 	-	-
FDR	<ul style="list-style-type: none"> • Masala Library 	<ul style="list-style-type: none"> • Smoke House Deli • Salt Water Grill 	-	-

Source: Industry Sources, Technopak Research & Analysis

Key Trends Influencing the Food Services Market

Digital Marketing

The pace of life and paucity of time have made convenience and ease of access through digital options an attractive proposition. A lot has changed with the advent of digital media in India and people are increasingly becoming well versed with global trends, well-travelled, and more aware of the options of which they can avail through various media.

Brands and outlets have started partnering with food delivery and hyperlocal mobile as this segment of the industry is also growing at a good rate and a listing on a third party aggregator has become fruitful for companies in the industry.

Responsiveness on the social space has become extremely crucial. Restaurants are taking online reputation management very seriously as it is now an integral part of image management. Digital media helps with quick feedback not only for quality and service but also for marketing initiatives. Word of mouth referrals and recommendations are now likely second to new lead generation through online searches.

According to the Technopak NRAI India Food Services Report 2016, in the food services market, marketing spends constituted 4% to 6% of total revenue for the majority of companies for Fiscal 2015 to Fiscal 2016. The large brands, especially the chains, spent 65% to 70% of their marketing budget on traditional media and the balance of 30% to 35% on digital media. However, for the rest of the industry, 20% to 30% of the marketing budget was spent on traditional media whereas 70% 80% was spent on digital media.

Close to 65% of the population in India is below 35 years of age and very digitally savvy. It is important to reach out to this young India on platforms where they prefer spending their maximum time and can be engaged.

The CDR segment invests a majority of their marketing budget on search and email marketing for discovery and communicating promotional offers. This is followed by mobile advertisements and SMS as these can be used to communicate personalised and location based promotional offers. The rest of the marketing budget is distributed between social media, digital video, display marketing and third party aggregators. Marketing budgets spent on digital initiatives are going to increase over the years, given the cost effectiveness and efficacy of the medium.

Social Media

The trend for greater technology use by consumers has led food services brands to adopt new and diverse

technologies as a means of enhancing their customers' experience and thereby establishing a unique brand identity and leveraging brand loyalty. With the growth of the social media phenomenon empowering consumers and informing their choices, various brands have established a presence on social media platforms such as Facebook and Twitter. They have also developed exclusive mobile applications to connect with customers and adopted tools such as Radian 6 and Meltwater Buzz, which allow for social media monitoring, engagement with existing customers, and promotion of the brand among target consumers.

For key food services brands, social networks like Facebook and Twitter, and also blogging platforms, have become a core marketing medium to engage customers with interesting content and useful information. Many brands are also using social media platforms to encourage open consumer communication by addressing customer reviews, complaints, and grievances. Key international brands across dining formats have adopted a mix of social media and traditional media, however, they leverage online media significantly to offer schemes and discounts to consumers. Key Indian brands such as Café Coffee Day, Barbeque Nation and Mainland China leverage online platforms such as Facebook for connecting with consumers.

In the CDR segment, Barbeque nation leads in terms of Facebook likes (Facebook likes for Pizza Hut and Chilli's represent their international numbers). Food review websites have become an important source of information about restaurants for digital savvy consumers. They host details such as product menus, restaurant pictures, location maps, reviews, ratings, contact details of outlets etc. For instance, Burrp, Times City and Zomato are sites with several listed restaurants across various cities enabling consumers to explore the best food options.

Technology Disruption or Technology Use in the Food Services Market

The food services market in India is on a growth trajectory; however, it is operating in a highly competitive environment. Food services brands aim to track performance on three key parameters i.e. scalability, consistency and profitability. They are leveraging technology to sustain and strengthen their brand and position in the eating-out business.

Technology has impacted all aspects of the food services market from sourcing to reservation to online demand delivery. It has also led to the emergence of new business models, such as restaurant aggregators, cloud-based kitchens that support home cooks and online food delivery.

Food Discovery/Restaurant Search

Directories, expert reviews and opinions are made available by food discovery or restaurant search companies in just a few clicks. Zomato Media Private Limited, a restaurant search and discovery service provider launched in 2008, according to the NRAI Technopak Food Services Report 2016

Table Reservation

Approximately 25% of all reservations are currently through reservation portals and are projected to grow to 60% by 2021. 'Dineout' is a leading table reservation service that started in 2012. According to NRAI Food Services Report 2016, it is estimated that it offers table reservation for over 3,000 restaurants and has seated over 150,000 people in last four years. (Source: NRAI Technopak Food Services Report 2016)

Online Delivery

Technology has eased the process of ordering food on smartphones and getting it delivered to home or office. It helps consumers in saving travel time. As of July 2016, there were approximately 250 start-ups operating in the food-tech segment in India, and the month-on-month growth of online food ordering business in India is expected to be about 30%. Key service providers operating in this segment are Swiggy, Fresh Menu, Holachef and Yumist. (Source: NRAI Technopak Food Services Report 2016)

Impact of Advent on Recent Capital Availability

Private investments can be broadly categorised into three stages: early stage; growth stage; and mature or late stage. Private equity investment in the food services market is driven by an increasing spend on eating-out, increasing disposable incomes, and a higher proportion of working women.

The restaurant sector is a long-term play for private equity investors. Private equity investors are typically looking at making a minimum of at least 3 times their investment in a four-year timeframe. Also, there's a certainty in cash flows if the model is right. That, along with growth, should allow private equity to make fair returns from this sector. Private equity firms not only supply funds but also bring management input on board and facilitate in scalability, thereby improving operational efficiency for food services companies.

Return on Investment

	Early	Growth	Late Stage/Mature
Return expectations	40-50% p.a.	25-30% p.a.	18-25% p.a.

Source: Technopak NRAI India Food Services Report 2016

Quick Service Restaurants (QSR)

The QSR space enjoys a high degree of scalability although the format requires significant investments, especially to set up the supply chain, and typically has a long gestation period. Also, given low prices and a high degree of competition, healthy levels of profitability are typically achieved when the brand starts enjoying strong recall and also achieves a level of scale that allows it to adequately leverage its high back-end costs, for example Domino's, McDonald's, Subway, KFC etc.

Casual Dining Restaurants (CDR)

Most families in urban India prefer visit CDRs on the weekends. Although QSRs are far more scalable, CDRs enjoy a much higher revenue per outlet, reducing to some extent the execution effort and risk as compared to QSRs for example, Barbeque Nation, Mainland China, Smoke House Deli, Cream Centre, Mamagoto and Rajdhani.

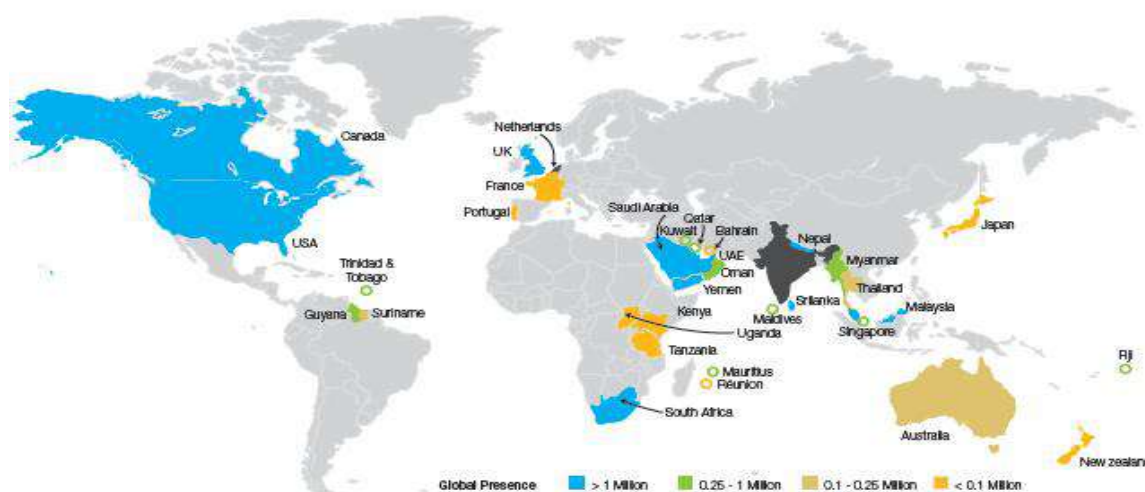
Fine Dining Restaurants (FDR)

FDRs gross higher revenues and profits when compared to QSR or CDR formats owing to the higher spend per customer. However, the scalability of such formats is limited and only one or two restaurants can typically be opened in each Tier I city, for example, Indian Accent, Masala Library, Yauatcha, Indigo and The Table.

International Opportunities

Indian cuisine is gaining popularity around the world owing to the presence of 26 million Indian diaspora in over 200 countries, along with increase in outbound travel by Indians in last five years. High concentrations of Indian diaspora in regions like the Middle East, USA, UK, Singapore and Malaysia is creating opportunities for home grown food services brands to expand internationally.

Indian Diaspora across the World (2016)



Source: Technopak NRAI India Food Services Report 2016

With a view to tap these opportunities, many established Indian food services brands and new generation entrepreneurs are opening new outlets in regions such as UK, US, Middle East and South Asia. GCC, due to its thriving economy, steady growth in per capita income and growth in multi-cultural young demographics is one of the most ideal markets for growth of food services industry. Together UAE and Saudi Arabia constitute 85% of the GCC market. In the South East Asia, Indonesia had the largest food services market followed by Thailand in 2016. Both the regions, GCC and South East Asia, have a strong presence of Indian diaspora and are potential markets for the Indian players to venture into.

Brands such as Farzi Café, Indian Accent, Punjab Grill and Barbeque Nation are changing the way Indian cuisine is perceived internationally by providing a modern twist through molecular gastronomy, reviving and popularising regional cuisine, and by introducing various cooking techniques. Earlier, Mughlai and South Indian cuisines had been popular internationally, however, with the expansion of these brands modern Indian cooking is gaining traction. Brands prefer to penetrate markets with a higher concentration of Indian consumers along with high in-bound tourism from India and a receptive audience towards Indian Cuisine. These brands aim to provide consumers with a similar experience and feel to dining in their home country by keeping the outlet interiors, signature dishes in the menu and service consistent. Many brands (both in the premium and value segments) also alter their offerings from their home country to meet local tastes.

Even though there is huge demand and profitability for Indian restaurants abroad, entry into an uncharted territory poses a number of operational challenges for these brands. These are cultural differences, high operating expenses, differences in local law, challenges in hiring the appropriate manpower, sourcing the right ingredients, difference in tax structures that these Indian restaurant brands have to cater to. Due to facing these challenges Indian brands prefer to go with a franchising model for expansion overseas. ‘Franchise owned and company operated’ is the preferred franchising model as it helps the brand keep its brand value, positioning, quality and experience consistent across the world.

Operating Model of Home Grown Brands Internationally (as of May 31, 2017)

Brand	First International Outlet	Total International Outlets	International Presence	Operating Model
Chor Bizaare	1997	1	London	Company Owned
Sarvana Bhawan	2000	66	USA, Canada, UK, Australia, Singapore, Thailand, France, Kenya, South Africa, Germany, Netherlands	Franchisee Model
Bikanervala	2006	6	London, Dubai, Nepal, Singapore, New Zealand	Franchisee Model
Moti Mahal Delux	2010	8	Oman, Tanzania, Saudi Arabia, New Zealand	Franchisee Model
Mainland China	2013	3	London, Dhaka, Tanzania	Franchisee Owned Company Operated
Café Coffee Day	2013	18	Austria, Czech Republic, Malaysia	Franchisee Model
Barbeque Nation	2016	1	Dubai	Company Owned
Punjab Grill	2014	4	Singapore, Abu Dhabi, Thailand, Dubai	Franchisee Model
Indian Accent	2015	1	New York	Company Owned
Farzi Café	2016	1	Dubai	Franchisee Model

Source: Industry Sources, Technopak Research & Analysis

To be successful in expansion abroad, brands need to have a strong connect with consumers in their home country along with strong financial, controlling and training capabilities to ensure consistent standards abroad. Brands also need to understand the competition present and alter their offerings accordingly to create a differentiation element. The preparation style, cuisine, menu architecture, service and ambience need to give the customer, both local and Indian diaspora, a welcome feel.

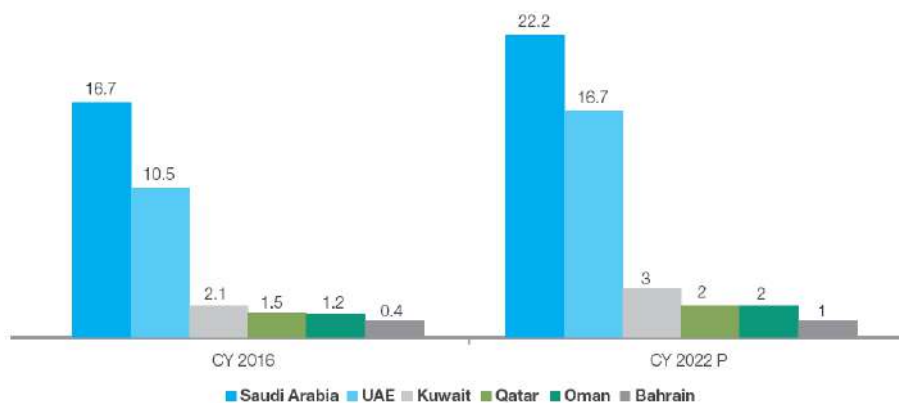
Many brands (both in the premium and value segments) have altered their offerings from their home country to meet local tastes. Moti Mahal Delux serves its dishes in a French-fusion manner and Barbeque Nation has incorporated a Mexican, Indonesian and other western dishes to lure their customers in Dubai.

The overall acceptance of Indian formats and cuisine across the globe strongly suggests the Indian brands should increase their footprint in the international markets. Also, there is ample opportunity for other Indian brands to venture in these markets.

Gulf Cooperation Council (GCC) Countries

GCC is one of the most ideal grounds for growth of food services player as a result of its thriving economy, steady growth in per capita and growth in multi-cultural young demographic. Most of the key players in the international QSR and CDR & FDR are making their presence registered in the GCC, including KFC, McDonald’s, Domino’s, Pizza Hut, Chilli’s, TGIF, Hard Rock Café, Nobu, Tim Horton’s and Starbucks. The estimated size of the combined food services market in GCC was USD 32.4 billion in 2016 and is estimated to grow at a CAGR of 6% to reach US\$46.9 billion by 2020. Saudi Arabia (52%) and UAE (33%) contribute to 85% of the overall market followed by Kuwait (6%), Qatar (4%), Oman (4%) and Bahrain (1%).

Food Services Market other GCC Countries (US\$ billion)



Source: Secondary Research, Technopak Analysis

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 14, 16, 300 and 194, respectively. Our Restated Financial Statements for the Fiscals 2013, 2014, 2015, 2016 and 2017 included in this Draft Red Herring Prospectus has been prepared under Indian GAAP. References to "restated" figures below are to our restated, consolidated financial information prepared under Indian GAAP. All figures in this section are stated on a consolidated basis, unless specified otherwise.

Overview

We own and operate Barbeque Nation Restaurants, one of India's leading casual dining restaurant chains according to the Technopak Report. The first Barbeque Nation Restaurant was launched in 2005 by Sayaji Hotels, one of our promoters. Five Barbeque Nation Restaurants owned by Sayaji Hotels were transferred to us in 2012. We have steadily grown our owned and operated Barbeque Nation Restaurant network from a single restaurant in Fiscal 2007 to 81 Barbeque Nation Restaurants in 42 cities in India (including one currently under renovation) and one restaurant in Dubai as of June 30, 2017. In addition, as of June 30, 2017, we had granted the franchise rights of one Barbeque Nation Restaurant.

Through our Barbeque Nation Restaurants, we pioneered 'over the table barbeque' concept in Indian restaurants according to the Technopak Report. Live grills embedded in dining tables allow our guests to grill their own barbecues. We believe our Barbeque Nation Restaurants, compared to other fixed price dining options, offer competitive attractions such as a wide range of vegetarian and non-vegetarian appetisers and main courses, a popular dessert menu, a pleasant and casual dining environment and prompt service. We also periodically run popular food festivals at our Barbeque Nation Restaurants offering our guests a range of Indian, international and fusion cuisines. We are one of the few Indian companies in the organised Casual Dining Restaurant ("CDR") segment to have our own in-house chef training school for development of new products.

We believe the value we offer, the nature and quality of our food offering and the ambience and service of our restaurants create a one-of-a-kind overall customer experience. Our Barbeque Nation Restaurants have experienced steady growth in our number of covers and we believe that the proportion of our total revenues from weekday sales and lunch covers is relatively higher compared to the industry average. The APC (excluding taxes and service charges) at our Barbeque Nation Restaurants has grown from ₹617 in Fiscal 2013 to ₹702 in Fiscal 2017. Our restaurant locations are carefully chosen to help us keep our rent to revenue ratio lower than some of our peers.

We believe our offering format positions us well to capitalise on both the robust growth trend of the CDR segment in India and the broader chain restaurant market within the Indian food and services industry. According to Technopak, the chain CDR segment is one of the fastest growing segments in the Indian restaurant industry and is projected to grow at a Compounded Annual Growth Rate ("CAGR") of approximately 21.00% from Fiscal 2017 to Fiscal 2022.

Our number of covers, revenues and EBITDA has grown consistently as our Barbeque Nation Restaurants have matured, particularly after being in operation for more than two years. For example, our number of covers have grown from 2.98 million in Fiscal 2013 to 6.86 million in Fiscal 2017 at a CAGR of 23.20%. As of June 30, 2017, 34 out of our 81 Barbeque Nation Restaurants owned and operated by us (excluding relocated restaurants) in India were less than two years old. We believe this puts us in a strong position going forward to monetise the benefits of our expansion in the past few Fiscals.

We have recently diversified into a second brand, becoming the India franchisee of the American hamburger chain, Johnny Rockets. As of June 30, 2017, we had five Johnny Rockets Restaurants in operation (we are currently in the process of relocating one of our Johnny Rockets Restaurants) and an additional one Johnny Rockets Restaurant was under construction. We intend to scale up our Johnny Rockets Restaurants, currently located in Bengaluru, Delhi and Gurugram, to other Metro cities and Tier-I cities. We also offer fixed price vegetarian and non-vegetarian unlimited six course meals including burgers and milkshakes at some of our Johnny Rocket Restaurants, in addition to *à la carte*, to reduce the bite size encouraging consumption of a

greater variety of dishes. We also intend to add new dishes to the current menu.

In 2013, CX Partners acquired a stake in our Company followed by further acquisition of an additional stake in 2015.

Our core values prioritise being customer-focused to provide excellent products and service and team-focused by maintaining a superior quality work environment. We place a strong emphasis on guest reviews and feedback and use our in-house call centre to obtain guest feedback in accordance with our internally devised and managed Guest Satisfaction Index (“GSI”). We operate two cloud-based systems: the Central Reservation System (“CRS”) and the Central Feedback System (“CFS”). We also started accepting reservations for our Barbeque Nation Restaurants through our smartphone application ‘BBQ App’ in February, 2016 and through Facebook chat messenger in December, 2016.

We were ranked among the top 50 companies to work for in India across all categories by Economic Times “Great Places to Work” survey for 2016 and 2017 by Great Places to Work Institute in collaboration with the Retailers Association of India. We were also voted among the top ten employers within the Indian retail industry for 2017.

Our total revenue, EBITDA and profit after tax have grown from ₹1,842.45 million, ₹267.43 million and ₹43.12 million, respectively, in Fiscal 2013 to ₹5,034.85 million, ₹668.88 million and ₹102.41 million, respectively, in Fiscal 2017, at a CAGR of 28.57%, 25.76% and 24.14%, respectively.

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Indian GAAP, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

For Fiscals 2015, 2016 and 2017, we served 4.22 million, 5.68 million and 6.86 million covers, respectively. In Fiscals 2015, 2016 and 2017, our total revenues were ₹3,040.96 million, ₹4,030.51 million and ₹5,034.85 million, our EBITDA was ₹474.98 million, ₹489.00 million and ₹668.88 million, our cash profit (defined as Profit after tax plus Depreciation plus Amortisation) was ₹303.80 million, ₹315.60 million and ₹437.52 million, respectively and our profit after tax was ₹134.88 million, ₹58.87 million and ₹102.41 million, respectively. We also had negative net working capital in two of the last three Fiscals.

Our Strengths

We believe we benefit from a number of strengths that together differentiate us from our competitors:

One of India’s fastest growing and widely recognised restaurant brands in the rapidly growing CDR segment

The first Barbeque Nation Restaurant was launched in 2005 by Sayaji Hotels, one of our promoters. Five Barbeque Nation Restaurants owned by Sayaji Hotels were transferred to us in 2012. We have steadily grown our Barbeque Nation Restaurant network from a single restaurant in 2007 to 81 Barbeque Nation Restaurants in 42 cities in India (including one currently under renovation) and one restaurant in Dubai as of June 30, 2017 owned and operated by us. As of June 30, 2017, a further nine Barbeque Nation Restaurants were under construction. In addition, as of June 30, 2017, we had granted the franchise rights of one Barbeque Nation Restaurant.

Year	Number of owned and operated Barbeque Nation Restaurants added in India (Net) ⁽¹⁾	Total owned and operated Barbeque Nation Restaurants in India ⁽¹⁾	Number of cities added in India ⁽¹⁾	Total cities in India ⁽¹⁾
Fiscal 2013	14	32	1	14
Fiscal 2014	5	37	3	17
Fiscal 2015	8 ⁽²⁾	45	2	19

Fiscal 2016	21	66	10	29
Fiscal 2017	13 ⁽³⁾	79	11	40
Fiscal 2018 (till June 30, 2017)	2⁽⁴⁾	81	2	42

Notes:

- (1) This excludes one Barbeque Nation Restaurant which operates on a franchise model and is not owned and operated by us.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed.
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the same trade area.
- (4) In Fiscal 2018, 3 Barbeque Nation Restaurants were opened including 1 Barbeque Nation Restaurant which was relocated. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.

Our restaurant location portfolio consists of sites located in business districts, neighbourhoods and local markets, which enjoy a steady volume of guest traffic. As of June 30, 2017, more than half of our Barbeque Nation Restaurants were located in Metro cities.

City Type	Number of owned and operated Barbeque Nation Restaurants in India [^]					
	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018 (till June 30, 2017)
Metro cities	26	28	34	44	46	46
Tier-I cities	4	5	6	10	13	13
Tier-II cities	-	1	1	6	14	16
Tier-III cities	2	3	4	6	6	6
Total owned and operated Barbeque Nation Restaurants in India	32	37	45	66	79	81
Number of states and Union Territories in India with Barbeque Nation Restaurants	11	12	13	15	18	19

[^] This excludes one Barbeque Nation Restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.

Fixed price casual dining, given its convenience, quick service and moderate average spending, is increasingly popular among consumers. We are a pioneer of the fixed price live-in-the-grill concept in India, and we fall under the CDR segment according to Technopak. The chain CDR segment grew at a CAGR of 19% between Fiscal 2013 and Fiscal 2017. It is expected to further grow at a CAGR of approximately 21% from 2017 to 2022 according to Technopak.

One of the main contributors to the brand affinity of our Barbeque Nation Restaurants has been word of mouth referrals by our guests. Many of our guests have written positive reviews of our Barbeque Nation Restaurants on online discussion fora and food-related blogs. Many of our Barbeque Nation Restaurants in India have received positive feedback on such blogs and websites. Consequently, we believe that we have retained a strong market position while steadily expanding across India in a fragmented and highly competitive industry.

We also have a large social media following. As of June 30, 2017, we had over 860,000 followers on our various Facebook webpages.

Steady growth in covers and APC leading to growth in average bill size with a relatively high proportion of total revenues from weekday sales and lunch covers

We have experienced consistent cover growth in recent Fiscals. The number of covers served at our Barbeque Nation Restaurants increased from 2.98 million in Fiscal 2013 to 6.86 million in Fiscal 2017 at a CAGR of 23.20%. In addition to our consistent cover growth, the APC (excluding taxes and service charge) at our Barbeque Nation Restaurants has grown marginally from ₹617 to ₹702 at a CAGR of 3.20%.

Year	Number of covers	APC (in ₹)*
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	(in million)	YOY (in %)	
Fiscal 2013	2.98	36	617
Fiscal 2014	3.92	32	671
Fiscal 2015	4.22	8	707
Fiscal 2016	5.68	35	694
Fiscal 2017	6.86	21	702

* These figures exclude taxes and service charge.

We believe Barbeque Nation Restaurants has attracted groups with an average size between 4 and 5 guests in last three Fiscals leading to a relatively higher average bill size. Our average bill size (excluding taxes and service charge) for Barbeque Nation Restaurants owned and operated by us in India was ₹3,161, ₹3,034 and ₹2,989 in Fiscals 2015, 2016 and 2017, respectively. Our APC (excluding taxes and service charge) has increased from ₹617 in Fiscal 2013 to ₹702 in Fiscal 2017.

We believe that the CDR segment typically has a low proportion of its total revenues comprising of weekday sales (all sales from Monday through Thursday) since weekends offer greater opportunities for leisure and family time. However, weekday sales have consistently formed a relatively higher proportion of our total revenues. Our weekday sales contributed 48%, 49% and 48% of our total revenues in Fiscals 2015, 2016 and 2017, respectively.

Furthermore, we believe that the CDR segment has typically seen a low proportion of its total revenues comprising of lunch covers. However, lunch covers have consistently formed a relatively higher proportion of our total revenues. Lunch covers at our Barbeque Nation Restaurants contributed 42%, 44% and 45% of our total revenues in Fiscals 2015, 2016 and 2017, respectively.

We believe that our ability to generate a relatively high proportion of our total revenues from weekday sales and lunch covers is because we are a popular choice for corporate lunches during the week and families during the weekends. We host business lunches as well as informal get-togethers, family celebrations and other events such as birthdays, kitty parties etc. Our higher weekday sales and lunch covers also help us to increase our utilisation and efficient food waste management.

Attractive offering at competitive prices based on constant menu innovation and customer focus

We pioneered the 'over the table barbeque' concept in Indian restaurants according to the Technopak Report. Our live grills embedded in dining tables allow our guests to grill their own barbecues. Indian cuisine is a natural part of the cuisines in the markets we operate and we believe it is relatively less prone to mechanisation compared to QSR offerings. We continue to offer new menu options, both vegetarian and non-vegetarian, largely based on Indian cuisine and use seasonal guest preferences to introduce new dishes. We also run popular food festivals at our Barbeque Nation Restaurants such as Best of the Coast and Africa Magica, offering our guests a range of Indian, international and fusion cuisines. We have also introduced gift cards and vouchers as part of our offering.

Our fixed price 'all you can eat' concept offers our guests a varying spread of consistently delicious food at a value-oriented price in a pleasant and casual dining environment. We believe that barbecue cuisine is distinctively attractive as compared with other dining options due to its DIY and cooked-at-the-table nature and the flexibility and fun of mixing and matching a wide variety of meats, vegetables, sauces and condiments to create dishes according to every diner's own tastes. In addition, fixed price dining is very popular among relatively larger groups, due to the guest's perception of high value for money and the comfort of certainty over the bill amount.

Since Fiscal 2017, we have rebranded and changed our brand logo and the form of some of our relatively older Barbeque Nation Restaurants to be more appealing and contemporary. In Fiscal 2015, we introduced 'Kulfi Nation', a counter within certain of our Barbeque Nation Restaurants where our guests can choose from different *kulfi* flavours. We constantly endeavour to increase the number of live counters at our Barbeque Nation Restaurants, offering our guests customised dishes prepared in accordance with their requests. Some of our dishes may vary in taste based on the city in which our Barbeque Nation Restaurant is located keeping local tastes and preferences in mind. We believe our approach of constant innovation assists in retaining our competitiveness, maintaining our repeat guest base and attracting new guests.

We have several years of experience in catering to guest tastes and preferences in India, which has provided us with deep knowledge of their expectations. Based on our experience and regular guest feedback, we carefully design and adjust our menus to suit what we believe are the current tastes and preferences of our guests. We aim to inculcate a service mind-set in all our staff and train them to be attentive to guest needs without being overly formal.

We place a strong emphasis on guest reviews and feedback. Our in-house department gathers feedback daily across multiple satisfaction parameters from the previous day's transactions and feeds this information into our internal GSI. The results determined by our GSI play an important role in management and staff incentive schemes in our Barbeque Nation Restaurants. The current GSI criteria include areas such as ambience, hygiene, reservation experience, Food and Beverage ("F&B") quality and restaurant service. On the basis of qualitative feedback received from our guests over phone calls, our employees assign a rating to the respective guest's experience. Many of our guests have rated their overall dining experience with us as either good or excellent.

Strong business processes and back-end systems leading to efficient operations

We benefit from strong processes and systems that have been established over the past 10 years of our Company's operations. Our restaurant locations are carefully chosen by a dedicated internal team. We have been successful in opening restaurants in business districts, neighbourhoods and local markets without typically paying high street premium rentals. Our rent (including lease rentals) to revenue ratio was 9.40%, 9.22% and 10.80%, for Fiscals 2015, 2016 and 2017, respectively.

We source our ingredients from various suppliers including importing them in some cases from outside India. We also conduct regular audits to check our food quality and service standards.

We started our own in-house chef training school in July 2016 where all our new chefs have been trained. Our chef training facility also has a central kitchen used for the development of new products.

Our cloud-based Central Reservation System ("CRS") is connected to our CRS agents, smartphone app, web-based app and in-restaurant POS reservation system. This synchronised system allows us to track all reservations centrally, with all interconnected booking systems feeding the central cloud database. Our cloud-based Central Feedback System ("CFS") allows quick guest response from multiple media at any time of the day. The CFS allows us to store all guest feedback, centrally and initiate a quick response. We place a strong emphasis on guest reviews and feedback and use our in-house call centre to obtain guest feedback in accordance with our internal GSI.

We have witnessed increased reservations through our smartphone application 'BBQ App'. As of June 30, 2017, our app had registered over 460,000 downloads. In Fiscal 2017, approximately 17.11% of total reservations were made through the BBQ App.

Experienced staff and value-oriented business culture led by some of our Promoters and our senior management team bringing experience from well-known hospitality brands

Some of our Promoters have several years of experience in the Indian hospitality industry. A number of our senior management team have knowledge of and experience in the Indian hospitality industry, coming from well-known food and beverage and hospitality brands in India. Our management team's experience provides us with the skills required to implement our corporate practices and growth strategies.

To assist our management, we have a dedicated team of employees across our restaurant network. We believe that a sense of ownership across all levels is very important to the success of a guest oriented business. We place strong emphasis on instilling our core values in each of our staff. When we open new restaurants, we generally transfer some staff from existing restaurants to our new restaurants to ensure easier initial launch and set up. In addition, we emphasise organic growth, having promoted some of our staff who joined our Company as trainees to chefs or management based on their performance. We have empowered our restaurant managers with authority in certain matters to maintain their engagement with our customers and business. Our efforts are geared towards aligning the goals of our staff with our vision of strengthening staff engagement.

We place great emphasis on training our employees. Our training program is structured to provide a growth path for all our employees, from trainees to managers. We also emphasise staff welfare including offering our

staff skill enhancement, subsidised meals and accommodation in some cases and annual bonuses.

As of June 30, 2017, we had over 4,800 employees, organised, supported and incentivised to maximise productivity. Compensation for our restaurant managers is linked to GSI, sales and profitability of their restaurant, which we believe promotes a culture of responsibility for customer service, revenue and costs.

We were ranked among the top 50 companies to work for in India across all categories by Economic Times “Great Places to Work” survey for 2016 and 2017 by Great Places to Work Institute in collaboration with the Retailers Association of India. We were also voted among the top ten employers within the Indian retail industry for 2017.

Healthy financial position with proven track record of revenue growth and profitability

Some of our Barbeque Nation Restaurants are located in inner lanes or higher floors in order to optimise our profitability, maintain our operational flexibility and ensure that we continue to keep our rent to revenue ratio low.

Our net working capital has been negative in two of the last three Fiscals as set out below:

(in ₹ millions)

Parameter	Fiscal 2015	Fiscal 2016	Fiscal 2017
Net working Capital	12.40	(321.62)	(244.91)
Sale of Food & Beverages	2,987.42	3,976.45	4,966.50

Note: Net Working Capital is calculated as current assets excluding cash and cash equivalents as restated minus investments as restated minus current liabilities (excluding current maturities of long term debt and short term borrowings) as restated

Our Barbeque Nation Restaurants, have historically delivered superior financial performance following their gestation periods and as the number of years for which a restaurant has been operational increases. Key performance statistics for our Barbeque Nation Restaurants by their vintage (as in Fiscals 2016 and 2017) are set out below:

(in ₹ millions)

Total Revenue from Operations						
End of Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
	Barbeque Nation Restaurants in India owned and operated by us					
13	Pre Fiscal 2013 restaurants	1,168.50	1,232.39	1,266.41	1,270.21	1,253.25
14	Fiscal 2013 restaurants	312.70	875.20	950.24	1,021.55	1,045.35
5	Fiscal 2014 restaurants	-	136.37	289.59	329.95	350.07
9 ⁽²⁾	Fiscal 2015 restaurants	-	-	137.81	483.63	514.92
21	Fiscal 2016 restaurants	-	-	-	510.18	1,139.04
13 ⁽³⁾	Fiscal 2017 restaurants	-	-	-	-	233.44
4	Relocated / renovated restaurants ⁽⁴⁾	286.70	313.84	337.75	342.06	309.25
1	Closed restaurant	70.02	71.58	17.86	-	-
79	Total Barbeque Nation Restaurants in India owned and operated by us	1,837.93	2,629.38	2,999.66	3,957.58	4,845.33
	Other operating income (not directly attributable to Barbeque Nation Restaurants in India owned and operated by us)	4.52	50.06	37.87	40.59	49.57
4	Revenue from Johnny Rockets	-	-	-	-	69.53
1	Revenue from Barbeque Nation Restaurant in Dubai	-	-	-	-	49.00
-	Revenue from Favorite Restaurants Private Limited (merged from January 1, 2017)	-	-	3.44	32.34	21.43
	Revenues from Operations⁽⁵⁾	1,842.45	2,679.44	3,040.96	4,030.51	5,034.85

Notes:

- (1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed.
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurant which were relocated within the same trade area
- (4) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated
- (5) Figures for Fiscals 2013 and 2014 are on a standalone basis since we did not have any Subsidiaries in these Fiscals.
- (6) Figures included in the table above are subject to rounding off.

(in ₹ millions)

Total Revenue from Operations per Barbeque Nation Restaurant in India						
End Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Barbeque Nation Restaurants in India owned and operated by us						
13	Pre Fiscal 2013 restaurants	89.88	94.80	97.42	97.71	96.40
14	Fiscal 2013 restaurants	22.34	62.51	67.87	72.97	74.67
5	Fiscal 2014 restaurants	-	27.27	57.92	65.99	70.01
9 ⁽²⁾	Fiscal 2015 restaurants	-	-	15.31	53.74	57.21
21	Fiscal 2016 restaurants	-	-	-	24.29	54.24
13 ⁽³⁾	Fiscal 2017 restaurants	-	-	-	-	17.96
4	Relocated / renovated restaurants ⁽⁴⁾	71.67	78.46	84.44	85.51	77.31
1	Closed	70.02	71.58	17.86	-	-
79	Total Barbeque Nation Restaurants in India owned and operated by us	57.44	71.06	66.66	59.96	61.33

Notes:

- (1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the same trade area
- (4) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated

(in ₹ millions)

EBITDA						
End of Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Barbeque Nation Restaurants in India owned and operated by us						
13	Pre Fiscal 2013 restaurants	274.62	316.69	313.14	328.06	338.15
14	Fiscal 2013 restaurants	17.26	110.26	167.00	191.83	241.14
5	Fiscal 2014 restaurants	-	13.43	50.39	73.27	84.91
9 ⁽²⁾	Fiscal 2015 restaurants	-	-	19.74	74.87	107.18
21	Fiscal 2016 restaurants	-	-	-	20.96	192.07
13 ⁽³⁾	Fiscal 2017 restaurants	-	-	-	-	11.50
4	Relocated / renovated restaurants ⁽³⁾	40.07	49.57	63.45	59.45	52.39
1	Closed	7.52	8.05	-2.14	-	-
79	Restaurant-level EBITDA (Barbeque Nation Restaurants in India owned and operated by us)	339.47	498.01	611.59	748.45	1,027.34
	Add					
	Other Operating Income (not directly attributable to Barbeque Nation Restaurants)	4.52	50.06	37.87	40.59	49.57

EBITDA						
End of Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
	in India owned and operated by us)					
	Add					
4	EBITDA from Johnny Rockets	-	-	-	-	-19.34
1	EBITDA from Barbeque Nation Restaurant in Dubai	-	-	-	-	-5.30
	EBITDA from Favorite Restaurants Private Limited (merged from January 1, 2017)	-	-	(16.20)	(43.20)	(12.84)
	Less					
	Regional and corporate expenses ⁽⁵⁾	76.57	112.19	158.28	256.84	370.54
84	Company EBITDA⁽⁶⁾	267.43	435.88	474.98	489.00	668.88

Notes:

- (1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.
- (2) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed
- (3) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the same trade area
- (4) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated
- (5) Regional and corporate expenses comprise of employee benefit expenses, rentals, travelling, communication, power and electricity, and other expenses which are not directly attributable to the restaurant.
- (6) Figures for Fiscals 2013 and 2014 are on a standalone basis since we did not have any Subsidiaries in these Fiscals.

EBITDA Margin per Barbeque Nation Restaurant in India						
End of Period Number of Barbeque Nation Restaurants in India ⁽¹⁾	Vintage	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
	Restaurant EBITDA Margins (%)⁽²⁾					
	(%) of respective vintages					
13	Pre Fiscal 2013 restaurants	24%	26%	25%	26%	27%
14	Fiscal 2013 restaurants	6%	13%	18%	19%	23%
5	Fiscal 2014 restaurants	-	10%	17%	22%	24%
9 ⁽³⁾	Fiscal 2015 restaurants	-	-	14%	15%	21%
21	Fiscal 2016 restaurants	-	-	-	4%	17%
13 ⁽⁴⁾	Fiscal 2017 restaurants	-	-	-	-	5%
4	Relocated / renovated restaurants ⁽⁵⁾	14%	16%	19%	17%	17%
1	Closed	11%	11%	-12%	-	-
79	Total Barbeque Nation Restaurants in India owned and operated by us⁽⁶⁾	18%	19%	20%	19%	21%
	Company EBITDA Margin⁽⁷⁾	14.51%	16.27%	15.62%	12.13%	13.29%

Notes:

- (1) These figures exclude one restaurant which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.
- (2) Restaurant EBITDA Margins are calculated by dividing Barbeque Nation Restaurant EBITDA for respective vintages by the revenues for the same vintages
- (3) In Fiscal 2015, 9 Barbeque Nation Restaurants were opened but 1 Barbeque Nation Restaurant was closed
- (4) In Fiscal 2017, 16 Barbeque Nation Restaurants were opened including 3 Barbeque Nation Restaurants which were relocated within the trade area
- (5) These include 3 Barbeque Nation Restaurants which were relocated and 1 Barbeque Nation Restaurant which was renovated
- (6) Calculated as Barbeque Nation Restaurant EBITDA prior to other income, from owned Barbeque Nation Restaurants

in India divided by revenues from owned Barbeque Nation in India.

(7) Calculated as Company EBITDA divided by Company-level revenue from operations

Our total revenue and EBITDA have grown from ₹1,842.45 million and ₹267.43 million, respectively, in Fiscal 2013 to ₹5,034.85 million and ₹668.88 million, respectively, in Fiscal 2017, at a CAGR of 28.57% and 25.76%, respectively. Our cash profit (defined as Profit after tax plus Depreciation and Amortisation) and profit after tax have grown from ₹140.40 million and ₹43.12 million in Fiscal 2013 to ₹437.52 million and ₹102.41 million, respectively, in Fiscal 2017, at a CAGR of 32.86% and 24.14%, respectively.

We have a consistent track record of profitable growth. We have also experienced a superior cash flow generation in recent Fiscals. Our EBITDA to cash flow conversion ratio (computed as cash flows from operating activities divided by EBITDA) was 62.82%, 93.53% and 81.03% in Fiscals 2015, 2016 and 2017.

Our key financial metrics, on a consolidated restated basis, in recent Fiscals are set out below:

Parameter	Fiscal 2017	Fiscal 2016	Fiscal 2015
EBITDA Margins (%)	13.29%	12.13%	15.62%
PAT Margins (%)	2.03%	1.46%	4.44%
Net Working Capital (in ₹ million)	(244.91)	(321.62)	12.40
Net Working Capital (% of Revenue from Operations)	(4.86)%	(7.98)%	0.41%
Net Debt (in ₹ million)	639.54	336.23	156.59
Total Debt to Equity	0.60	0.42	0.26
Total Debt to EBITDA	1.30	1.06	0.65
Net Debt to Equity	0.44	0.27	0.13
Net Debt to EBITDA	0.96	0.69	0.33
Return on average capital employed (%)	18.19%	15.88%	23.14%
Return on average equity	7.60%	4.84%	11.90%

Notes:

1. Net Debt (excluding capital work in progress) is calculated as Total debt as restated – cash and cash equivalents as restated – investments as restated – capital work in progress as restated.
2. Net Working Capital is calculated as current assets excluding cash and cash equivalents as restated minus investments as restated minus current liabilities (excluding current maturities of long term debt and short term borrowings) as restated
3. Net Worth as restated is calculated as aggregate value of the paid up share capital (including shares pending allotment) and securities premium account, after adding surplus in statement of profit and loss and accumulated balance in foreign currency translation reserve. Average Net Worth as restated is calculated as (Opening Networth as restated + Closing Networth as restated)/2. Average net worth as restated for fiscal 2015 is based on the standalone numbers for fiscal 2014 and consolidated numbers for fiscal 2015 as there were no subsidiaries in fiscal 2014
4. Average Capital Employed is calculated as Average Net Worth as restated + Average Net Debt excluding capital work in progress as restated. Average capital employed as restated for fiscal 2015 is based on the standalone numbers for fiscal 2014 and consolidated numbers for fiscal 2015 as there were no subsidiaries in fiscal 2014
5. Average Net Debt is calculated as (Opening Net Debt excluding capital work in progress as restated + Closing Net Debt excluding capital work in progress as restated)/2
6. Return on average equity is calculated as Net Profit after taxes as restated/ Average networth as restated
7. Return on average capital employed is calculated as (EBITDA as restated– Depreciation and amortisation as restated)/ Average capital employed as restated.

In Fiscals 2015, 2016 and 2017, our total revenues were ₹3,040.96 million, ₹4,030.51 million and ₹5,034.85 million, our EBITDA was ₹474.98 million, ₹489.00 million and ₹668.88 million, and our profit after tax was ₹134.88 million, ₹58.87 million and ₹102.41 million, respectively.

We believe that our strong financial position provides us with the financial flexibility to fund our growth and expansion and allow us to respond effectively to emerging opportunities in the Indian restaurant market.

Our Strategies

Preserve our guest and team-focussed culture and values

Our employees are critical to our guest-focussed business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as training and job rotation) to address these gaps. We have been successful in building a team of talented professionals and intend to continue placing emphasis on managing attrition as well as attracting and retaining employees. We will continue to implement staff training policies and assessment procedures in a transparent and consistent manner as in the past and to continue investing in and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our core values including our guest-oriented focus and service quality standards to enable them to continue to meet our guests' needs and preferences.

We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivised. We also intend to continuously re-engineer our organisation to remain lean in order to respond effectively to changes in our business environment and key markets.

Increase same store sales growth, revenue per store and profitability as the vintage of our Barbeque Nation Restaurants increases

We are committed to continuing to enhance our comparable restaurants sales growth and profitability. Accordingly, we intend to implement a number of initiatives, many of which represent natural extensions and a continuing refinement of our strategy to date. These key initiatives include:

- increasing sales volume by introducing new and innovative dishes and “live counters” offering dishes customised to guests' preferences;
- increasing average daily revenue per restaurant including by publicising to our customers the different food types available during various food festivals;
- increasing guest traffic by upgrading the decor of existing restaurants to revitalise their ambience and create a welcoming atmosphere;
- improving purchasing and logistics cost control through centralized purchases and strategic stocking of inventories in third-party central warehouses;
- increasing cost savings and operational efficiencies by further consolidating food preparation processes into our central kitchens;
- optimising restaurant-level staffing to maintain our service quality and reduce our labour costs;
- maximising utilisation of food ingredients by promoting multiple menu and serving arrangements;
- increasing profitability by introducing new and innovative dishes that utilise food ingredients that are available in high quality and at low costs;
- actively reducing wastage of food ingredients; and
- diversifying our product offerings to expand the reach of our existing core brand, including expanding the sale of alcoholic beverages in our Barbeque Nation Restaurants.

Continue expansion in new Indian cities including untapped Metro, Tier-I and select Tier-II and Tier-III cities

According to Technopak, the CDR segment is becoming increasingly popular in modern urban areas of India due to a rising middle class with higher disposable income and changing eating habits, and is expected to enjoy strong growth in the future.

We believe that our strong presence in the Indian market positions us well to capitalise on the anticipated growth in consumer spending from expected increases in the level of disposable income in India. Our Barbeque Nation Restaurants are mainly located in three regions in India: North, South and West which, according to Technopak, have the highest proportion of people dining out. We intend to increase both our revenues and profits by opening new Barbeque Nation Restaurants in both existing cities where we operate and new cities in India. Increasing our penetration in existing cities with a greater number of Barbeque Nation Restaurants will enable us to access new catchment areas within these cities and optimise our infrastructure usage. Enhancing our reach to cover additional cities will enable us to reach out to a larger target customer base.

We opened 9, 21 and 13 Barbeque Nation Restaurants in Fiscals 2015, 2016 and 2017. We will continue to

expand our Barbeque Nation Restaurant network in Metro cities, Tier I cities and more selectively Tier II and Tier III cities. We also plan to increase the number of our Barbeque Nation Restaurants in metro cities in a selective manner.

The key factor affecting the expansion of our Barbeque Nation restaurants is the selection of suitable locations. We will continue to adopt a methodical approach in evaluating and selecting suitable locations to establish new restaurants. We have developed site selection processes based on our experience and enhanced by our local knowledge to evaluate multiple factors including demographics, spending capacity, market conditions and investment costs analysis in deciding where to locate our restaurants. We have made a deliberate choice to keep most of our Barbeque Nation Restaurants away from premium locations such as premium shopping malls or other high street areas in Metro cities where lease rentals tend to be higher. We witness a relatively high proportion of our bookings through advance reservations (58.00% in Fiscal 2017) making us a destination brand where our guests plan to dine in advance based on word of mouth and other positive feedback about us on social media. Some of our Barbeque Nation Restaurants are located in inner lanes or higher floors in order to optimise our profitability, maintain our operational flexibility and ensure that we continue to keep our rent to revenue ratio low.

We currently own and operate all our Barbeque Nation Restaurants (other than our Barbeque Nation Restaurant in Kolhapur which is run on the franchise model). We intend to continue following this model but may also allow landlords to own restaurants run and operated by us located on their respective properties on a part rental part profit sharing basis.

Expansion through owned & franchise formats in select international markets

We intend to continue to roll out primarily owned and operated restaurants and, opportunistically, franchise owned (whether franchise or company operated) Barbeque Nation Restaurants in select international cities in line with our carefully defined process for new restaurants openings.

We will prioritise our expansion in those markets where we can leverage our existing infrastructure and expertise. We currently operate one Barbeque Nation restaurant in Dubai. As of June 30, 2017, one more Barbeque Nation Restaurant in Dubai was under construction. This restaurant will also be owned and operated by us. The level of operational involvement of franchisees will depend on their expertise and position in our target international markets.

Expand the Johnny Rockets franchise to other Indian cities

We believe that our recently acquired brand, Johnny Rockets, is well-known for great food and atmosphere. We intend to expand and develop this brand by replicating our Barbeque Nation guest service model and refreshing this American hamburger chain in India.

We intend to scale up our Johnny Rockets Restaurants, currently based in Bengaluru, Delhi and Gurugram, to other metro cities such as Mumbai, Tier-I cities and Tier-II cities with a high youth population such as Manipal. We stand to benefit from the expansion of our Johnny Rockets franchise as the terms of our amended International Master Development Agreement with Johnny Rockets USA reduces the royalty payable by us from 5% to 2.5% for all Johnny Rockets Restaurants except the first ten (on which 5% royalty will continue to be payable).

We are currently in the process of relocating one of our five Johnny Rockets Restaurants and may relocate one more restaurant in the future to enable them to better support both a buffet and an *a-la carte* dining model in a larger space. The functional integration of our Johnny Rockets Restaurants with our Barbeque Nation Restaurants such as IT systems, HR and other operational processes is currently ongoing. We plan to re-negotiate our existing supplier contracts for our Johnny Rockets restaurants leveraging our existing vendor relationships for our Barbeque Nation Restaurants.

We have revised the menu prices in our Johnny Rockets Restaurants offering fixed price vegetarian and non-vegetarian unlimited burgers combos, respectively at some of our Johnny Rockets Restaurants. We believe this reduces the bite size to encourage consumption of a greater variety of dishes. We also plan to add several new dishes to our existing Johnny Rockets menu including a range of new burgers and milkshakes to cater to both local and international tastes.

Continue evaluating strategic brand acquisitions

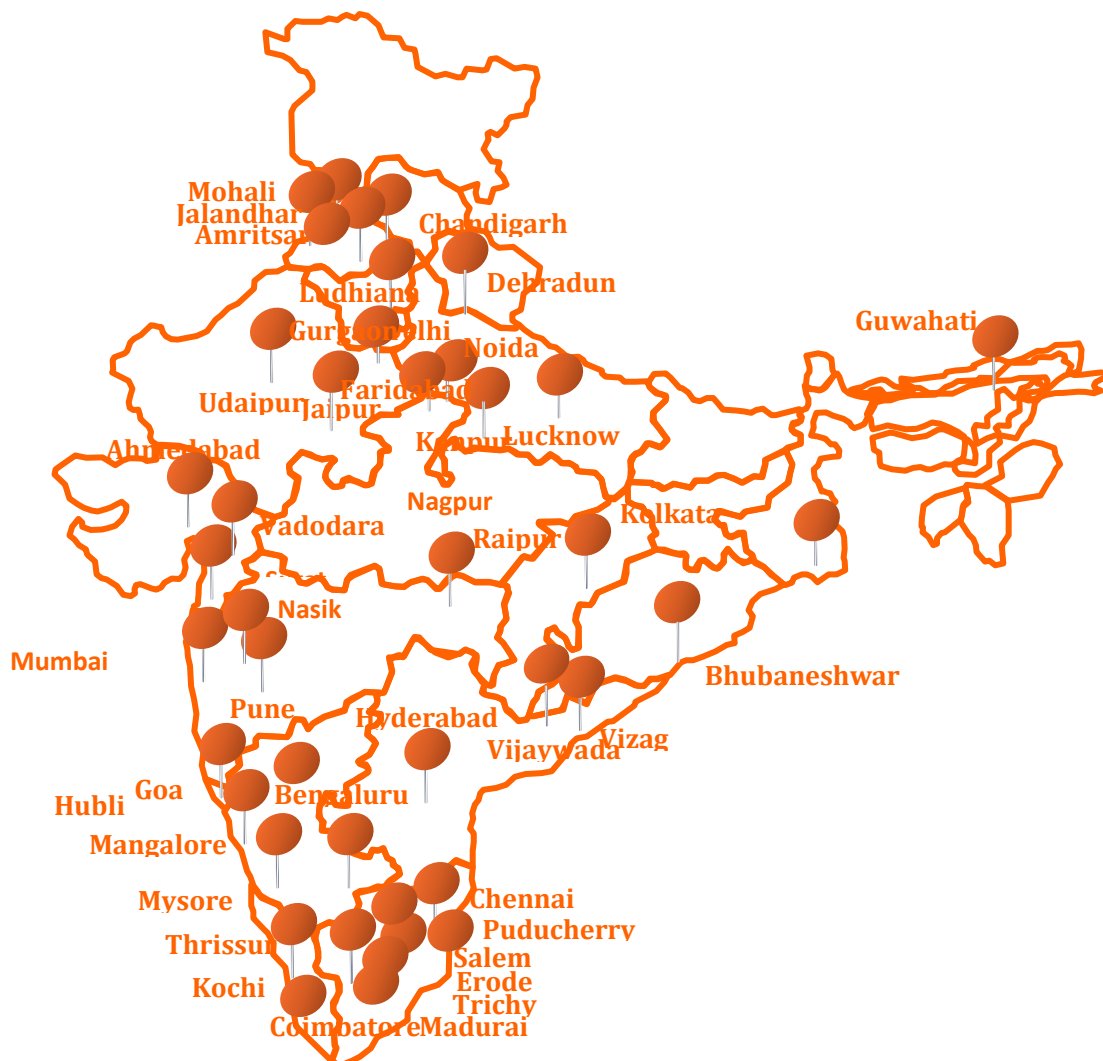
We believe that the food services industry has potential for significant further growth and we plan to leverage our market position and experience in the food services industry by introducing other international food service brands in India or through acquisition of an existing Indian brand.

Barbeque Nation is our core brand in the CDR segment. Johnny Rockets, which is still in its early stages of development, is our recently-franchised brand focused on a different cuisine within the CDR segment. We believe that a strategy focussed on one brand at a time is key to making the brand successful and allowing it to achieve its full potential. We intend to continue disciplined diversification by building a diversified brand portfolio once our Johnny Rockets brand is further scaled-up across Indian cities.

We plan to pursue brand diversification to capture additional market segments, take advantage of a wider range of market opportunities and ultimately increase our overall market share by enlarging our customer base. We intend to structure our brand portfolio to offer different price points and appeal to different clientele, with each brand maintaining a distinctive identity. A multi-brand strategy will allow us to (i) reduce our exposure to risks in a specific market segment, and (ii) derive cost efficiency and synergy from sharing operations or functions, leveraging our industry knowledge and experience, pooling negotiating powers with landlords and suppliers, and coordinating marketing and promotion initiatives across different brands and market segments.

Our Presence

As of June 30, 2017, we owned and operated 81 Barbeque Nation Restaurants across 42 cities in India (including one restaurant under renovation) and one in Dubai. In addition, we have one Barbeque Nation Restaurant which is operated by a third-party on a franchise model. The city-wise presence of our Barbeque Nation Restaurants in India is illustrated below:



Indian City Type	Total owned and operated Barbeque Nation Restaurants in India [^]	Total Johnny Rockets Restaurants in India [*]
Metro cities	46	4
Tier-I cities	13	1
Tier-II cities	16	-
Others	6	-
Total	81	5

[^]These figures exclude one Barbeque Nation Restaurant in Kolhapur which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.

^{*}We have decided to relocate one Johnny Rockets Restaurant to a different floor within the same mall. The existing Johnny Rockets Restaurant at Ambience Mall, Gurugram was shut from August 1, 2017. The tentative launch date of the new restaurant is in November, 2017.

State/Union Territory in India (Region-wise)	Total owned and operated Barbeque Nation Restaurants in India [^]
East	5
Assam	1
Chhattisgarh	1
Odisha	1
West Bengal	2
West	25

State/Union Territory in India (Region-wise)	Total owned and operated Barbeque Nation Restaurants in India [^]
Goa	1
Gujarat	4
Maharashtra	20
North	21
Haryana	3
New Delhi	7
Punjab	5
Rajasthan	2
Uttar Pradesh	3
Uttarakhand	1
South	30
Andhra Pradesh	2
Karnataka	12
Kerala	2
Puducherry	1
Tamil Nadu	10
Telangana	3
Total	81

[^]These figures exclude one Barbeque Nation Restaurant in Kolhapur which operates on a franchise model and is not owned and operated by us. These figures include one Barbeque Nation Restaurant under renovation as of June 30, 2017.

As of June 30, 2017 we also owned and operated five Johnny Rockets Restaurants in three cities in India. We are currently in the process of relocating one of our Johnny Rocket Restaurants.

Our Operations

Overview

Our management seeks to promote a culture of sharing information and ideas, with the aim of ensuring that we benefit from our scale of operations and adopt best practices across our brands. Our restaurants are standardised in terms of offerings while allowing individual restaurant-level business managers reasonable autonomy in daily operations. Some of our standardised processes and systems include:

- our Barbeque Nation Restaurants typically offer guests at least five vegetarian and five non-vegetarian largely pre-cooked appetisers they can season and barbecue on a grill embedded in their table, an all-you-can-eat main course buffet and a selection of desserts, for a fixed price;
- centralised cloud-based reservation and feedback management systems;
- food preparation times are carefully calculated and our chefs have studied guest habits to forecast requirements;
- strong IT systems including centralised data processing;
- extensive training to all employees on the Company's core values, behavioural and technical competencies and in anticipation of hygiene audits; and
- guest service-focussed culture through internally devised and managed GSI tracking.

We employ a management structure designed to promote efficiency in supervising, directing and supporting our operations, quality assurance systems, recruitment process and training programmes in different regions and cities. We have put a management system in place comprising three levels: corporate-level management, regional and cluster-level management. The central management of our overall business and operations is currently located in our corporate headquarters in Bengaluru. Our corporate headquarters are both responsible for the corporate and administrative management of our organisation and operational management and supervisions, such as financial planning and analysis, internal audit, IT systems development, new restaurant openings, management-level recruitment, payroll, property management, central procurement, logistics and sales and marketing.

Our management is integrated at various levels to facilitate central control and support for each restaurant. Each Barbeque Nation Restaurant has its own business manager, and we have regional managers covering various cities within a region, depending on the density of the restaurants in a particular city or region. Regional managers are typically former business managers, and are therefore experienced in restaurant operation and management.

All business managers receive regular and centralised induction and training in basic management skills, food quality and production, financial literacy, labour management and operating procedures. Business managers are responsible for the day-to-day operation of their respective Barbeque Nation Restaurants. The performance of business managers is evaluated based on their ability to work within the designated budget and achieve year-on-year improvements in sales, profit and operating margins set by corporate-level management as well as GSI related feedback. Each of our Barbeque Nation Restaurants has its own staff, comprising chefs, captains and servers.

We seek to recognise staff members who show potential early and train and promote staff within the organisation. Any restaurant staff member who demonstrates impressive performance results has opportunities to progress over time from a junior level staff member to a more senior position. We also focus on improving our workforce to achieve the highest possible motivation of our staff. We provide our staff with periodic training. We also design our work space such that our staff has a comfortable and an effective layout to allow them to perform their work efficiently. Our staff is encouraged to take ownership of their work and learn from the responsibility it brings.

Menu and Food Preparation

In order to promote consistent quality at all of our Barbeque Nation Restaurants, we apply best practices to monitor all the steps of food delivery, from the creation and maintenance of the approved products list to supplier selection, menu item approval and the training of our chefs and staff.

We commit resources to the development of a largely standard menu framework for both our brands, Barbeque Nation and Johnny Rockets. Our Barbeque Nation Restaurant menus vary in some respects based on the city in which the restaurant is located to cater to local tastes and preferences. All our menu items are evaluated on taste, ease of preparation and whether they could be introduced to the menu profitably. Both our brands have a dedicated team of trained chefs which aims to ensure that all ingredients and recipes are consistent with quality standards.

As of June 30, 2017, we also had two commissaries, one each in Delhi NCR and Pune. The Pune commissary is operated from within one of our outlets. These commissaries serve a number of nearby Barbeque Nation Restaurants by preparing dishes on a volume basis and further realising economies of scale. They also prepare food for our staff employed in these nearby restaurants.

We aim to revise our menu in accordance with changing consumer preferences. Most of our dishes are freshly prepared by our trained chefs in each restaurant kitchen. The timing of preparation is aligned with our guest consumption patterns to forecast requirements and minimise time lapse between preparation and serving of food to guests at the tables. Based on the experience of our chefs and business managers, we estimate how many dishes of each menu item are expected to be consumed. As a result, we are able to calculate our raw material needs and the preparation time of our menu items for maximum freshness of the dishes served to our guests with minimum wastage.

Pricing Policy

Our pricing policy is generally based on the costs of operation and raw materials, marketing analysis, including analysis of guest needs and our competitive position. We offer fixed price dining, which varies approximately between ₹437 and ₹982 per guest (excluding taxes). The fixed price per guest primarily depends on the city in which the restaurant is located, type of meal (lunch or dinner), whether it is a weekday or weekend and time of dining (whether standard meal timings or earlier than standard meal timings). We also offer marginally discounted pricing for guests dining ahead of typical meal timings at some of our Barbeque Nation Restaurants to ensure maximum table-turns and efficiency. We offer both fixed priced as well as *à la carte* dining at our Johnny Rockets Restaurants. Our fixed priced menu prices at some of our Johnny Rocket Restaurants are ₹449 and ₹499 per guest (excluding taxes) offering vegetarian and non-vegetarian unlimited burger combos,

respectively.

We review our pricing across our restaurants from time to time, including when prompted by price fluctuations of our raw materials and staff costs.

Guest-focussed Culture

We are committed to delivering high quality service and dining experiences to our guests. We believe that there is a direct correlation between the quality of service and the long-term financial performance of our restaurants.

We undertake formal monitoring of performance and service standards of our employees in a number of ways. We place a strong emphasis on guest reviews and feedback, which we obtain through our internally devised and managed GSI system, verbal feedback to any of our Barbeque Nation Restaurant staff, reviews on online restaurant review websites and guest initiated feedback on our cloud based CFS. We also have a dedicated guest relations team based in Indore which typically contacts a proportion of previous day's guests to gather feedback. This feedback is then added to the system, which generates a daily index across restaurants, clusters, regions and the overall average for the Company.

We strive to address any feedback requiring corrective action in a short period of time and our cloud based CFS immediately contacts the relevant business manager if his or her restaurant receives a negative rating below our internal benchmarks. The relevant business manager then contacts the guest promptly to first understand the nature of the feedback requiring corrective action, which may be then escalated for appropriate action.

In addition, we conduct regular third-party hygiene audits to evaluate service levels both in the dining areas and the kitchen operations. Any lapses in service are immediately reported to corporate management and efforts are undertaken to quickly address or rectify such lapses.

Performance Review

We review the performance of each Barbeque Nation Restaurant using a variety of KPIs including, guests served per day, average per cover, covers, table turns, raw material costs, staff costs and internally devised and managed GSI. We also review financial performance based on gross margins, restaurant-level EBITDA and corporate-level EBITDA. We compare and analyse operational indicators of our restaurants by reference to geographical clusters of comparable Barbeque Nation Restaurants to share best practices. Finally, we also carry out restaurant level reviews with business managers as well as cluster and regional managers on a regular basis.

Quality Monitoring

We employ a strict quality monitoring system across all our Barbeque Nation restaurants. In addition, we conduct regular internal audits on each of our Barbeque Nation Restaurants. In addition, from time to time, we engage a third party auditor, to conduct hygiene audit of the premises of our Barbeque Nation Restaurants and make recommendations.

New Restaurant Development

We have concentrated our Barbeque Nation Restaurants expansion efforts by mainly targeting the Metros and Tier I cities, and to a lesser extent, Tier II cities. In Fiscals 2019 and 2020, we plan to focus on Tier I cities while opportunistically expanding into Tier II and Tier III cities as these present significant potential. When entering a new geographic market, our goal is to achieve meaningful market share, local recognition, critical mass and economies of scale, while at the same time focusing on consistency in the quality of our foods and services. Once we achieve adequate scale of operations in a particular city, we seek to leverage our brand to expand into nearby markets.

We follow a disciplined and systematic process with respect to selection and opening of our new Barbeque Nation Restaurants. Our selection of new potential locations for our restaurants is based on various factors, including penetration of chained QSRs, existing market competition, demographics and economic conditions of each particular city. We have a central team of personnel and resources at the corporate level committed to developing and opening new locations. Generally, the process consists of four steps:

- **Business Development Team:** A suitable location is generally one of the most important elements for restaurant's success. Accordingly, our procedure for the development of new restaurants begins with an initial review of potential locations in terms of other restaurants in the vicinity, types of guests, rental costs of the premises and spending capacity of the city or trade area.
- **Project Team:** Based on the input provided by the business development team, the project team reviews the technical parameters such as the kitchen and the dining area, parking space and regulatory permits and licenses for the relevant project.
- **Commercial Development Team:** The team develops a detailed business case for a particular site comprising five year projections with quantitative data including guest traffic, expected guest flow and average price per meal and qualitative criteria including presence and business results of competitors and other retailers. Where feasible and economical, we pursue restaurant locations strategically located within or near transportation infrastructure that may enable high turnover as well as within or near business districts, busy streets and office complexes.
- **Site Approval Committee:** Following preliminary analysis of the location, the site approval committee reviews the report produced by the commercial development team to give its final approval.

Once a site has been approved by our site approval committee for a new restaurant, we sign a memorandum of understanding with the property owner or lessor and negotiate lease terms while concurrently conducting legal and regulatory due diligence investigations. Lease negotiations are led by our head of business development and are guided by a comprehensive set of criteria, including certain financial return requirements. We typically negotiate a three to four month fit-out period to enable us to fit out the location in accordance with our brand standards without incurring lease costs. We also negotiate leases on both a fixed and variable rental basis tied to percentage of sales.

We engage contractors for our fit-outs which are carried out on a ready-to-move-in basis. From time to time, we may import certain equipment such as smoke eliminators or certain kitchen equipment where it is economic and practical to do so.

We typically only lease constructed premises, and based on recent experience and trends, management estimates that the fit-out period for a new restaurant is three to four months on an average. We generally transfer staff from existing restaurants to new restaurants to facilitate the transfer of our core values to new operations. We incur staff costs relating to new restaurants for about 45 to 60 days prior to the restaurant launch as we typically bring in staff in advance of the restaurant launch date for training. Restaurant results are monitored by regular operational meetings.

Suitable locations are crucial for our business. For most of our restaurants, the initial terms of our leases typically range from three to 19 years.

Restaurant Maintenance

Our restaurant-level teams are responsible for managing ongoing refurbishment. Minor refurbishments typically take place periodically two to four years after opening a new Barbeque Nation Restaurant. Major refurbishments typically take place approximately seven to nine years after opening and include replacement of food preparation equipment, tables, chairs and full redecoration.

Restaurant Closures

Since Fiscal 2013, apart from relocating some of our restaurants, we have closed one Barbeque Nation Restaurant and one Johnny Rockets Restaurant. We closed these restaurants due to commercial reasons.

Delivery

Although we are predominantly a dine-in restaurant chain, we have started home-delivery as a pilot through some of our Barbeque Nation Restaurants in Bengaluru, Mumbai, Delhi and Pune. As of June 30, 2017, 20 of

our Barbeque Nation Restaurants owned and operated by us in India also offered home delivery through online delivery apps.

Johnny Rockets

We acquired the Johnny Rockets franchise through our Subsidiary PGPL in 2013, a well-known American hamburger brand. Our Johnny Rockets offering in India intends to provide smaller, bite-size burgers, fries and milkshakes in an all-you-can-eat format similar to our core brand, Barbeque Nation Restaurants. We believe that our Johnny Rockets Restaurants provide complementary cuisine to our Barbeque Nation Restaurants and we seek to replicate our existing model for guest service and experience for this refreshed brand.

Currently, we operate Johnny Rocket Restaurants in Bengaluru, Delhi and Gurugram . In line with our current model we will increase the variety of food offering to cater to local and global tastes, reduce bitesize to allow for variety of consumption and reduce prices in line with the reduction in portion size.

Our royalty payments will be reduced from 5% to 2.5% for all Johnny Rockets Restaurants except the first ten (on which 5% royalty will continue to be payable). For further details in relation to our international master development agreement, please see “*History and Certain Corporate Matters*” on page 156 of this Draft Red Herring Prospectus.

Marketing and Advertising

Effective branding is critical to our business success. Our branding model is based on three key factors that influence guest preferences: unlimited, quality food at affordable prices, relaxed ambience and prompt service. We centrally control our standards for the use of our brands in all aspects of our business.

Our advertising targets consumers with a preference for fresh, DIY casual dining at an affordable price. Our advertising strategy is centred on increasing our brand awareness, complemented with promotions and festivals from time to time.

We have engaged a third party agency to assist us with our marketing and advertising. We use a variety of media to convey our advertising, including billboards, city formats and banners as a key vehicle for certain of our brands. We use other media, including, internet, radio, print, direct marketing and other unconventional media, such as short message services and social networking sites, to optimise our media plan and coverage of target demographic profiles. We also run periodic food festivals celebrating one or more cuisines or their fusion to add to our menu offerings. Some of our popular food festivals include:

Name of Festival	Cuisine
Africa Magica	African cuisine
Sawatdee	Thai street food
Grills and Chills	Range of beverages (both alcoholic and non-alcoholic)
Magic of Mohammed Ali Road	Mumbai's street food
Best of the Coast	Coastal cuisine from Maharashtra, Goa and Karnataka
Wahrabia Fest	Middle eastern cuisine

We also have a large social media following, with over 860,000 followers on our various Facebook webpages as of June 30, 2017.

Suppliers and Purchasing Practices

Our ability to maintain consistent quality throughout our restaurants depends in part upon our ability to acquire ingredients and related raw materials from reliable sources in accordance with our specifications in each of the locations in which we operate.

Vendor identification process may be initiated if we are commencing operations in a new city or region or to identify additional or substitute vendors. We obtain information about potential vendors from our database of existing vendors and our research. Our vendor selection criteria include analysis of all potential procurement options to optimise costs.

We maintain a number of suppliers for each of our key ingredients, which we believe can help mitigate pricing volatility. Given that we often rely on direct deliveries to our Barbeque Nation Restaurants, we seek to optimise the number of suppliers for each product based on frequency of delivery and distance from the supplier. For example, for perishable items requiring frequent deliveries, such as fruits and vegetables, we may contract with more than one supplier within the same city where the transportation costs may make doing so economically efficient. We may also contract with more than one supplier for a certain item where supply of that item is known to be inconsistent.

Information Technology

We use information technology systems to help us operate efficiently, increase the scalability of our business and accommodate future growth. We currently use a combination of commercially available and custom-developed software and hardware systems. We connect all our restaurants to the system, allowing us to effectively monitor and review performance on a real time basis as well as to monitor our fixed assets and payroll. In addition, we also use smartphone application ‘BBQ App’ which has been registered over 460,000 downloads as of June 30, 2017. In Fiscal 2017, over 17% of total reservations were made through the BBQ App.

Health, Safety and Environment

We are subject to various central, state and local laws affecting the operations of our business, including health, safety and environmental laws. For further information in relation to the various laws applicable in relation to our business operations, see “Government and Other Approvals” on page 340 of this Draft Red Herring Prospectus.

Human Resources

As of June 30, 2017, we had over 4,800 employees across our restaurant network. None of our staff are represented by a labour union or covered by a collective wage bargaining agreement. We emphasise employee welfare by offering our employees bonuses and other incentives. We transfer our employees across our restaurant network to maintain our core values.

Employee Training

We are one of the few Indian companies in the organised CDR segment of the Indian restaurant industry to have its own chef-training school. Since July, 2016 most of our chefs have been training at this facility. We have a defined learning and development structure which includes:

- a certified restaurant-level trainer;
- strengthening behavioural and technical competencies for business managers;
- launching learning management systems; and
- training for hygiene audits

Competition

The Indian restaurant industry and within it, the CDR segment, is competitive and fragmented. The Indian restaurant industry is also segregated into organised and unorganised segments. Data relating to the unorganised segment is scarce and unreliable. For further details, please see “*Risk Factors—Internal Risk Factors— This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from Technopak.*” on page 39 of this Draft Red Herring Prospectus.

The number, size and strength of our competitors vary by location. Competition is based on a number of factors, including price, type of cuisine, quality of food, quality of guest service, value, name recognition and restaurant location. Competition within the CDR segment, however, focuses primarily on the quality of food, value for money and quality of service. We compete with national and regional restaurant chains, including Chili’s, Sagar Ratna, Moti Mahal Deluxe and Mainland China.

In addition, we compete with QSRs and smaller restaurant chains as well as individual restaurants in various cities where we operate. Our business benefits from our quality food offerings coupled with our unique all-you-can-eat, DIY live barbecue experience. However, some of our existing and potential competitors may have more

resources than we do, and may be able to devote greater resources than we can to the development, promotion and sale of their services and products and respond more quickly than we can to changes in guest preferences or market trends. In addition, we face competition from a variety of smaller restaurants that focus on some of our targeted Tier I and Tier II cities, and they may be able to respond more promptly to changes in guest needs and preferences in those markets.

Finally, we also face competition from companies replicating our dining format at lower costs. For further details, please see “*Risk Factors—Internal Risk Factors— If we are unable to foresee or respond effectively to significant competition our business, results of operations and financial condition could be adversely affected.*” on page 22 of this Draft Red Herring Prospectus.

Awards and Accolades

Over the years, we have received several awards and accolades including the following recent awards:

Award	Publication	Year
Top 10 Retail Companies to Work for	Economic Times and Great Places to Work Institute	2017
Best Restaurant Concept of the Year	Eazy Diner Foodie Awards	2017
Top 50 India’s Best Companies to Work For	Economic Times and Great Places to Work Institute	2017 and 2016

For further details, please see “History and Certain Corporate Matters – Awards and Accolades” on page 158 of this Draft Red Herring Prospectus.

Insurance

We are covered by adequate property and liability insurance policies with coverage features and insured limits that are customary for similar companies in India. We currently have the following types of insurance, with certain deductibles and limitations of liability in place for our owned and operated restaurants including public liability (non-industrial) insurance indemnifying us for damages for which we may become legally liable arising out of our business operations; money insurance which covers money in transit accompanied by our authorised staff during business hours between our restaurants or offices and banks, guests’ premises or post offices; directors' and officers' liability insurance; loss of profit policy covering business losses due to business suspensions caused by external factors, group insurance, marine cargo and burglary insurance. For further details, please see “*Risk Factors—Internal Risk Factors— Our risk management and insurance policies may not be effective or adequate.*” on page 35 of this Draft Red Herring Prospectus.

Property

Our Registered Office and Corporate Office, located in Bengaluru is not owned by us. This premise has been leased to us by Sara Suole Private Limited, our Group Entity, for a period of two years expiring on March 31, 2019. All our restaurants are located on leased properties. One of these leased properties is not registered in our name. For further details, please see “*Risk Factors – Internal Risk Factors – Our registered office and corporate office is located on properties leased to us by our Group Entity, Sara Suole Private Limited. In the event that we are unable to renew our lease or our Group Entity loses ownership or lease rights to this property, it may adversely affect our business, results of operations and financial conditions.*” on page 37 of this Draft Red Herring Prospectus.

Intellectual Property

We have registered trademarks for certain of our brands in India, UAE, Canada, Hong Kong, European Union, Saudi Arabia and South Africa. We also have applications pending in India and certain international jurisdictions for certain of our brands. The trademarks and logos of our brand and related restaurant logos have significant value and are important to our business. We license the use of certain registered trademarks in India relating to Johnny Rockets from Johnny Rockets, USA with whom we have entered into an International Master Development Agreement. For further details, please see “*Government and Other Approvals*” on page 340 of this Draft Red Herring Prospectus for details of our registered trademarks and pending applications and “*Risk*

Factors—Internal Risk Factors –Our Company has obtained and applied for registration of several trademarks including our logo in its name. Until such registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.” on page 29 of this Draft Red Herring Prospectus.

Corporate Social Responsibility

We believe in corporate responsibility and contributing to the communities in which we operate. While being focussed on sustained financial performance, we are also aware of the necessity and importance of social stewardship. We seek to enrich the lives of future generations through our efforts to improve the lives of less privileged citizens, in relation to health, education, community development, capacity building and green technology.

The CSR Committee is entrusted with the primary responsibility of formulating the CSR initiatives of the Company. For further details in relation to the constitution of the CSR Committee and their terms of reference, see “*Our Management – Corporate Social Responsibility Committee*” on page 175 of this Draft Red Herring Prospectus.

As part of our initiatives to realise our CSR vision, we have made donations to the Indore Cancer Foundation in recent Fiscals.

REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant laws and regulations applicable to our Company. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.

Key regulations applicable to our Company

Food Safety and Standards Act, 2006 (“FSSA”)

The FSSA was enacted with a view to consolidate the laws relating to food and to establish the Food Authority for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’.

In exercise of powers under the FSSA, the Food Authority has framed, *inter alia*, the Food Safety and Standard Rules, 2011 (“FSSR”). The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of ‘commissioner of food safety’, ‘food safety officer’ and ‘food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences (including recall procedures).

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act has been in force since April 1, 2011 and replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) more stringent punishment for violation of provisions.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our restaurants have to be registered under the shops and establishments legislations of the state where they are located.

Police Laws and fire prevention laws

The state legislatures in India have enacted laws regulating public order and police, which provide, *inter alia*, for the registration of eating houses and obtaining a ‘no objection certificate’ for operating such eating houses, from the police station located in that particular area, along with prescribing penalties for non compliance. The state legislatures have also enacted fire control and safety rules and regulations such as the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, Karnataka Fire Force Act, 1964 and Delhi Fire Services Act,

2007, which are applicable to our restaurants established in such states. The legislations include provisions in relation to provision of fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

Excise legislations of various states

State governments regulate excise and countervailing duties imposed on alcoholic liquors, grant of liquor licenses and retail supply of alcohol. The state governments have enacted prohibition legislations in relation to manufacture, sale, consumption, and transportation etc. of liquor. In certain states, there exists a complete ban on the sale, consumption, transportation etc. of liquor, while in most states the sale, consumption, and transportation etc. of liquor is permitted on certain grounds, such as obtaining requisite licenses and permits from the concerned state departments.

Municipality Laws

The respective state legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective state governments have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non compliance.

Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

Consumer Protection Act, 1986 (“COPRA”)

The COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food being served being hazardous to life. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non compliance of the orders of these authorities attracts criminal penalties.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “**Public Liability Act**”), imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the Public Liability Act has been enumerated by the Government pursuant to a notification. The owner or handler is also required to take out an insurance policy insuring against liability under this legislation.

Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders

are required to be kept renewed.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“**State PCB**”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Laws relating to taxation

The tax related laws that are pertinent include the the Income Tax Act 1961 and the Central Goods and Services Tax Act, 2017.

Laws relating to Employment

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees’ State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Sanchi Hotels Private Limited on October 13, 2006 at Indore, Madhya Pradesh, India as a private limited company under the Companies Act, 1956. Subsequently, the name of our Company was changed to Barbeque-Nation Hospitality Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh on February 18, 2008. The name was changed to align with the principal business of the Company. Thereafter our Company was converted into a public limited company and the name of our Company was changed to Barbeque-Nation Hospitality Limited and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh on March 4, 2008. Subsequently, the registered office of our Company was changed from the state of Madhya Pradesh, India to Karnataka, India, pursuant to certificate issued by the RoC on January 15, 2014, with effect from December 16, 2013.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office
December 16, 2013	From C/o Sayaji Hotels Limited, H-1, Scheme No. 64, Vijay Nagar, Indore 452 010, Madhya Pradesh to Survey No. 62, Site no. 13, 6 th Cross, NS Palya, BTM Layout, Bengaluru 560 076, Karnataka

The change in the Registered Office was made due to operational convenience.

Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

- 1. To own, construct, run render technical advice in constructing, furnishing and running of, takeover, manage, carry on business of motel, hotel, restaurant, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, associations in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and others facilities to the public including tourists, visitors and delegates coming to India from foreign countries and to allow Indian as well as foreign delegates to hold international conferences, seminars, etc. and to give all facilities to members of delegations, missions from abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.*
- 2. To carry on the business of constructing houses, bungalows, factory sheds and to act as builders civil engineers, contractors, electrical and mechanical engineers electricians and structural engineers, to undertake the construction of buildings, dams, bridges structures, road paths, water works, tanks, wells, tube wells and hotels, to undertake erection of any iron and steel structures, bridges and arrange fabrication of any kinds of trustees, structural, angles, tubes and foundation materials, to carry on the business of layout engineers and contractors and to undertake to carry out any city or suburban extensions, buildings, roadways and bye-laws, lanes and alleys, laying out water and electrical connections for such buildings and in this connections to buy or take on lease any kind of vacant space and allot them for appropriated prices to the intending persons.*
- 3. To carry on the business of catering, event management, music shows, entertainment shows, live shows, cultural events, food Exhibition in India or abroad.*
- 4. To carry on the business of buying, selling, reselling, importing, exporting, dealing, storing, stocking, trading, distribution of frozen and non frozen food items such as fish, prawn, crabs and all sea food, mutton, chicken, fruits and vegetables, spices, oil, dairy & bakery products, preservation of potatoes, fresh vegetables, agricultural products, fruits, dry fruits, fruit juices, ice candy, ice cream and other ice products, carbonated, aerated mineral water and synthetic drinks, all types of restaurant furniture, coal, crockery, cutlery, Bar Accessories, Kitchen Accessories Service Accessories and all types of equipment of the restaurants, F&B consumables, Housekeeping Consumables, all office stationery, staff uniforms,*

all types of restaurants utensils; in any manner whatsoever in all types of goods on retail as well as wholesale basis in India or outside India.”

The main objects as contained in the MoA enable our Company to carry on our existing business.

Amendments to the MoA

Set out below are the amendments to our MoA since the incorporation of our Company:

Date of Shareholders' Resolution	Particulars
July 19, 2007	Clause V of the MoA was amended to reflect the increase in authorized share capital from ₹1,00,000 divided into 10,000 equity shares of ₹10 each to ₹200,000,000 divided into 20,000,000 equity shares of ₹10 each
February 5, 2008	Clause I of the MoA was amended to reflect the new name of the Company, Barbeque-Nation Hospitality Private Limited
February 27, 2008	Clause I of the MoA was amended upon conversion from a private limited company to a public limited company and change of the name of the Company by deletion of the word private from private limited to public limited
July 27, 2013	Clause II of the MoA was amended for reflecting the change of the registered office of the Company from the state of Madhya Pradesh to the state of Karnataka
December 15, 2016	<p>The MoA was amended for reflecting the following changes:</p> <p>a) Existing clauses I, II, III, IV and V were renumbered as clause 1st, 2nd, 3rd, 4th and 5th, respectively;</p> <p>b) Clause III(C) in relation to other objects was deleted;</p> <p>c) Clause 3(A) was amended to reflect the change in the main objects by inclusion of the following clauses (including consequent renumbering):</p> <p><i>“3. To carry on the business of catering, event management, music shows, entertainment shows, live shows, cultural events, food exhibition in India or abroad,</i></p> <p><i>4. To carry on the business of buying, selling, reselling, importing, exporting, dealing, storing, stocking, trading, distribution of frozen and non frozen food items such as fish, prawn, crabs and all sea food, mutton, chicken, fruits and vegetables, spices, oils, oil, dairy & bakery products, preservation of potatoes, fresh vegetables, agricultural products, fruits, dry fruits, fruit juices, ice candy, ice cream and other ice products, carbonated, aerated mineral water and synthetic drinks; all types of restaurants furniture, coal, crockery, cutlery, Bar Accessories, Kitchen Accessories Service Accessories and all types of equipment of the restaurants, F&B consumables, Housekeeping consumables, all office stationery, staff uniforms, all types of restaurant utensils; in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or outside India.”</i></p> <p>Clause V of the MoA was amended to reflect the sub-division of face value of Equity Shares from ₹200,000,000 divided into 20,000,000 equity shares of ₹10 each to ₹200,000,000 divided into 40,000,000 equity shares of ₹5 each</p>
May 12, 2017*	Clause V of the MoA was amended to reflect the increase in authorized share capital from ₹200,000,000 divided into 40,000,000 equity shares of ₹5 each to ₹300,000,000 divided into 60,000,000 equity shares of ₹5 each

** Increase in authorized share capital on account of the merger of FRPL with our Company. The Shareholders approved the scheme of merger at the extra-ordinary general meeting held on May 12, 2017. The Scheme was approved by the regional director vide its order dated June 22, 2017. For further details in relation to the scheme of amalgamation between FRPL and our Company, please refer “History and Certain Corporate Matters- Scheme of amalgamation of FRPL with our Company” on page 159*

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
2005	Our promoter, SHL, started the first Barbeque Nation restaurant at Pali Hill, Mumbai
2007	<ul style="list-style-type: none"> Barbeque Nation restaurants opened in Indira Nagar and Kormangala (Bengaluru) and Banjara Hills (Hyderabad) by SHL

Calendar Year	Particulars
	<ul style="list-style-type: none"> Our Company started first Barbeque Nation restaurant in T Nagar, Chennai
2011	Achieved revenue of over ₹1,000 million
2012	<ul style="list-style-type: none"> Acquisition of five Barbeque Nation restaurants from SHL Our Company opened the 25th Barbeque Nation restaurant at Times Square, Mumbai
2013	Investment by CX Partners (through TPL and AAJVT)
2014	Introduced the concept of 'Kulfi Nation' counters in our restaurants
2015	<ul style="list-style-type: none"> Introduced the concept of 'Live counters' in select restaurants Achieved a consolidated revenue of over ₹3,000 million
2016	<ul style="list-style-type: none"> Commenced international operations with set-up of first Barbeque Nation restaurant in Dubai Acquired India master franchisee rights of international burger chain, Johnny Rockets, through acquisition of our Subsidiary, Prime Gourmet Private Limited Achieved a consolidated revenue of over ₹4,500 million Opened the 75th Barbeque Nation restaurant in Korum Mall, Mumbai Rated ICRA A+ (Stable) by ICRA Limited

Awards and Accreditations

We have received the following awards and accreditations:

Financial Year	Awards and Accreditations
2016	Our Company was awarded the 'Hospitality Trailblazer Award' from Food Hospitality World (part of Indian Express)
2017	<ul style="list-style-type: none"> Our Company was ranked #37 amongst India's best companies to work for 2016 by Great Places to Work Institute in collaboration with Economic Times Our restaurant located at Sushantlok, Gurgaon won the runner-up award at the People's Choice Award 2016 for excellence in the category of North Indian food by Gurgaon Foodie Our Company was ranked amongst the top 10 retail companies to work for by Great Places to Work Institute in 2017 in collaboration with Retailers Association of India Our restaurant located at Mumbai was voted the winner under the best buffet category by Burrp.com Our Company won the best restaurant concept of the year award for 2017 from Eazydiner Foodie awards
2018	Our Company was ranked #36 amongst India's best companies to work for 2017 by Great Places to Work Institute in collaboration with Economic Times

Other Details Regarding our Company

For details regarding the description of our activities, services, products, market of each segment, the growth of our Company, technology, the standing of our Company with reference to prominent competitors, management, managerial competence, major suppliers and customers, exports, profits due to foreign operations together with country-wise analysis, geographical segment, capacity/facility creation, location, environmental issues, market, capacity build-up, marketing and competition, see "Our Business", "Our Management" and "Industry Overview" on pages 131, 166 and 109, respectively.

Lock-outs and Strikes

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed below, our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets.

Share purchase and share subscription agreement dated June 28, 2016 and Share Options and Transfer Agreement dated September 6, 2016 executed between our Company, PGPL, Gaurav Sharma, Sachin Goel and Vishal Chaudhary, Capricorn Resources Private Limited and Concept Studio Private Limited

Pursuant to the share purchase and subscription agreement, our Company acquired 776,667 equity shares of PGPL from Gaurav Sharma, 775,666 equity shares from Capricorn Resources Private Limited, 776,667 equity shares from Concept Studio Private Limited, and 1,000 equity shares from Sachin Goel at an aggregate consideration of approximately ₹184 million. Further, our Company had agreed to subscribe to 100% of the

share capital of PGPL, i.e. 3,530,000 equity shares, in accordance with the pre-determined formula set out in the share purchase and subscription agreement. The remaining equity share capital of PGPL, i.e. 1,200,000 equity shares were acquired by our Company from Gaurav Sharma, Capricorn Resources Private Limited and Concept Studio Private Limited pursuant to exercise of call option under the Share Options and Transfer Agreement dated September 6, 2016. The sale and purchase of these equity shares were facilitated through an escrow arrangement executed between the parties as of September 6, 2016.

Asset transfer agreement dated April 1, 2012 executed between SHL and our Company

Pursuant to the asset transfer agreement executed between our Company and SHL, our Company acquired five Barbeque Nation restaurants located at Mumbai, Bengaluru, Hyderabad and Delhi NCR from SHL on an ‘as is where is’ basis. These restaurants were acquired for an aggregate consideration of ₹281.00 million by our Company. An independent valuation report dated May 23, 2012 from D K Jain & Co. was obtained, to ascertain the fair market value of the restaurant assets, prior to the acquisition of the restaurants by our Company from SHL.

Business transfer agreement dated January 15, 2015 executed between FRPL and our Company (“BTA”)

Our Company entered into the business transfer agreement with FRPL, pursuant to which our Company acquired all the assets in relation to the brand ‘Atmosphere’ assets from FRPL as a going concern on “as is where is basis”, for a total purchase consideration of ₹42.71 million. The purchase consideration was determined based on the valuation report dated December 24, 2014 issued by Ishwar & Gopal, Chartered Accountants.

Business transfer agreement dated September 30, 2015 and the amendment agreement dated March 28, 2016 executed between SHL and our Company (“BTA”)

Our Company entered into the business transfer agreement with SHL, pursuant to which our Company acquired the Barbeque Nation restaurant located at Wakad, Pune from SHL as a going concern, on a slump sale basis, for a total purchase consideration of ₹123.80 million. The purchase consideration was determined based on the valuation report dated September 24, 2015 issued by Ernst & Young Merchant Banking Services Private Limited, Mumbai. The said Barbeque Nation restaurant was operated by SHL under a franchise arrangement with our Company since April 1, 2013.

Scheme of amalgamation of FRPL with our Company

Our Company and our wholly owned Subsidiary, FRPL, filed a scheme of amalgamation under section 233 of the Companies Act, 2013, read with Rule 25 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 before the RoC (“Scheme”). The Scheme was approved by the board of directors of our Company and FRPL on February 28, 2017 and February 27, 2017, respectively. The rationale for the proposed merger is to ensure better management by achieving better administrative and operational efficiencies. Pursuant to the Scheme, FRPL was proposed to be merged with our Company, from January 1, 2017, being the appointed date. With effect from the appointed date, the entire business of FRPL, including properties, all assets and liabilities stands transferred to our Company on a going concern basis. Further, upon the Scheme being effective, the authorised share capital of our Company was enhanced to ₹300,000,000 divided into 60,000,000 Equity Shares of ₹5 each. The MoA and the AoA was accordingly amended. On the Scheme becoming effective, FRPL was dissolved without the process of winding up. The Scheme was approved by the regional director vide its order dated June 22, 2017.

Capital raising activities through equity and debt

Except as mentioned in “Capital Structure” on page 76, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see “Financial Indebtedness” on page 297.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

Except as described under section “Risk Factors” on page 16, there have been no instances of time and cost overruns in setting up our restaurants in the past. For details, see “Risk Factors – If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected” on page 37.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Interest in our Company

Our Subsidiaries do not have any interest in our Company’s business other than as stated in “Our Business” and “Related Party Transactions” on page 131 and 192 respectively.

Our Shareholders

Our Company has 15 Shareholders as of the date of this Draft Red Herring Prospectus. For further details, regarding our Shareholders, see “Capital Structure” on page 76.

Strategic or Financial Partners

Our Company does not have any strategic or financial partners.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries.

Prime Gourmet Private Limited (“PGPL”)

Corporate Information

PGPL was incorporated on September 4, 2012 as a private limited company under the Companies Act, 1956 with the corporate identity number U74140DL2012PTC241588. It has its registered office at 1-A, Ground Floor, Forest Lane, RHS M.G. Road, Ghitorni, South West Delhi, New Delhi 110 030.

PGPL is primarily engaged in the business of, *inter alia*, acquiring, owning, building, developing, managing, administering, operating, maintaining franchise including sub-franchise and carrying on the business of running of restaurants, cafes and fast food hotels.

Capital Structure

The authorised and paid up share capital of PGPL comprises of 250,000,000 equity shares of ₹10 each and the issued and paid up share capital of PGPL is ₹209,977,630 divided into 20,997,763 equity shares of ₹10 each.

Shareholding

Our Company holds the entire issued and paid up share capital of PGPL, of which, Kayum Dhanani, holds 500 equity share of PGPL in the capacity of a nominee of our Company.

Barbeque Nation Holdings Limited (“BHL”)

Corporate Information

BHL was incorporated on March 25, 2015 in Dubai as an offshore company with limited liability under the Offshore Companies Regulations of Jebel Ali Free Zone of 2003 with registration number 171179. It has its registered office at Suite 1003, Al Manal Tower, Sheikh Zayed Road, P.O.Box 71241, Dubai, United Arab Emirates.

BHL is primarily engaged in the business of, *inter alia*, investing in limited liability companies, partnerships, joint ventures and any other company, general trading, investing in equities, shares, securities and international properties worldwide and any other activities approved by Jebel Ali Free Zone Authority.

Capital Structure

The authorised share capital of the company is AED 1,000,000 divided into 10,000 shares of AED 100 each.

Shareholding

Our Company holds the entire share capital of BHL.

Barbeque Nation Restaurant LLC (“BNRL”)

Corporate Information

BNRL was incorporated on February 25, 2016 in Dubai as a company with limited liability under the Commercial Companies Law No.2 of 2015 with commercial license number 753555. It has its registered office at Shop No. 1 & 2, Al Jaber Building, Near Lulu Center, Al Barsha area, Emirate of Dubai, United Arab Emirates.

BNRL is authorised to engage in the business of restaurant and for carrying on such other activities which are ancillary thereto.

Capital Structure

The authorised share capital of the company is AED 300,000 divided into 300 shares of AED 1,000 each.

Shareholding

BHL holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of BNRL. Pursuant to the local partner agreement dated February 25, 2017, BHL beneficially holds the entire share capital of BNRL.

Summary of Key Agreements and Shareholders’ Agreements

Shareholders’ Agreements with our Company

Restated shareholders agreement dated May 18, 2015 between our Company, SHL, Kayum Dhanani, Tamara Private Limited (“TPL”), Pace Private Limited (“PPL”), AAJV Investment Trust (“AAJVIT”) and Azhar Dhanani, Zuber Dhanani, Sanya Dhanani, Zoya Dhanani, Sadiya Dhanani, Saba Dhanani (“Other Shareholders”) (“Restated SHA”)

A shareholders agreement dated March 26, 2013 (“**First SHA**”) was executed between our Company, TPL, AAJVIT, Kayum Dhanani, Blue Deebaj LLC, Other Shareholders (Other Shareholders defined as Other Warrant Holders therein), Sana Dhanani, Nasrin Dhanani and Abdul Dhanani, pursuant to which TPL and AAJVIT were granted certain rights in the Company. However, in light of the Pace SPA I, Pace SPA II and AAJVIT SPA 2 (all defined herein below), the parties agreed to restate the First SHA by entering into the Restated SHA setting out the revised and restated relationship among the parties thereto and their rights and obligations in relation to their shareholding in the Company. Pursuant to a deed of adherence dated August 16, 2016, SHL transferred its shareholding in the Company to SHKSL.

Our Company, Kayum Dhanani and SHL are required to conduct an initial public offer (including an offer for sale, if any) on or before September 30, 2017, or such other extended date as may be agreed by TPL and PPL (“**Qualified IPO**”).

The parties to the Restated SHA and SHL (as confirming party) entered into a waiver and termination agreement dated August 5, 2017 (“**Waiver and Termination Agreement**”), wherein SHL, SHKSL, Kayum Dhanani, Raof Dhanani and Suchitra Dhanani were collectively referred to as the promoters of the Company. Further, in

terms of the Waiver and Termination Agreement, SHKSL, Kayum Dhanani and Other Shareholders were categorized as principal shareholders of the Company (“**Principal Shareholders**”).

Pursuant to the Restated SHA, TPL has certain minority shareholder rights in the Company, in accordance with applicable law, including (i) the right to appoint a nominee director as a non-executive director until TPL and PPL collectively hold at least 1,086,141 Equity Shares as adjusted for any consolidation of the share capital of the Company; (ii) the right to nominate a person as an observer of the Board; (iii) the right to nominate and maintain one member on the committees and the sub-committees of the Board; (iv) the right to nominate a director on the board of Subsidiaries and any committees thereof; (v) pre-emptive and anti-dilution rights; (vi) the right of first offer and tag along right against the Principal Shareholders; (vii) right to receive information, including in relation to the unaudited and audited financial statements, key operational performance indicators, business plans and capital expenditure budgets.

Additionally, as per the Restated SHA, TPL and PPL have affirmative rights in relation to certain matters involving the Company and the Subsidiaries. Such matters include, *inter alia*, (i) acquisition of or investment in shares or substantial assets or business or creation of new subsidiaries; (ii) sale, transfer or disposal of all or substantial assets; (iii) any changes to the capital structure; (iv) amendment to the memorandum and articles of association; (v) issue of equity linked securities or convertible instruments; (vi) commencement of new line of business; (vii) declaration or payment of dividends; and (viii) matters requiring approval of the shareholders pursuant to special resolution. Further, pursuant to the Restated SHA, TPL, PPL and AAJVIT, *inter alia*, have the right to receive proceeds from any liquidation event involving the Company, in preference to the other shareholders of the Company.

In terms of the Waiver and Termination Agreement, TPL and PPL have agreed to waive certain affirmative voting rights under the Restated SHA for undertaking the Offer. Such waivers include, *inter alia*, making any changes in the capital structure of the Company, amendment of the articles of association of the Company, issuance of equity shares pursuant to the Fresh Issue, pre-emptive and anti-dilution rights to the extent of the shares issued under the Offer and the right of first offer and tag along right against the Principal Shareholders to the extent of their participation in the Offer for Sale.

Additionally, in terms of the Waiver and Termination Agreement, the date for conducting a Qualified IPO has been extended to March 31, 2018 or such other date as may be mutually agreed between the parties (“**Cut-off Date**”). The parties to the Waiver and Termination Agreement have also agreed that the fees and expenses in relation to the Offer will be shared between the Company and the Selling Shareholders, other than the listing fees which shall be borne by the Company, as mutually agreed, in accordance with applicable law.

Further, pursuant to the Waiver and Termination Agreement, the parties have agreed that all rights under the Restated SHA, except the right held by TPL to nominate a director to be appointed as a non-executive director liable to retire by rotation on the Board until it holds, collectively with PPL, at least 2,172,282 Equity Shares as adjusted for any consolidation of the share capital of the Company and the limitation of liability of such director, shall terminate upon listing of the Equity Shares. Such appointment of the nominee director will be subject to the approval of the shareholders post listing and in accordance with applicable laws. Further, the parties to the Waiver and Termination Agreement have agreed that incase the listing of the Equity Shares is not completed on or before the Cut-off Date, the Waiver and Termination Agreement will automatically stand terminated.

The terms of the Restated SHA and the Waiver and Termination Agreement have been included in the AoA. For further details, refer section “Main Provisions of Articles of Association” on page 416.

Non compete undertaking dated August 5, 2017 by our Promoters

Our Promoters have, pursuant to a letter agreement dated August 5, 2017 addressed to the Company (“**Non-Compete Undertaking**”), jointly and severally agreed to not directly or indirectly (i) undertake or be involved in operating or Controlling (as defined under Takeover Regulations, 2011) any restaurant or food venture, in India or outside India, other than such restaurants or food ventures operated or Controlled (as defined under Takeover Regulations, 2011) by the Promoters as on the date of the Non-Compete Undertaking; (ii) use in any manner any brand name, trade name, trademark, service mark, copyright, patents or recipe, in part or full, used or developed by or belonging to the Company or its Subsidiaries or over which the Company or any of its Subsidiaries has a right under contract, law or in equity, including without limitation, the ‘Barbeque Nation’ and ‘Johnny Rockets’ brands and their respective cuisines and recipes; and (iii) solicit or induce or attempt to induce any person who is an executive director, key managerial personnel, chef, cook or any employee or consultant of the Company or any of its Subsidiaries to leave his or her employment or consultancy with the Company or the

Subsidiaries; or solicit any customer, distributor, supplier, landlord, dealer or agent of the Company or any of its Subsidiaries.

Pursuant to the Non-Compete Undertaking, Kayum Dhanani may offer any menu items at any of the cafes and restaurants maintained, operated or acquired or expanded by him, under existing or future brands, which are identical to the menu items or substantially similar to the menu items offered in Barbeque Nation or Johnny Rockets restaurants, provided that such category of menu items does not contribute to more than 10% of the revenue of the company, entity or firm through which such cafes or restaurants are operated. Further, in terms of the Non-Compete Undertaking, no restaurant operated or maintained by SHL, either through itself or through any third parties, shall be located outside the premises of the hotels operated by SHL or its subsidiaries or by any third party hotel operator, other than a restaurant located in Mumbai and a restaurant located in Indore, which are operated outside the premises of the hotel.

Pursuant to the Non-Compete Undertaking, the Company will have the first right of refusal to undertake any new business opportunity (organic or inorganic) identified by the Promoters. In the event majority of the Directors, excluding the Promoters or representatives of the Promoters, reject the proposal, then the Promoters may, individually or collectively undertake such new business opportunity provided that such new business opportunity is not identical or substantially similar to the cuisines offered or formats of the restaurants operated by the Company or its Subsidiaries.

The Non-Compete Undertaking shall be effective until the Promoters (i) collectively hold less than 25% of the fully diluted paid up equity share capital of the Company, or cease to be the single largest block of Shareholders; and (ii) ceased to Control (as defined under Takeover Regulations, 2011) the Company.

The key terms of the Non-Compete Undertaking have been included in the AoA. For further details, refer section “Main Provisions of Articles of Association” on page 416.

Agreement dated March 26, 2013 executed between Blue Deebaj LLC and TPL

TPL executed an agreement dated March 26, 2013 with Blue Deebaj LLC at the time of sale of equity shares of the Company by Blue Deebaj LLC to TPL, pursuant to which in the event of an occurrence of certain exit events, including an initial public offering by the Company, (i) if, TPL achieves a return in excess of certain specified thresholds on the investment made by it in the Company, Blue Deebaj LLC shall be entitled to receive certain payments from TPL; or (ii) if, TPL does not achieve a return in excess of certain specified thresholds on the investment made by it in the Company, TPL shall be entitled to receive certain payments from Blue Deebaj LLC. The payment amount shall be determined as per the terms specified in the agreement.

Binding share transfer agreement dated August 14, 2017 between Kayum Dhanani, PPL and AAJVIT

Kayum Dhanani, PPL and AAJVIT have executed a binding share transfer letter agreement in relation to transfer of upto 600,000 Equity Shares from PPL and AAJVIT to Kayum Dhanani at the discretion of PPL and AAJVIT. The number of Equity Shares to be transferred shall be determined at least 10 business days prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms of the letter agreement and such transfer of Equity Shares shall be completed post the Bid/Offer Closing Date, but prior to filing of the Prospectus with the RoC. Further, the parties have acknowledged that the details of the range of Equity Shares to be transferred by PPL and AAJVIT to Kayum Dhanani shall be disclosed in the Red Herring Prospectus, and the details of the final number of Equity Shares transferred shall be disclosed in the Prospectus.

Share Purchase Agreements with our Company

Share purchase and subscription agreement dated March 26, 2013 executed between our Company, SHL, Kayum Dhanani, Blue Deebaj LLC, Azhar Yusuf Dhahani, Zuber Yusuf Dhanani, Sanya Dhahani, Zoya Dhahani, Sadiya Dhanani, Saba Dhanani and TPL (“Tamara SPA”)

Our Company entered into the Tamara SPA, whereby TPL agreed to purchase 415,000 Equity Shares from SHL for a consideration of ₹138,835,068 and agreed to purchase 1,378,495 Equity Shares from Blue Deebaj LLC for a consideration of ₹461,164,932, payable at the time of closing under the Tamara SPA.

Share subscription agreement dated March 26, 2013 executed between our Company, SHL, Kayum Dhanani and AAJVIT (“AAJVIT SPA I”)

Our Company entered into the AAJVIT SPA I, whereby AAJVIT agreed to subscribe to 65,104 Equity Shares for a consideration of ₹21,780,000 payable at the time of closing under the AAJVIT SPA I.

Share purchase agreement dated May 18, 2015 executed between our Company, SHL, Kayum Dhanani, Blue Deebaj LLC and PPL (“Pace SPA I”)

Our Company entered into the Pace SPA I, whereby PPL agreed to purchase 1,421,505 Equity Shares from Blue Deebaj LLC for a consideration of ₹881,333,100 payable at the time of closing under the Pace SPA I.

Share purchase agreement dated May 18, 2015 executed between our Company, SHL, Kayum Dhanani, Abdul Dhanani, Nasreen Dhanani, Sana Dhanani and PPL (“Pace SPA II”)

Our Company entered into the Pace SPA II, whereby PPL agreed to purchase 10,953 Equity Shares from Abdul Dhanani for a consideration of ₹6,790,860, 105,105 Equity Shares from Nasreen Dhanani for a consideration of ₹65,165,100 and 150,150 Equity Shares from Sana Dhanani for a consideration of ₹93,093,000 payable at the time of closing under the Pace SPA II.

Share purchase agreement dated May 18, 2015 executed between our Company, SHL, Kayum Dhanani, Abdul Gani Dhanani and AAJVIT (“AAJVIT SPA 2”)

Our Company entered into the AAJVIT SPA 2, whereby AAJVIT agreed to purchase 34,092 Equity Shares from Abdul Gani Dhanani for a consideration of ₹21,137,040 payable at the time of closing under the AAJVIT SPA 2.

Share sale and purchase agreement dated August 3, 2017 executed between our Company, Menu Private Limited and Kayum Dhanani

Our Company, Kayum Dhanani and Menu Private Limited entered into Share sale and purchase agreement dated August 3, 2017, whereby Kayum Dhanani agreed to sell and the Menu Private Limited agreed to purchase from Kayum Dhanani 532,104 Equity Shares for a consideration of ₹315,005,036.

Key Agreements entered into by PGPL

International master development agreement

Our Subsidiary, PGPL has entered into an international master development agreement dated January 25, 2013 and as amended on July 27, 2016, with Johnny Rockets Licensing LLC (“**Johnny Rockets**”, and such master development agreement, the “**MDA**”). Pursuant to the MDA, PGPL has acquired the exclusive right and license to develop Johnny Rockets restaurants in India, and has also obtained the license to use the Johnny Rockets trademarks, including its trade name and service mark and the Johnny Rockets system comprising of, *inter alia*, general restaurant layout and design, equipment, interior and exterior decorations, signage specifications, menus of standard appearance and design, recipes, formulas, operation methods, training materials, sales techniques and management controls systems, for developing and operating such Johnny Rocket restaurants in India. Certain key terms of the MDA are enumerated below:

Term: The initial development term of the MDA is of seven years, which shall be extended by three successive terms of seven years each, totalling to 28 years. The renewal for each successive term is subject to fulfilment of certain conditions, such as performance of all obligation under the MDA, opening of at least 20 restaurants for each successive terms and an advance intimation for renewal within the time period prescribed under the MDA.

The initial operating term of each licensed Johnny Rocket restaurant opened, developed and operated pursuant to the MDA, is of 10 years, which shall be extended by two successive five years terms each, totalling to 20 years. The renewal for each successive operating term is subject to fulfilment of certain conditions, such as compliance with the training requirements, material compliance with MDA and other agreements in furtherance of the MDA, if any, and prior intimation for renewal within the time period prescribed in the MDA.

Fees: The fees structure component is segregated into i) initial development fee for granting exclusive rights and license to the develop Johnny Rockets restaurants; ii) initial license fees for every licensed restaurant at the time of opening a restaurant; iii) monthly royalty fee based on the gross sales of all licensed restaurants; iv) monthly creative marketing fee based on the gross sales of all licensed restaurants; v) such other miscellaneous fees which may be required to be paid by PGPL, such as transfer fees, technology fees and sub-franchising fees.

Standards of operations: In order to maintain uniform standards of operations across all Johnny Rockets restaurants we are required to adhere to the methods and standards of operations established by Johnny Rockets, which includes, *inter alia*, i) standards of quality, service, production, merchandising and advertising for all the licensed Johnny Rockets restaurants at all times during the term of the MDA; ii) sourcing materials used in the preparation of food products only from Johnny Rockets, its affiliates or from the suppliers approved by Johnny Rockets; iii) using standard menu formats; iv) compliance with the specifications and recipes as prescribed in the manuals provided by Johnny Rockets; and v) deploying such requisite hardware and software, including upgrades thereto, as required by Johnny Rockets.

Non-compete: Pursuant to the MDA during the subsistence of the MDA, neither PGPL, nor any of its officers, directors and owners of PGPL will engage, whether directly or indirectly, in any Competitive Activities (*as defined in the MDA*) at any location within India except for i) operation of a Johnny Rockets restaurant by PGPL or its affiliates or ii) ownership of not more than five percent of the outstanding stock of a corporation which is traded on a national stock exchange.

Further, post the expiry, assignment or termination of the MDA, PGPL, each director and the owner of PGPL, will not, whether direct or indirectly, engage in any Competitive Activities (except for ownership of not more than five percent of the outstanding stock of a corporation which is traded on a national stock exchange), i) within India; or ii) within any other country in which Johnny Rockets restaurants operated by PGPL is located; or iii) within an area of 10 kms from the location of any of the then existing Johnny Rockets restaurants, without prior written consent of Johnny Rockets. In case of expiry, assignment or termination of the MDA, the non-compete obligations will be applicable for a period of 24 months from such date. The non-compete clause will be applicable to directors or owner of PGPL in the event of termination of their relationship with PGPL.

Defaults and termination: In the event default by PGPL to comply with the obligations stipulated under the MDA, Johnny Rockets will have the option to terminate the MDA after giving an opportunity to cure the breach within the specified timeframe. In the event the breach is only with respect to the development schedule, then Johnny Rockets will have the right to reduce the size of the geographic exclusivity rather than terminating the MDA.

In the event of termination of the development rights under the MDA, PGPL must, *inter alia* i) pay all amounts due to Johnny Rockets, including any interest thereon; ii) immediately cease to use the intellectual property rights licensed by Johnny Rockets; and iii) return all copies of manuals and any other confidential information to Johnny Rockets. In the event of termination of the right to operate a licensed restaurant, PGPL must promptly, *inter alia*: i) cease to operate the licensed restaurant; ii) cease to use any equipment, materials, confidential methods procedures and techniques; and iii) make such modifications to completely de-identify the premises as a Johnny Rockets restaurant.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not more than 15 Directors and not less than three Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 6 Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	<p>T Narayanan Unni</p> <p><i>Designation:</i> Chairman, Non-Executive, Independent Director</p> <p><i>Address:</i> 303, Bee Yash Raj Residency 10/1 Manorma Ganj, Indore Madhya Pradesh, India</p> <p><i>Occupation:</i> Consultant</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years from August 12, 2014</p> <p><i>DIN:</i> 00079237</p>	76	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Aries Hotels Private Limited • Malwa Hospitality Private Limited • Prime Gourmet Private Limited • Sayaji Hotels Limited • The Lake Shore Palace Hotel Private Limited
2.	<p>Kayum Dhanani</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> No. 20, Vaswani Ashton Woods Kariyammana Agrahara Bellandur, Bengaluru 560 103 Karnataka, India</p> <p><i>Occupation:</i> Entrepreneur</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years from March 4, 2016</p> <p><i>DIN:</i> 00987597</p>	45	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Callidus Shoemakers Private Limited • Catwalk Worldwide Private Limited • Malwa Hospitality Private Limited • Ruosh Retail Private Limited • Samar Retail Private Limited • Samar Lifestyle Private Limited • Sara Suole Private Limited • Sayaji Hotels Limited • Sayaji Housekeeping Services Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Barbeque Nation Holdings Limited
3.	<p>Raof Dhanani</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Address:</i> Kalpataru Heights, Flat No. 281 28th Floor, Dr. A Nair Road Mumbai Central, Mumbai 400 011 Maharashtra, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00174654</p>	53	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Ahilya Hotels Limited • Alisha Agrophos Private Limited • A. R. Hospitality Limited • Kshipra Restaurants Private Limited • Malwa Hospitality Private Limited • Prime Gourmet Private Limited • Prinite Hospitality Private Limited • Rampion Nirman Private Limited • Saba Reality Private Limited • Sayaji Hotels Limited • Sayaji Housekeeping Services Limited • Super Civiltech Private Limited • Tungabhadra Fertilizers and Chemicals Company Limited <p><i>Foreign Companies</i></p>

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
			Barbeque Nation Holdings Limited
4.	<p>Suchitra Dhanani</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Address:</i> 20 Sector, BF Vijay Nagar Indore, Madhya Pradesh, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00712187</p>	53	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Ahilya Hotels Limited • Aries Hotels Private Limited • Malwa Hospitality Private Limited • Rama Buildcare Private Limited • Sayaji Hotels Limited • Sayaji Housekeeping Services Limited
5.	<p>Tarun Khanna</p> <p><i>Designation:</i> Non-Executive, Nominee Director</p> <p><i>Address:</i> B-9/21 2nd Floor Vasant Vihar, New Delhi 110057, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 02306480</p>	46	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Emerald Leasing Finance and Investment Company Limited • Mrs.Bectors Food Specialities Limited • POM Hydro Energy Limited • Puri Oil Mills Limited • Sapphire Foods India Private Limited • Security and Intelligence Services (India) Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • MSS Security Pty Ltd • SIS Australia Group Pty Ltd <p><i>LLPs</i></p> <ul style="list-style-type: none"> • CX Advisors LLP
6.	<p>Abhay Chaudhari</p> <p><i>Designation:</i> Non-Executive, Independent Director</p> <p><i>Address:</i> 906/907, RK Spectra DSK Ranvara Road Patil Nagar, Bavdhan Pune 411 021 Maharashtra, India</p> <p><i>Occupation:</i> Self employed</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years from June 30, 2017</p> <p><i>DIN:</i> 06726836</p>	61	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Athena Chhattisgarh Power Limited • Prime Gourmet Private Limited • Sayaji Hotels Limited

Relationship between our Directors

Except for Kayum Dhanani and Raooof Dhanani who are brothers and Suchitra Dhanani who is the sister-in-law of Kayum Dhanani and Raooof Dhanani, none of our Directors are related to each other.

Brief Biographies of Directors

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

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

Raof Dhanani is a Non-Executive Director of our Company. He has been a Director of our Company since July 1, 2015. He was a student of Vidyakunj High School, Vadodara in class XII. Prior to joining our Company, he was involved in the fertilizers business, which he divested in the year 2013. He joined the management of SHL in 2013 and is currently involved in managing the operations of SHL.

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

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

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

Confirmations

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on the BSE or the NSE, during the last five years preceding the date of this Draft Red Herring Prospectus

Kayum Dhanani was a director on the board of Welterman International Limited, which was listed on the Madras Stock Exchange Limited and Vadodara Stock Exchange Limited ("**Erstwhile Stock Exchanges**"), and is currently listed on the Ahmedabad Stock Exchange Limited and BSE. Due to the de-recognition of the Erstwhile Stock Exchanges pursuant to the SEBI orders dated May 14, 2015 and November 9, 2015, respectively, in light of the circulars issued by SEBI for the 'Exit Policy for De-recognized/ Non-operational Stock Exchanges', Welterman International Limited was delisted from the Erstwhile Stock Exchanges. Our Promoter and Managing Director, Kayum Dhanani was a director at Welterman International from February 14, 2013 to April 15, 2015.

Except as set out above, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

Except as disclosed in the "Outstanding Litigation and Other Material Developments" on page 330, no proceedings/investigations have been initiated by SEBI against any company, the board of directors of which

also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Kayum Dhanani

Kayum Dhanani was appointed as our additional non-executive director pursuant to a Board resolution dated November 30, 2012. He was appointed as the Managing Director of our Company pursuant to a Shareholders resolution dated March 27, 2013. He was last re-appointed for a term of three years with effect from March 4, 2016 pursuant to a Board resolution dated March 4, 2016. No remuneration is paid to Kayum Dhanani by our Company.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2017 are as follows:

1. Remuneration to Executive Directors:

No remuneration was paid by our Company to our Managing Director, Kayum Dhanani in Financial Year 2017.

2. Remuneration to Non-Executive Directors:

Our Company has pursuant to a Board resolution dated December 15, 2016 revised the sitting fees payable to our Non-Executive and Independent Directors from ₹10,000 per meeting to ₹25,000 per meeting for attending the meetings of our Board and committees thereof.

No remuneration is paid by our Company to our Non-Executive and Independent Directors, other than sitting fees.

Details of sitting fees paid to our Non-Executive Directors in Financial Year 2017 are set out below:

Sl. No.	Name of Director	Sitting fees paid (₹)
1.	T Narayanan Unni	90,000
2.	Raooof Dhanani	80,000
3.	Suchitra Dhanani	30,000
4.	Tarun Khanna	Nil
5.	Abhay Chaudhari	25,000
	Total	225,000

Arrangement or understanding with major Shareholders, customers, suppliers or others

Tarun Khanna has been appointed to our Board by our Shareholder, TPL, pursuant to the terms of the Restated SHA. For further details, see “History and Certain Corporate Matters” on page 156.

Except as disclosed above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors in our Company

Our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)
Kayum Dhanani	1,398,684	5.18
Suchitra Dhanani	6	0.00*

*Negligible

Shareholding of Directors in our Subsidiaries

Except Kayum Dhanani, who holds 500 equity shares in our Subsidiary, PGPL, on a beneficial basis for our Company, none of our Directors hold any equity shares in our Subsidiaries.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently hold any office or place of profit in our Company.

Interest of Directors

Our Directors may be deemed to be interested to the extent of (i) sitting fees payable to them for attending meetings of our Board or committees thereof payable under our Articles of Association; (ii) their shareholding in the Company, the payment of dividends on the Equity Shares held by them and other distributions in respect of the Equity Shares; and (iii) their being directors on the board of directors and/or shareholders of our Subsidiary, PGPL, our Group Entity and , to the extent that PGPL and our Group Entity have entered into transactions with our Company. For details of the interests of our Promoters, see “Our Promoters and Promoter Group” on page 181.

Except as stated above and in “Related Party Transactions” on page 192, our Directors do not have any other interest in our business.

Except as set out in “Our Promoters and Promoter Group” on page 181, our Directors have no interest in any property acquired by our Company two years prior to the date of the Draft Red Herring Prospectus, or proposed to be acquired by our Company.

Further, except as set out in “Our Promoters and Promoter Group” on page 181, our Directors have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Other than Kayum Dhanani, Raof Dhanani and Suchitra Dhanani who are our Promoters and are interested as disclosed in “Our Promoters and Promoter Group” on page 181, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except sitting fees for meetings of the Board and committees thereof.

No loans have been availed by our Directors from our Company.

Except as disclosed in “Related Party Transactions” on page 192, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of our Directors is party to any bonus or profit sharing plan of our Company.

Further, no officer of our Company, including our Directors and the Key Management Personnel, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of Appointment/Change/Cessation	Reason
Abhay Chaudhari	June 30, 2017	Re-designation as independent director
Rahul Agrawal	June 29, 2017	Resignation as director
Abhay Chaudhari	February 28, 2017	Appointment as additional director
Kayum Dhanani	March 4, 2016	Re-appointment as Managing Director
Saqib Salim Agboatwala	December 15, 2016	Resignation as director
Raof Dhanani	August 26, 2015	Re-designation as non-executive director
Rahul Agrawal	August 26, 2015	Re-designation as non-executive nominee director
Suchitra Dhanani	August 26, 2015	Re-designation as non-executive director
Raof Dhanani	July 1, 2015	Appointment as additional director
Rahul Agrawal	July 1, 2015	Appointment as additional director

Name	Date of Appointment/Change/Cessation	Reason
Suchitra Dhanani	July 1, 2015	Appointment as additional director
Rizwan Rafique Shaikh	July 1, 2015	Resignation as director
T Narayanan Unni	August 12, 2014	Appointment as independent director under Section 149 of the Companies Act

Borrowing Powers of Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on June 30, 2017, the Board and any committee thereof is authorised to borrow money, as and when required from any bank and/or other financial institution and/or authority or authorities, either in rupees or in such other foreign currencies as maybe permitted by law from time to time, as maybe deemed appropriate by the Board for an aggregate amount, not exceeding ₹2,000.00 million, including the amount already borrowed by our Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid up share capital of our Company and its reserves (excluding the reserves set apart for any specific purpose).

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team, constitution of the Board committees and formulation of policies, each as required under law, including the SEBI Listing Regulations. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance particularly in relation to constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Currently, our Board has six Directors, headed by the Chairman who is an Independent Director. In compliance with the requirements of the SEBI Listing Regulations, we have one Executive Director and five Non-Executive Directors including two Independent Directors on our Board. Our Board also has one woman Director.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. T Narayanan Unni, *Chairman*;
2. Kayum Dhanani; and
3. Abhay Chaudhari.

The Audit Committee was constituted by a meeting of the Board of Directors held on March 24, 2008 and was re-constituted by a meeting of the Board of Directors on November 30, 2012 and thereafter on June 21, 2013. The Audit Committee was last re-constituted by a meeting of the Board of Directors held on July 10, 2017. The terms of reference of the Audit Committee were last revised by a meeting of the Board of Directors on July 10, 2017. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d) Approving of payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions; and
 - vii) Qualifications and modified opinions in the draft audit report.
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- g) Scrutinizing of inter-corporate loans and investments;
- h) Evaluating internal financial controls and risk management systems;
- i) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- j) Approving or subsequently modifying transactions of our Company with related parties;
- k) Evaluating undertakings or assets of our Company, wherever necessary;
- l) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) Discussing with internal auditors on any significant findings and follow up thereon;
- p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- q) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) Approving appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- u) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and
- v) Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time.

The powers of the Audit Committee include the following:

- a) To investigate activity within its terms of reference;
- b) To seek information from any employees;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and result of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor; and
- f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year under the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. T Narayanan Unni, *Chairman*;
2. Tarun Khanna; and
3. Abhay Chaudhari.

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on March 30, 2015, pursuant to the provisions of the Companies Act, 2013. The Board adopted the nomination and remuneration policy on July 1, 2015. The Nomination and Remuneration Committee was last re-constituted by a meeting of the Board of Directors held on July 10, 2017. The terms of reference of the Nomination and Remuneration Committee were last revised by a meeting of the Board of Directors on July 10, 2017. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the

Companies Act, 2013 and regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of independent directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. T Narayanan Unni, *Chairman*
2. Abhay Chaudhari;
3. Tarun Khanna; and
4. Kayum Dhanani.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on July 10, 2017. The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee were last revised by our Board of Directors on July 10, 2017 to include the following:

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

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. T Narayanan Unni, *Chairman*;
2. Kayum Dhanani;
3. Abhay Chaudhari;
4. Suchitra Dhanani; and
5. Tarun Khanna.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on May 22, 2014 and was reconstituted on August 26, 2015. The Board adopted the corporate social responsibility policy of the Company on July 1, 2015. The Corporate Social Responsibility Committee was last re-constituted by a meeting of our Board of Directors on July 10, 2017. The terms of reference of the Corporate Social Responsibility Committee were last revised by our Board of Directors on July 10, 2017 to bring them in consonance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder. The terms of reference of the Corporate Social Responsibility Committee include the following:

- a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;
- b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

IPO Committee

The members of the IPO Committee are:

1. Kayum Dhanani;
2. Tarun Khanna; and
3. Abhay Chaudhari.

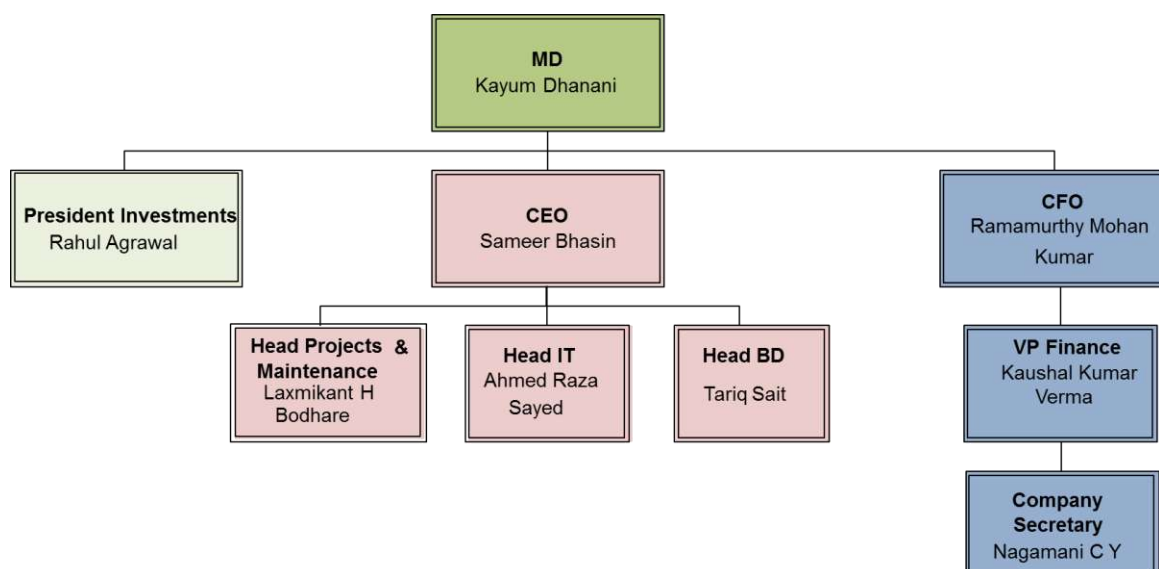
The IPO Committee was constituted by our Board of Directors on July 10, 2017. The decisions by the IPO Committee shall be taken with unanimous approval. The terms of reference of the IPO Committee include the following:

- a) To make applications, where necessary, to the RBI and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- b) To finalize, settle, approve, adopt and file alongwith the Selling Shareholders in consultation with BRLMs where applicable, the draft red herring prospectus, the red herring prospectus the prospectus, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, and take all such actions as may be necessary for the submission, withdrawal and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by the Securities and Exchange Board of India, the RoC or any other relevant governmental and statutory authorities or in accordance with applicable laws, rules, regulations and guidelines;
- c) To decide alongwith with the Selling Shareholders in consultation with the BRLMs on the size, timing, pricing and all the terms and conditions of the Offer, including the price band, bid period, offer price, and to accept any amendments, modifications, variations or alterations thereto
- d) To appoint and enter into and terminate arrangements alongwith with the Selling Shareholders, where applicable, with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of
- e) the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;
- f) To negotiate, finalise and settle and to execute alongwith with the Selling Shareholders, where applicable, and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, registrar agreement, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Offer;
- g) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other applicable laws;
- h) To approve any corporate governance requirements, policies, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the SEBI Listing Regulations or any other applicable laws;
- i) To seek, if required, the consent of the lenders to the Company and Subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;
- j) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- k) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- l) To authorize and approve alongwith with the Selling Shareholders, where applicable, the incurring of

expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

- m) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforesaid documents;
- n) To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- o) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules;
- p) To take all actions as may be necessary and authorized in connection with the Offer for Sale and to approve and take on record the transfer of Equity Shares in the Offer for Sale;
- q) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the NSDL, the CDSL, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
- r) To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
- s) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may, in consultation with the Selling Shareholder, where applicable, deem fit and to delegate such of its powers as may be deemed necessary and permissible under applicable laws to the officials of the Company; and
- t) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company are as follows:

Kayum Dhanani is the Managing Director of our Company. For further details, in relation to Kayum Dhanani, see “Our Management – Brief Biographies of Directors” on page 168.

Sameer Bhasin is the Chief Executive Officer of our Company. He holds a bachelor degree in hotel management from Mangalore University. He has several years of experience in the hospitality industry. Prior to joining our Company, he was the director (PHD operations) at Yum! Restaurants (India) Private Limited and the chief operating officer of Paradise Food Court Private Limited. He has been associated with various brands in the food and beverage industry, viz., Pizza Hut delivery, Pizzeria, KFC and Taj group of hotels, Bengaluru. Sameer Bhasin joined our Company on April 4, 2016. During Financial Year 2017, he was paid a gross compensation of ₹10.90 million.

Mohankumar Ramamurthy is the Chief Financial Officer of our Company. He was associated with our Company from August 12, 2014 till December 31, 2016, as chief financial officer, and he was re-appointed as the Chief Financial Officer of our Company from June 15, 2017. He holds a bachelors degree in commerce and a master’s degree in commerce from the University of Madras. He has completed an executive master of business administration program in retail management from the National Institute of Business Management, Chennai, the professional programme examination held by the Institute of Company Secretaries of India and the intermediate examination held by the Institute of Cost Accountants of India. He has completed a course entitled swift India and a course on web-centric computing conducted by NIIT, a workshop on leadership, excellence and practise conducted by HR Footprints Management Services Private Limited for Sara Soule Private Limited and the nexgen managers program conducted by 24x7 Learning Private Limited. He has over 22 years of experience in the fields of financial and administrative consulting. Prior to joining our Company, he was associated with Garden Silk Mills Limited for over 12 years and with William Penn for five years. Previously, he has also been associated with Sara Soule Private Limited as a consultant. During Financial Year 2017, he was paid a gross compensation of ₹4.98 million for his employment with our Company until December 31, 2016.

Rahul Agrawal is the President – Investments of our Company. He holds a bachelor degree in commerce (honors) from the University of Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Bengaluru. Prior to joining our Company he was associated with Ernst & Young Private Limited, Beacon BVM Advisors Private Limited and Strategic Value Partners Private Limited. He was also associated with CX Advisors LLP from October 1, 2009 to July 21, 2017. Since he joined our Company in Financial Year 2018, no remuneration was paid to him in Financial Year 2017.

Kaushal Verma is the Vice President, Finance and Accounts of our Company. He holds a bachelor degree in commerce (honors) from Ranchi University. He is also an associate member of the Institute of Cost Accountants of India and is a certified solution consultant from SAP education. He has more than 15 years of experience in

the hospitality, retail and telecommunication industry. Prior to joining our Company, he has worked with companies including Max Hypermarket India Private Limited, Urdoorstep Eretail Private Limited, World Space India Private Limited, HT Media Limited, Coca-Cola India Inc. and Sodexo Pass Services (India) Private Limited. Kaushal Verma joined our Company on October 3, 2016. During Financial Year 2017, he was paid a gross compensation of ₹1.96 million.

Tariq Sait is the Head Business Development of our Company. He holds a bachelor degree in Civil Engineering from Bangalore University. Prior to joining our Company he was associated with Yum! Restaurants (India) Private Limited, Hardcastle Restaurants Private Limited, Paradise Food Court Private Limited and Airplaza Retail Holdings Private Limited. Tariq Sait joined our Company on June 20, 2016. During Financial Year 2017, he was paid a gross compensation of ₹2.26 million.

Laxmikant Bodhare is the Head Projects and Maintenance, of our Company handling our pan India projects team. He holds a master's degree in international business administration in finance from the United Business Institutes, Brussels, Belgium. He also holds a diploma in business management (distance learning), from the Prin L N Welingkar Institute of Management Development and Research, Mumbai. He holds a post graduate diploma in infrastructure and construction management from the MIT School of Distance Education, Pune and has participated in a programme on project management conducted by Indian Institute of Management, Ahmedabad. He also holds a certificate of specialisation of study in food and beverage management from the Educational Institute of American Hotel and Motel Association and a certificate in hospitality operations and a diploma in hospitality management from the Educational Institute of American Hotel and Lodging Association. He has over 19 years of experience in the hospitality industry with experience in projects and operations department. Prior to joining our Company, he has worked with the Centaur Hotel, Mumbai, Lou' Lou'a Beach Resort Sharjah and Impresario Entertainment and Hospitality Private Limited. Laxmikant Bodhare joined our Company on February 16, 2017. During Financial Year 2017, he was paid a gross compensation of ₹0.37 million.

Ahmed Raza is the Head, Information Technology of our Company. He holds a bachelor in commerce from University of Mumbai. He also holds a certificate of proficiency in Procurement, Oracle 8/8i and Visual Basic 6.0 courses from Concourse Information Technology International Limited. Prior to joining our Company he has worked with ShawMan Software Private Limited and with SHL as head corporate HR/IT. Ahmad Raza joined our Company on April 1, 2012. During Financial Year 2017, he was paid a gross compensation of ₹3.38 million.

Nagamani CY is the Company Secretary and Compliance Officer of our Company. She holds a bachelors degree in commerce from University of Mysore and a bachelor's degree in law from Karnataka State Law University, Hubballi. She holds a degree of masters of business administration from Karnataka State Open University, Mysore. She has passed the intermediate examination held by the Institute of Cost Accountants of India and she is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with RSM Astute Consulting Plus Private Limited from July 19, 2010 to July 11, 2014. Nagamani CY joined our Company on July 21, 2014. During Financial Year 2017, she was paid a gross compensation of ₹0.98 million.

None of the Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

The details of Equity Shares held by our Key Management Personnel as of the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares	Percentage Shareholding (%)
Kayum Dhanani	1,398,684	5.18
Rahul Agrawal	25,000	0.09

Bonus or profit sharing plan of the Key Management Personnel

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

Interests of Key Management Personnel

Except as disclosed above in relation to our Director and Rahul Agrawal, the Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. For details, see “Our Management - Interests of Directors” on page 170.

None of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Rahul Agrawal	President – Investments	July 24, 2017	Appointment
Sameer Bhasin	Chief Executive Officer	June 15, 2017	Recognition as a key managerial personnel under Section 203 of the Companies Act
Mohankumar Ramamurthy	Chief Financial Officer	June 15, 2017	Appointment
Nagamani CY	Compliance Officer	June 15, 2017	Appointment
Lakshmikant Bodhare	Head Projects and Maintenance	February 16, 2017	Appointment
Mohankumar Ramamurthy	Chief Financial Officer	December 31, 2016	Resignation
Kaushal Verma	Vice President, Finance and Accounts	October 3, 2016	Appointment
Tariq Sait	Head – Business Development	June 20, 2016	Appointment
Sameer Bhasin	Chief Executive Officer	April 4, 2016	Appointment
Lakshmikant Bodhare	Head Projects and Maintenance	March 31, 2016	Resignation
Kayum Dhanani	Managing Director	March 4, 2016	Re-Appointment
Mohankumar Ramamurthy	Chief Financial Officer	August 12, 2014	Appointment
Nagamani CY	Company Secretary	July 21, 2014	Appointment

Payment or Benefit to officers of our Company

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as an officer of our Company.

Employee Stock Option Plans

For details on the ESOP 2015, see “Capital Structure” on page 85.

Phantom Option Scheme, 2015

Our Company, pursuant to resolution passed by our Board dated December 1, 2015, adopted the Phantom Option Scheme 2015. Phantom options under the Phantom Option Scheme 2015 may be granted to non-employee associates of our Company. 22,242 (equity shares of ₹10 each) phantom options have been granted under the Phantom Option Scheme, 2015 till date. Each phantom option granted under the Phantom Option Scheme, 2015, upon exercise shall entitle the option grantee to receive cash equal to the difference between the fair market value of equity shares of the Company and the exercise price of each option. No Equity Shares shall be issued to the option grantees pursuant to the Phantom Option Scheme, 2015.

OUR PROMOTERS AND PROMOTER GROUP

Sayaji Hotels Limited, Sayaji Housekeeping Services Limited, Kayum Dhanani, Raof Dhanani and Suchitra Dhanani are the Promoters of our Company.

Sayaji Hotels Limited

Corporate Information

SHL was incorporated as Monali Land and Housing Company Private Limited on April 5, 1982 at Ahmedabad as a private limited company under the Companies Act, 1956, pursuant to certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently SHL was converted to a public limited company and its name was changed to Monali Land and Housing Company Limited, pursuant to a fresh certificate of incorporation consequent upon change of name dated May 1, 1987. Thereafter, the name was changed to Sayaji Hotels Limited pursuant to a fresh certificate of incorporation consequent upon change of name dated July 10, 1987. The registered office of SHL is opposite Rajshree Talkies, Near Kala Ghoda, Sayajigunj, Vadodara 390 005, Gujarat, India.

SHL is engaged in the business of constructing and operating, *inter alia*, motels, hotels, bars, restaurants and clubs, providing lodging and boardings, eating houses, swimming pools and other facilities to the public, including tourists, visitors and delegates coming to India from foreign countries, and encouraging, carrying on and facilitating tourist trade in India.

SHL's equity shares have been listed on the BSE since 1992.

SHL is promoted by Kayum Dhanani, Raof Dhanani, (late) Sajid Dhanani, Ahilya Hotels Limited, Suchitra Dhanani, Anisha Dhanani, Bipasha Dhanani, Shamim Sheikh, Mansoor Memon, Rafiq Maqsood Memon and Sadika Memon. Ahilya Hotels Limited is promoted by Suchitra Dhanani. There has not been a change in control of SHL in the last five years from the date of this Draft Red Herring Prospectus.

Board of directors of SHL

The board of directors of SHL as on the date of this Draft Red Herring Prospectus are as set out below:

Sl. No.	Name	Designation
1.	T Narayanan Unni	Chairman, Independent Director
2.	Raof Dhanani	Managing director
3.	Suchitra Dhanani	Whole time director
4.	Sanjay Ahuja	Nominee director
5.	Pradeep Goyal	Independent Director
6.	Kayum Dhanani	Director
7.	Abhay Chaudhari	Independent Director

Shareholding pattern of SHL

The shareholding pattern of SHL as on June 30, 2017 is as follows:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights						No.	As a % of total Shares held (a)	No.	As a % of total Shares held (b)	
								Class: Equity	Class: N/A	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	12	13,121,626	0	0	13,121,626	74.90	13,121,626	0	13,121,626	74.90	0	0	0	6,276,469	11,774,147		
(B)	Public	3,452	4,396,374	0	0	4,396,374	25.10	4,396,374	0	4,396,374	25.10	0	0	0	0	4,148,455		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	3,464	1,75,18,000	0	0	1,75,18,000	100.00	1,75,18,000	0	1,75,18,000	100.00	0	0	0	6,276,469	15,922,602		

Sayaji Housekeeping Services Limited

Corporate Information

SHKSL was incorporated as Sayaji Housekeeping Services Limited on March 16, 2016 at Bengaluru as a public limited company under the Companies Act, 2013, pursuant to certificate of incorporation issued by the ROC. The registered office of SHKSL is Survey No. 62, Site No. 13, 6th Cross, NS Palya, BTM Layout, Bengaluru 560 076, Karnataka, India.

SHKSL is engaged in the business of providing services and expertise for various cleaning and housekeeping requirements as per the needs of facilities, organisations and/or business houses in India or elsewhere, and to carry on the business of providing, *inter alia*, manpower, machines and material connected with housekeeping and cleaning requirements.

There has been no change in the control of SHKSL in the last one year.

SHKSL is promoted by SHL and the promoters of SHL.

Board of directors of SHKSL

The board of directors of SHKSL as on the date of this Draft Red Herring Prospectus are as set out below:

Sl. No.	Name	Designation
1.	Raooof Dhanani	Non-executive director
2.	Suchitra Dhanani	Non-executive director
3.	Kayum Dhanani	Non-executive director

Shareholding pattern of SHKSL

The shareholding pattern of SHKSL as on August 11, 2017 is as follows:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights						No. of Shares held (a)	As a % of total Shares held (b)	No. of Shares held (a)	As a % of total Shares held (b)	
								Class: Equity	Class: N/A	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	1*	6,365,000	0	0	6,365,000	100.00	6,365,000	0	6,365,000	100.00	-	0	0	0	0	0	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	1	6,365,000	0	0	6,365,000	100.00	6,365,000	0	6,365,000	100.00	0	0	0	0	0	0	

*1 equity share each is held by Raof Dhanani, Saba Dhanani, Sumera Dhanani, Sadiya Dhanani, Anisha Dhanani and Kayum Dhanani on a beneficial basis for SHL

** 10,000 redeemable preference shares are held by SHL



Kayum Dhanani

Kayum Dhanani, aged 45 years, is a resident Indian national. He is a resident of No. 20, Vaswani Ashton Woods, Kariyamma Aghara, Bellandur, Bengaluru 560 103, Karnataka, India. For further details of his educational qualifications, experience, positions and posts held in the past, other directorships and special achievements, see “Our Management” on page 166.

Other than, Bharat Equity Services Limited, Brownhouse Baking Private Limited, Callidus Shoe Makers Private Limited, Fat Bean Hospitality Private Limited, Iconium Leather Works Private Limited, Liberty Construction and Leasing Limited, Liberty Fertilizers Limited, Liberty Restaurant Private Limited, Malwa Hospitality Private Limited, Prinite Hospitality Private Limited, Ruosh Retail Private Limited, Sara Soule Private Limited, Samar Retail Private Limited, Samar Lifestyle Private Limited, SHKSL, SHL and Welterman International Limited, he is not involved in any other ventures.

His driving license number is KA05 20090008336. He does not hold a voter identification card.

Raof Dhanani



Raof Dhanani, aged 53 years, is a resident Indian national. He is a resident of Kalpataru Heights, Flat No. 281, 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai 400 011, Maharashtra, India. For further details of his educational qualifications, experience, positions and posts held in the past, other directorships and special achievements, see “Our Management” on page 166.

Other than, Liberty Construction and Leasing Limited, Liberty Fertilizers Limited, Liberty Restaurant Private Limited, Malwa Hospitality Private Limited, Prinite Hospitality Private Limited, Sana Reality Private Limited, Sara Soule Private Limited, SHKSL and SHL, he is not involved in any other ventures.

His voter’s identification card number is XIC4855441. His driving license number is GJ06 19820082885.

Suchitra Dhanani



Suchitra Dhanani aged 53 years, is a resident Indian national. She is a resident of 20, Sector BF, Vijay Nagar, Indore, Madhya Pradesh. For further details of her educational qualifications, experience, positions and posts held in the past, other directorships and special achievements, see “Our Management” on page 166.

Other than, Ahilya Hotels Limited, Aries Hotels Private Limited, Bharat Equity Services Limited, Khispra Restaurants Private Limited, Liberty Construction and Leasing Limited, Liberty Fertilizers Limited, Malwa Hospitality Private Limited, Prinite Hospitality Private Limited, Sara Soule Private Limited, Sayaji Airways Limited, SHKSL and SHL, she is not involved in any other ventures.

Her voter’s identification card number is BZY1704840. Her driving license number is MP09N-2014-0702735.

Our Company confirms that the permanent account numbers, bank account numbers, the company registration numbers and addresses of the registrar of companies where our Promoters, SHL and SHKSL are registered will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of our Promoters, Kayum Dhanani, Raoof Dhanani and Suchitra Dhanani will be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Interests of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) of their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them or their relatives; (iii) of being Directors of our Company and the sitting fees payable to them for attending meetings of our Board or committees thereof payable under our Articles of Association; (iv) of being subscribers to the Memorandum of Association; (v) that our Company or Subsidiaries have undertaken transactions or business arrangements with our Promoters, or their relatives or entities in which our Promoters hold shares or entities in which our Promoters are members of the board of directors or firms in which relatives of our Promoters hold interest. For details regarding the shareholding of our Promoters in our Company, see “Capital Structure”, “Our Management” and “Related Party Transactions” on pages 76, 166 and 192, respectively.

Interests of Promoters in property of our Company

For further details, see “Related Party Transactions” on page 192.

Business transfer agreement dated September 30, 2015 and the amendment agreement dated March 28, 2016 executed between SHL and our Company

Our Company entered into the business transfer agreement dated September 30, 2015 with SHL, pursuant to which our Company acquired the Barbeque Nation restaurant located at Wakad, Pune. For details of the agreement, see “History and Certain Corporate Matters” on page 156.

Except as stated above, our Promoters have no interest in any property acquired by our Company during the two years immediately preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. For details of interest of members of our Promoter Group, see “Payment or benefits to our Promoters or our Promoter Group” on page 187 below.

Business Interests

Except as disclosed below, our Promoters are not interested in our Company, our Subsidiaries and our Group Entity with which our Company transacts during the course of its operations. For details see “History and Certain Corporate Matters” and “Our Group Entity” on pages 156 and 190, respectively.

Our Promoter Kayum Dhanani holds 500 equity shares of our Subsidiary PGPL on a beneficial basis on behalf of our Company, and is a director on the board of directors of our Group Entity. Further our Promoters, Kayum Dhanani and Raoof Dhanani are shareholders of our Group Entity. For details see “Our Group Entity” on page 190.

Except as disclosed above, our Promoters are not interested in our Subsidiaries, which are involved in activities similar to those conducted by our Company. There are common pursuits between our Company and our Subsidiaries.

We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details, see “History and Certain Corporate Matters”, “Our Group Entity” and “Related Party Transactions” on pages 156, 190 and 192, respectively.

Except the details of other ventures of our Promoters set out above, none of our Promoters are interested as a member of a firm or company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any such firm or company in cash or shares or otherwise by any person either to induce him to become, or to

qualify him as, a director, or otherwise, for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

Related Party Transactions

For details of related party transactions entered into by our Promoters, Promoter Group, our Company, Subsidiaries and our Group Entity during the last Financial Year, the nature of transactions and the cumulative value of transactions, see “Related Party Transactions” on page 192.

Interest of Promoters in Sales and Purchases

There are no sales/purchases between our Company, our Group Entity and our Subsidiaries when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Subsidiaries and our Group Entity as on the date of the last financial statements.

Payment or benefits to our Promoters or our Promoter Group

Our Company has executed a lease agreement dated May 24, 2017 and a common area maintenance agreement dated May 24, 2017 with our Group Company for lease and maintenance of the premises of our Registered Office. Pursuant to the terms of the lease agreement, our Company has paid a interest free refundable security deposit of ₹0.24 million and pays a monthly rent of ₹0.24 million, and pursuant to the terms of the common area maintenance agreement, our Company pays 30.00% of the expenses for the common facilities and 33.30% for parking and other maintenance charges to our Group Company. All of the above agreements are valid till March 31, 2019.

Our Company has executed with A R Hospitality Limited (i) a memorandum of understanding dated November 1, 2015 and (ii) a memorandum of understanding dated December 15, 2015, each for a term of three years for using the premises of our Barbeque Nation outlets and for leasing the furniture, equipment, machinery, fitting and fixtures and interior decoration fittings in the outlets located in R Mall, Lal Bahadur Shastri Marg, Mulund (West), Mumbai and Rosa-Vista, Ghorbundar Road, Thane (West), Mumbai, respectively, each for a monthly rent of ₹0.25 million and for payment of the license fee for the premises, as per the license agreement executed by A R Hospitality Limited with the relevant licensors of the premises.

Our Company had executed a lease agreement dated March 25, 2010 with Y Supriya for leasing of premises situated at Banjara Hills, Hyderabad for operating a restaurant. Recently, Gulshanbanu Memon, a member of our promoter group, purchased the premises from Y Supriya pursuant to sale deed dated July 5, 2017. On account of this sale deed, the lease agreement executed between Y Supriya and our Company was attorned in favour of Gulshanbanu Memon pursuant to attornment agreement dated July 10, 2017. Pursuant to the terms of the lease agreement, our Company has paid an interest free refundable security deposit of ₹1.94 million and pays a monthly rent of ₹0.36 million. The lease agreement is valid till March 24, 2019.

Except as set out above, and except as stated in “Related Party Transactions” and “Our Management” on pages 192 and 166 respectively, there has been no payment or benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Litigation involving our Promoters

Other than as disclosed in “Outstanding Litigation and Material Developments” on page 330, as on the date of this Draft Red Herring Prospectus, there are no legal and regulatory proceedings involving our Promoters.

Confirmations

Our Promoters and their relatives have not been declared as Wilful Defaulters and except as disclosed in “Outstanding Litigation and Material Developments” on page 330, there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Except as disclosed in “Outstanding Litigation and Material Developments” on page 330, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in “Related Party Transactions” on page 192, our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the last three years preceding the date of this Draft Red Herring Prospectus.

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

Our Promoter Group

A. Natural persons who are part of the Promoter Group

- (i) Abdul Razak Dhanani;
- (ii) Akanksha Sara Dhanani;
- (iii) Akshay Udar;
- (iv) Anisha Raoof Dhanani;
- (v) Arshad Memon;
- (vi) Azhar Dhanani;
- (vii) Dr. Sunaina Yadav;
- (viii) Gulshanbanu Memon;
- (ix) Habibunisha Dhanani;
- (x) Kayyum Memon;
- (xi) Nasim Desai;
- (xii) Rabia Razak Dhanani;
- (xiii) Rafiqnisha Merchant;
- (xiv) Rehman Memon;
- (xv) Rohini Udar;
- (xvi) Saba Dhanani;
- (xvii) Sadiya Dhanani;
- (xviii) Samar Dhanani;
- (xix) Sanya Dhanani;
- (xx) S D Yadav;
- (xxi) Shabana Darvesh;
- (xxii) Shamim Sheikh;
- (xxiii) Shashikant Krishna Rao Udar;
- (xxiv) Squadron Leader SS Yadav;
- (xxv) Sujata Yadav;
- (xxvi) Suman Agarwal;
- (xxvii) Sumera Dhanani;
- (xxviii) Sona Dhanani;
- (xxix) Yusuf Dhanani;
- (xxx) Zarinaben Memon;
- (xxxi) Zinab Darvesh;
- (xxxii) Zoya Dhanani; and
- (xxxiii) Zuber Dhanani.

B. Entities forming part of the Promoter Group

- (i) Ahilya Hotels Limited;
- (ii) Alisha Agrophos Private Limited;
- (iii) A R Hospitality Limited;
- (iv) Aries Hotels Private Limited;

- (v) Bharat Equity Services Limited;
- (vi) Brown House Baking Private Limited;
- (vii) Blue Dheebaj FZCO;
- (viii) Blue Phosphate Limited;
- (ix) Callidus Shoe Makers Private Limited;
- (x) Catwalk Worldwide Private Limited;
- (xi) Concorde Enterprise;
- (xii) Fat Bean Hospitality Private Limited;
- (xiii) Genex Hotels Private Limited;
- (xiv) Iconium Leather Works Private Limited;
- (xv) Kshipra Restaurants Private Limited;
- (xvi) Kruger Chemicals Limited;
- (xvii) Liberty Construction & Leasing Limited;
- (xviii) Liberty Fertilizers Limited;
- (xix) Liberty Restaurant Private Limited;
- (xx) Malwa Hospitality Private Limited;
- (xxi) Prinite Hospitality Private Limited;
- (xxii) Rampion Nirman Private Limited;
- (xxiii) Ruosh Retail Private Limited;
- (xxiv) Saba Reality Private Limited;
- (xxv) Samar Lifestyle Private Limited;
- (xxvi) Samar Retail Private Limited;
- (xxvii) Sana Reality Private Limited;
- (xxviii) Sara Suole Private Limited;
- (xxix) Sayaji Airways Limited;
- (xxx) Super Civiltech Private Limited;
- (xxxi) Tungabhadara Fertilizer & Chemical Limited;
- (xxxii) Welterman International Limited; and
- (xxxiii) Winner Hotels Private Limited.

OUR GROUP ENTITY

The definition of ‘group companies’ was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated June 15, 2017, our Board formulated a policy with respect to companies which it considered material to be identified as group companies, pursuant to which the entity listed in this section has been identified as Group Entity of our Company. Our Board has approved that other than current and erstwhile subsidiaries of our Company, TPL and our Promoters, viz, SHL and SHKSL, all companies which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Consolidated Financial Statements are identified as group entities.

Accordingly, Sara Suole Private Limited has been identified as our Group Entity and our Board has approved that other than this entity, there are no companies which are considered material by the Board to be identified as a group entity.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

A. Details of our Group Entity

1. Sara Suole Private Limited (“SSPL”)

SSPL was incorporated on April 26, 2001 under the Companies Act, 1956 as a private limited company. SSPL is engaged, *inter alia*, in the business of manufacturing, processing, importing, exporting, distribution or acting as dealers or otherwise of leather, imitation leather, leather cloths and commodities of every kind and description made, manufactured or processed from such leather.

Interest of our Promoters

Our Promoters, Kayum Dhanani and Raof Dhanani hold 6,356,680 and 1,564,004 equity shares of face value of ₹10 each constituting 56.12% and 13.81%, respectively, of the issued and paid up share capital of SSPL.

Financial Information

(in ₹ million, except per share data)

Particulars	For the Financial Year*		
	2017	2016	2015
Equity capital	54.73	54.73	53.40
Reserves (excluding revaluation reserves) and Surplus	1,562.85	1,064.87	712.97
Revenue from operations and other income	5,461.95	5,241.84	4,222.65
Profit/(Loss) after tax	191.06	164.41	170.20
Basic EPS (in ₹)	33.88	30.60	31.87
Diluted EPS (in ₹)	33.88	30.60	31.87
Net asset value per share (in ₹)	285.95	217.65	150.07

*Based on standalone financial statements

Significant notes of auditors of SSPL for the last three Financial Years

There are no significant notes of the auditors for the last three Financial Years.

B. Details of Group Entity with negative net worth

Our Group Entity does not have a negative net worth.

Nature and Extent of Interest of our Group Entity

(a) *In the promotion of our Company*

Our Group Entity does not have any interest in the promotion or other interests in our Company.

Except as disclosed in “Related Party Transactions” on page 192, our Group Entity does not have any business interest in our Company.

(b) ***In the properties acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired***

Except the lease agreement dated May 19, 2017 executed between SSPL and our Company, pursuant to which our Company has acquired leasehold rights in the premises of our Registered Office from SSPL, and a common area maintenance agreement dated May 24, 2017 executed between SSPL and our Company, for lease and maintenance of the premises of our Registered Office, our Group Entity is not interested in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Entity is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Entity and our Company

There are no common pursuits between the Group Entity and our Company.

Related Business Transactions within the Group Entity and significance on the financial performance of our Company

For further information, see “Related Party Transactions” on page 192.

Significant Sale/Purchase between our Group Entity and our Company

Our Group Entity is not involved in any sales or purchase with our Company where such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company.

Business Interest of our Group Entity

Our Group Entity does not have any business interest in our Company.

Defunct Group Entities

Our Group Entity is not and has never been defunct and no application has been made to the concerned Registrar of Companies for striking off the name of any of our Group Entity during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Our Group Entity does not fall under the definition of sick companies under SICA and is under winding up.

None of the securities of our Group Entity are listed on any stock exchange and our Group Entity has not made any public or rights issue of securities in the preceding three years.

Our Group Entity has not been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

Our Group Entity has not been identified as a Wilful Defaulter.

Our Group Entity has not incurred a loss in the immediately preceding Financial Year.

Litigation

There are no legal proceedings involving the Group Entity.

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' during the last five Financial Years, see Annexure 30 of the Restated Standalone Financial Statements on page 243 and Annexure 30 of the Restated Consolidated Financial Statements on page 294, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “Financial Indebtedness” on page 297. Our Company may also pay interim dividends from time to time. Our Company does not have a formal dividend policy as on the date of this Draft Red Herring Prospectus.

Except for Financial Years 2015, 2016 and 2017, our Company has not declared and paid any dividend on the Equity Shares during the last five Financial Years. The details of dividends on the Equity Shares provided by our Company are as follows:

Particulars	Financial Year 2013	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017 *
No. of Equity Shares	9,565,304	11,059,883	13,312,007	13,312,007	270,24,014
Face value of Equity Shares (in ₹)	10.00	10.00	10.00	10.00	5.00
Dividend per Equity Share (in ₹)	Nil	Nil	1.50	1.50	1.00
Rate of dividend on Equity Shares of (%)	Nil	Nil	15%	15%	20%
Total dividend on Equity Shares (in ₹ million) ⁽¹⁾	Nil	Nil	24.03	24.03	32.52
Total dividend excluding dividend distribution tax (in ₹ million)	Nil	Nil	19.97	19.97	27.02

⁽¹⁾This includes dividend distribution tax

* Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to the Company with effect from April 1, 2016, dividend after the balance sheet date but before the financial statements are approved for issue, is not to be recognized as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements. Accordingly, the dividend for the Financial Year 2017 has not been included as a liability in the financial statements.

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see “Risk Factors - Our Company may not be able to pay dividends in the future” on page 38.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
Barbeque-Nation Hospitality Limited
Sy. No. 62, Site No. 13, 6th Cross,
N.S. Palya, BTM Layout,
Bangalore 5600 76

Dear Sirs,

1. We have examined as appropriate (refer paragraphs 4 and 5 below), the attached Restated Standalone Financial Information of Barbeque-Nation Hospitality Limited (the "Company"), which comprise of the Restated Summary Statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Summary Statements of Profit and Loss and the Restated Summary Statement of Cash Flows for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 respectively, and the Summary of Significant Accounting Policies (collectively, the "Restated Standalone Financial Information") as approved by the Board of Directors of the Company at their meeting held on August 5, 2017 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") prepared in terms of the requirements of :
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules);
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").
2. The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Standalone Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter July 10, 2017 in connection with the proposed offer of equity shares of the Company;
 - b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time; and
 - c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Unconsolidated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
4. These Restated Standalone Financial Information have been compiled by the management from the audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 which have been approved by Board of directors at their meetings held on June 29, 2017, June 28, 2016, July 01, 2015 May 26, 2014 and June 21, 2013 respectively.

We did not audit the Standalone Financial Statements of the Company as at and for the year ended March 31, 2013 (details furnished in Appendix I). These Standalone Financial Statements have been audited by the previous auditors M/s Shah Gandhi & Shah, Chartered Accountants, whose reports have been furnished to us by the Issuer, and our opinion in so far as it relates to the amounts included in the Restated Standalone Financial Information on the basis of these Standalone Financial Statements is based solely on the reports of such previous auditors.

5. Based on our examination we report that:
 - a) The Restated Summary Statement of Assets and Liabilities of the Company, including as at March 31, 2013 which has been compiled from the financial statements audited and reported by M/s Shah Gandhi & Shah, on which reliance has been placed by us, and as at March 31, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure 1 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Summary Statement of Adjustments to the Audited Standalone Financial Information.
 - b) The Restated Summary Statement of Profit and Loss of the Company, including for the year ended March 31, 2013 which has been compiled from the financial statements audited and reported by M/s Shah Gandhi & Shah, on which reliance has been placed by us, and for the years ended March 31, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure 2 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Summary Statement of Adjustments to the Audited Standalone Financial Information.

- c) The Restated Summary Statement of Cash Flows of the Company, including for the year ended March 31, 2013 which has been compiled from the financial statements audited and reported by M/s Shah Gandhi & Shah, on which reliance has been placed by us, and for the years ended March 31, 2017, 2016, 2015 and 2014 examined by us, as set out in Annexure 3 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Summary Statement of Adjustments to the Audited Standalone Financial Information.
 - d) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the financial statements audited by the previous auditors, M/s Shah Gandhi & Shah for the year ended March 31, 2013 and their report which have been furnished to us by the Issuer, we further report that the Restated Standalone Financial Information:
 - i) have been made after incorporating adjustments for the change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - iii) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.
6. We have also examined the following Restated Standalone Financial Information of the Company set out in the Annexures, proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors on August 5, 2017 for the years ended March 31, 2017, 2016, 2015 , 2014 and 2013. In respect of the year ended March 31, 2013, our examination was based upon the financial statements audited and reported upon by the previous auditor M/s Shah Gandhi & Shah and relied upon by us.
- (i) Annexure 1: Standalone Summary Statement of Assets and Liabilities, as restated
 - (ii) Annexure 2: Standalone Summary Statement of Profit and Loss, as restated
 - (iii) Annexure 3: Standalone Summary Statement of Cash Flows, as restated
 - (iv) Annexure 4: Summary Statement of Adjustments to Audited Financial Information
 - (v) Annexure 5(A): Standalone Summary Statement of Significant Accounting Policies
 - (vi) Annexure 5(B): Standalone Summary Statement of Notes to Accounts, as restated
 - (vii) Annexure 6: Summary Statement of Share Capital, as restated
 - (viii) Annexure 7: Standalone Summary Statement of Reserves and Surplus, as restated
 - (ix) Annexure 8: Standalone Summary Statement of Secured Loans, as restated
 - (x) Annexure 9: Standalone Summary Statement of Other long term liabilities, as restated

- (xi) Annexure 10: Standalone Summary Statement of Long term provisions, as restated
- (xii) Annexure 11: Standalone Summary Statement of Trade Payables, as restated
- (xiii) Annexure 12: Standalone Summary Statement of Other Current Liabilities, as restated
- (xiv) Annexure 13: Standalone Summary Statement of Short term provisions, as restated
- (xv) Annexure 14: Standalone Summary Statement of Fixed Assets, as restated
- (xvi) Annexure 15: Standalone Summary Statement of Non-Current Investments, as restated
- (xvii) Annexure 16: Standalone Summary Statement of Deferred tax assets, as restated
- (xviii) Annexure 17: Standalone Summary Statement of Long term loans and advances, as restated
- (xix) Annexure 18: Standalone Summary Statement of Other Non-Current Assets, as restated
- (xx) Annexure 19: Standalone Summary Statement of Current Investments, as restated
- (xxi) Annexure 20: Standalone Summary Statement of Inventories, as restated
- (xxii) Annexure 21: Standalone Summary Statement of Trade Receivables, as restated
- (xxiii) Annexure 22: Standalone Summary Statement of Cash and cash equivalents, as restated
- (xxiv) Annexure 23: Standalone Summary Statement of Short term loans and advances, as restated
- (xxv) Annexure 24: Standalone Summary Statement of Other Current Assets, as restated
- (xxvi) Annexure 25: Standalone Summary Statement of Operational Income and Expenses, as restated
- (xxvii) Annexure 26: Standalone Summary Statement of Other Income, as restated
- (xxviii) Annexure 27: Standalone Summary Statement of Dividend Paid / Proposed by the Company
- (xxix) Annexure 28: Standalone Summary Statement of Accounting Ratios
- (xxx) Annexure 29: Standalone Statement of Capitalisation, as restated
- (xxxii) Annexure 30: Standalone Summary Statement of Transactions with Related Parties and Balances, as restated
- (xxxii) Annexure 31: Standalone Statement of Tax Shelters, as restated

According to the information and explanations given to us, in our opinion, the Restated Standalone Financial Information and the above restated financial information contained in Annexures 1 to 31 accompanying this report read with Standalone Summary Statement of Significant Accounting Policies disclosed in Annexure 5(A) are prepared after making adjustments and regroupings/reclassifications as considered appropriate [Refer Annexure

4] and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, Bombay Stock Exchange, National Stock Exchange of India and Registrar of Companies, Karnataka in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

S. Sundaresan
Partner
(Membership No. 025776)

Place: Bangalore
Date: August 5, 2017

Appendix I

Financial information of the Standalone Financial Statements for the year ended March 31, 2013 audited by the previous auditor, as considered in the Restated Standalone Financial Information:

Particulars as at / for the year ended March 31, 2013	Rs. in Million
Total assets as at March 31, 2013	1,325.41
Revenues for the year ended March 31, 2013	1,844.19
Net Cash Inflows for the year ended March 31, 2013	32.89

Annexure 1: Standalone Summary Statement of Assets and Liabilities, as restated

(Amount in Rs. Million)

Particulars	Annexure No	As at				
		31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
I. EQUITY AND LIABILITIES						
Shareholders' funds						
(a) Share capital	6	135.12	133.12	133.12	110.60	95.65
(b) Reserves and surplus	7	1,383.63	1,186.47	1,084.65	957.29	319.10
Total (A)		1,518.75	1,319.59	1,217.77	1,067.89	414.75
Non-current liabilities						
(a) Long-term borrowings	8	523.69	358.74	179.00	314.28	420.00
(b) Other long-term liabilities	9	3.05	5.02	6.53	6.53	4.25
(c) Long-term provisions	10	39.96	23.93	21.22	12.36	9.15
Total (B)		566.70	387.69	206.75	333.17	433.40
Current liabilities						
(a) Short-term borrowings	8	14.26	10.09	-	-	18.02
(b) Trade payables						
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises	11	396.88	307.69	148.17	159.64	245.38
(c) Other current liabilities	12	329.20	326.44	180.70	134.67	241.56
(d) Short-term provisions	13	67.05	89.60	84.23	49.83	3.05
Total (C)		807.39	733.82	413.10	344.14	508.01
TOTAL D=(A + B + C)		2,892.84	2,441.10	1,837.62	1,745.20	1,356.16
II. ASSETS						
Non-current assets						
(a) Fixed assets						
- Tangible assets	14	1,641.30	1,388.01	1,013.92	889.10	763.17
- Intangible assets	14	185.29	212.32	119.29	134.42	150.04
- Capital work-in-progress	-	149.54	142.18	73.66	35.75	77.15
(b) Non-current investments	15	225.31	95.07	62.12	-	-
(c) Deferred tax assets (net)	16	39.13	33.98	18.28	7.66	9.01
(d) Long-term loans and advances	17	258.38	261.04	171.58	145.60	122.84
(e) Other non-current assets	18	25.08	11.15	5.58	4.07	11.50
Total (E)		2,524.03	2,143.75	1,464.43	1,216.60	1,133.71
Current assets						
(a) Current investments	19	27.86	30.00	21.24	45.61	-
(b) Inventories	20	150.07	121.11	134.51	106.79	73.83
(c) Trade receivables	21	40.68	47.95	29.59	36.27	25.48
(d) Cash and cash equivalents	22	44.35	10.45	50.88	83.60	35.56
(e) Short-term loans and advances	23	83.17	85.93	122.40	250.70	87.58
(f) Other current assets	24	22.68	1.91	14.57	5.63	-
Total (F)		368.81	297.35	373.19	528.60	222.45
TOTAL G=(E+F)		2,892.84	2,441.10	1,837.62	1,745.20	1,356.16

The accompanying summary of significant accounting policies and notes to accounts in Annexure - 5 are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Sundaresan
Partner
Membership Number: 025776

Kayum Dhanani
Managing Director

T.N.Unni
Director

Mohankumar R
Chief Financial Officer

Nagamani
Company Secretary

Place: Bengaluru
Date: August 5,2017

Place: Bengaluru
Date: August 5,2017

Annexure 2: Standalone Summary Statement of Profit and Loss, as restated

(Amount in Rs. Million)

Particulars	Annexure No	For the year ended				
		31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
REVENUE						
Revenue from operations						
Sale of food & beverages	25	4,828.76	3,944.11	2,983.99	2,648.34	1,828.38
Other operating revenues (net of expense directly attributable to such income)	25	66.14	54.06	53.54	31.10	14.07
Total (A)		4,894.90	3,998.17	3,037.53	2,679.44	1,842.45
EXPENSES						
(a) Cost of food and beverages consumed	25	1,742.25	1,474.04	1,108.70	1,019.76	732.58
(b) Employee benefits expenses	25	876.15	667.08	426.08	326.26	235.88
(c) Occupancy cost and other operating expenses	25	1,570.13	1,324.85	1,011.57	897.54	606.56
Total (B)		4,188.53	3,465.97	2,546.35	2,243.56	1,575.02
Earnings before exceptional items, finance costs, other income, depreciation and amortisation EBITDA C=(A-B)		706.37	532.20	491.18	435.88	267.43
Finance costs (D)	25	139.76	97.18	84.40	91.07	75.00
Depreciation and amortisation expense (E)		324.73	233.49	167.68	130.47	97.28
Other Income (F)	26	7.53	4.91	20.96	24.70	1.74
Profit before tax and exceptional items G=(C-D-E+F)		249.41	206.44	260.06	239.04	96.89
EXCEPTIONAL ITEMS						
Net loss relating to restaurant units closed / relocated during the year		(8.01)	-	(18.95)	-	(25.46)
Total Exceptional Items (H)		(8.01)	-	(18.95)	-	(25.46)
Profit before tax I=(G + H)		241.40	206.44	241.11	239.04	71.43
TAX EXPENSE						
(a) Current tax expense	31	88.51	96.29	97.28	84.55	21.60
(b) Deferred tax		(5.18)	(15.70)	(9.58)	1.35	6.71
Net tax expense (J)		83.33	80.59	87.70	85.90	28.31
Net Profit for the year (as restated) K=(I - J)		158.07	125.85	153.41	153.14	43.12
Earnings per share (Rs.5/- per each):						
- Basic	28	5.86	4.73	6.14	6.95	2.25
- Diluted	28	5.86	4.73	5.77	5.77	2.25

The accompanying summary of significant accounting policies and notes to accounts in Annexure - 5 are an integral part of this statement.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Sundaresan
Partner
Membership Number: 025776

Kayum Dhanani
Managing Director

T.N.Unni
Director

Mohankumar R
Chief Financial Officer

Nagamani
Company Secretary

Place: Bengaluru
Date: August 5,2017

Place: Bengaluru
Date: August 5,2017

Annexure 3: Standalone Summary Statement of Cash Flows, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A. Cash flow from operating activities					
Profit before tax, as restated	241.40	206.44	241.11	239.04	71.43
Adjustments for:					
Depreciation and amortisation expense	324.73	233.49	167.68	130.47	97.28
Loss on sale / write off of assets	8.01	-	11.56	0.20	0.57
Finance costs	74.55	44.87	44.02	66.00	52.97
Interest income	(4.30)	(2.18)	(17.83)	(9.94)	(1.74)
Dividend income	-	(0.03)	(2.77)	(13.89)	-
Net (gain) / loss on sale of investments	(3.23)	(2.70)	(0.36)	(0.87)	-
Expense on employee stock option scheme	9.62	-	-	-	-
Expense on phantom option scheme	3.33	-	-	-	-
Provision for doubtful trade and other receivables, loans and advances, bad debts written off (net)	7.46	5.69	1.22	4.29	-
Operating profit before working capital changes	661.57	485.58	444.63	415.30	220.51
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(28.62)	13.40	(27.72)	(32.96)	(37.78)
Trade receivables	7.82	(18.36)	6.69	(5.52)	(13.10)
Short-term loans and advances	(1.20)	5.77	2.08	(44.56)	208.42
Long-term loans and advances	(30.36)	(62.30)	(28.23)	(22.52)	(29.32)
Other current assets	(16.49)	-	-	-	-
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables	87.83	159.50	(11.44)	(90.00)	137.03
Other current liabilities	16.60	6.90	6.29	3.22	46.28
Short-term provisions	(3.96)	10.69	4.89	6.68	1.71
Other long-term liabilities	(1.98)	(1.50)	-	6.53	-
Long-term provisions	11.75	2.72	8.85	3.21	7.31
Cash generated from operations	702.96	602.40	406.04	239.38	541.06
Net income tax (paid) / refunds	(86.77)	(101.50)	(93.58)	(31.72)	(14.67)
Net cash flow from / (used in) operating activities (A)	616.19	500.90	312.46	207.66	526.39
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(634.37)	(652.75)	(340.60)	(280.74)	(712.05)
Proceeds from sale of fixed assets	4.35	-	-	5.61	0.79
Purchase / acquisition of long-term investments:					
- in subsidiaries	(225.32)	(32.95)	(62.12)	-	-
Inter-corporate deposits given	-	-	-	(150.00)	(26.00)
Realisation of inter-corporate deposits	-	25.00	125.00	-	-
Deposits placed for margin money	(13.93)	(5.57)	(1.51)	-	-
Deposits realised from margin money	-	-	-	7.44	2.11
Proceeds from sale of current investment not considered as cash and cash equivalents	-	-	-	-	25.00
Loans and advances given to subsidiaries	(22.84)	(23.32)	-	-	-
Receipt towards repayment of loan from subsidiary	5.73	-	-	-	-
Interest received	5.40	14.76	8.90	4.30	1.74
Profit from sale of mutual funds	3.23	2.70	0.36	0.87	-
Dividend received from Mutual Funds units	-	0.04	2.77	13.89	-
Net cash flow from / (used in) investing activities (B)	(877.75)	(672.09)	(267.20)	(398.63)	(708.41)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
C. Cash flow from financing activities					
Proceeds from issue of equity shares	124.00	-	22.52	500.00	-
Expenses towards proposed Initial Public Offering	(5.39)				
Proceeds from long-term borrowings	400.00	325.51	-	-	296.85
Repayment of long-term borrowings	(134.75)	(129.00)	(78.28)	(130.72)	(33.00)
Dividend paid	(19.97)	(19.97)	-	-	-
Tax on dividend	(4.07)	(4.07)	-	-	-
Net increase / (decrease) in working capital borrowings	4.16	10.09	-	(18.02)	1.12
Finance costs	(74.86)	(43.04)	(46.59)	(66.64)	(50.06)
Net cash flow from / (used in) financing activities (C)	289.12	139.52	(102.35)	284.62	214.91
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	27.56	(31.67)	(57.09)	93.65	32.89
Cash and cash equivalents at the beginning of the year	40.45	72.12	129.21	35.56	2.67
Add: Cash and cash equivalents pertaining on merger of subsidiary	4.20	-	-	-	-
Cash and cash equivalents at the end of the year	72.21	40.45	72.12	129.21	35.56
Cash and cash equivalents as per Balance Sheet, as restated	44.35	10.45	50.88	83.60	35.56
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements	27.86	30.00	21.24	45.61	-
Cash and cash equivalents as per AS 3 Cash Flow Statements	72.21	40.45	72.12	129.21	35.56

The accompanying summary of significant accounting policies and notes to accounts in Annexure - 5 are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Sundaresan
Partner
Membership Number: 025776

Kayum Dhanani
Managing Director

T.N.Unni
Director

Mohankumar R
Chief Financial Officer

Nagamani
Company Secretary

Place: Bengaluru
Date: August 5,2017

Place: Bengaluru
Date: August 5,2017

Annexure 4: Summary Statement of Adjustments to the Audited Standalone Financial Information

(Amount in Rs. Million)

Particulars	Note ref	For the year ended				
		31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Net Profit for the year (as per audited accounts) (A)		145.92	127.61	155.19	151.66	45.71
Restatement Adjustments						
Increase / (decrease) in net profits for restatement adjustments:						
Prior period items	(a)					
Reversal of prior period expenses accounted in audited statutory financial statements		-	-	-	4.47	2.13
Expenses accounted in the respective period to which they relate to		-	-	-	-	(3.27)
Impact of change in accounting policy	(b)					
Reversal of impact on change in accounting policy accounted in the audited statutory financial statements in the year of change		21.28	-	-	-	-
Impact of change in accounting policy given for the respective periods		(2.70)	(2.70)	(2.70)	(2.70)	(2.70)
Total effect of adjustments before tax (B)		18.58	(2.70)	(2.70)	1.77	(3.84)
Tax adjustments						
Deferred tax impact of the above adjustments		6.43	(0.94)	(0.92)	0.29	(1.25)
Total of tax adjustments (C)		6.43	(0.94)	(0.92)	0.29	(1.25)
Net effect of increase in profit/ (loss) on adjustments after tax (D) = (B - C)		12.15	(1.76)	(1.78)	1.48	(2.59)
Net Profit for the year as restated (E) = (A + D)		158.07	125.85	153.41	153.14	43.12

Explanatory Notes for the adjustments:

- (a) Prior period items have been adjusted to the respective period to which the expense pertains to. The nature of expenses accounted as prior period items and their adjustments are given below

(Amount in Rs. Million)		
Particulars of prior period items adjusted to respective period	for the year ended 31-Mar-2013	for the periods prior to the financial year 2012-13 *
Prior period items during the year ended 31-Mar-2014 relate to:		
- Rent equalisation expenses	3.27	0.98
- Insurance	-	0.22
Prior period items during the year ended 31-Mar-2013 relate to:		
- Rent equalisation expenses	-	2.13
Total	3.27	3.33

* adjusted with brought forward balance of Surplus in Standalone Statement of Profit and Loss as at 1-Apr-2012

- (b) For the years upto 31 March, 2016, intangible asset - "brand" arising from acquisition of brand name was not amortised but was subject to the impairment assessment. During the year ended 31 March, 2017, the Company changed its accounting policy to amortise such intangible assets over the presumed useful life of 10 years from the date of such acquisition. The profits of the earlier years and of the year in which the change in accounting policy has taken place have been recomputed to reflect the profits of those years that would have been if a uniform accounting policy was followed in each of these years. The amortisation expense of Rs. 7.78 Million relating to the period prior to the financial year 2012-13 has been adjusted with brought forward balance of Surplus in Standalone Statement of Profit and Loss as at 1-Apr-2012.

- (c) Surplus in Standalone Statement of Profit and Loss as at 1-Apr-2012, as restated

Particulars	Amount Rs. in Million
Balance as at 31-Mar-2012 as per audited accounts	25.73
Add: Restatement adjustments to give effect to profits for the period prior to financial 2012-13	
- Prior period items referred in note (a) above	(3.33)
- Impact of change in accounting policy referred in note (b) above	(7.78)
- Deferred tax impact of the above	3.61
Opening balance as at 1-Apr-2012, as restated	18.23

(d) Change in the estimated useful lives of the fixed assets

During the year ended March 31, 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. In accordance with the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 2.02 Million (net of deferred tax of Rs. 1.04 Million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus for the year ended March 31, 2015. The depreciation expense for the year ended March 31, 2015 increased by Rs. 13.83 Million consequent to the change in the useful life of the assets. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made to the restated standalone financial information of the Company.

(e) Material regrouping:

Appropriate adjustments have been made in these restated Standalone Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended) and as per the audited financials of the Company for the year ended 31-Mar-17 prepared in accordance with schedule III of the Companies Act, 2013.

(f) Non-Adjustment Items

Audit reservations / qualifications, which do not require any corrective adjustment in the standalone financial information:

Unpermitted collections in Specified Bank Notes

The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, as stated in notes to the financial statements (the extract of which is given below), the Company has received amounts aggregating Rs. 3.95 Million from transactions which are not permitted and utilised for payments of Rs. 0.06 Million for transactions which are not permitted.

Extract of the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 from the audited financial statements for the year ended March 31, 2017:

Particulars	Rs. in Million		
	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	2.38	7.02	9.40
(+) Permitted receipts	-	111.04	111.04
(+) Non-permitted receipts	3.95	-	3.95
(-) Permitted payments	-	12.92	12.92
(-) Non-permitted payments	0.06	-	0.06
(-) Amount deposited in Banks	6.27	97.15	103.42
Closing cash in hand as on December 30, 2016	-	7.99	7.99

Maintenance of Fixed Assets records

i) CARO for the year ended 31st March, 2013: The records of the Company in respect of fixed assets needs to be updated in respect of additions, quantitative details, identification numbers, valuation etc.

ii) CARO for the year ended 31st March, 2014:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets, except for inclusion of asset identification numbers which is currently in progress.

b) The management is in the process of reconciling the assets physically verified with the assets as per the Fixed Assets Register.

Internal controls related to inventories

CARO for the year ended 31 March 2014 and 2015: In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services, and except for the need to strengthen procedures of documentation related to purchases, we have not observed any continuing failure to correct major weakness in such internal control system.

Outstanding undisputed statutory dues for more than six months:

CARO for the year ended 31 March 2016: There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Excise Duty, cess and other material statutory dues in arrears except for an amount of Rs. 2.33 Million towards Sales Tax and Value Added Tax as at March 31, 2016 for a period of more than six months from the date they became payable.

CARO for the year ended 31st March 2013 to 31st March 2017: Details of disputed dues which have not been deposited:

Nature of Dues and Name of Statute	Forum where Dispute is Pending	Period to which the Amount Relates	Period in which the amount was reported	Rs. in Million
Value Added Tax	Assistant Commissioner (CT) Intelligence	2012-13	2012-13	0.88
Value Added Taxes and penalty thereon, Andhra Pradesh VAT Act, 2005	Commercial Tax Officer, Hyderabad	2009-10 to October 2012	2013-14	0.27
Value Added Tax, West Bengal Value Added Tax Rules, 2005	Deputy Commissioner, Sales Tax	2009-2011	2013-14 2014-15	1.34
Sales Tax, West Bengal Value Added Tax Rules, 1995	Deputy Commissioner, Sales Tax, Kolkata	2009-2011	2013-14 to 2014-15	0.99
Value added tax, Rajasthan Value Added Tax, 2003	Commercial Tax Officer, Jaipur	2010-11 to October 2014	2014-15 2015-16 2016-17	0.24
Value Added Taxes and penalty thereon, Andhra Pradesh VAT Act, 2005	Commercial Tax Officer, Hyderabad	2009-10 to 2013-14	2014-15	0.71
Value Added Taxes and penalty thereon, Andhra Pradesh VAT Act, 2005	Commercial Tax Officer, Hyderabad	2009-10 to 2013-14	2015-16	0.67
Value Added Tax, Punjab Value Added Tax, 2005	Commercial Tax Officer, Chandigarh	2011-2014	2015-16 2016-17	1.37
Maharashtra Value Added Tax Act, 2002	Commercial Tax Officer, Maharashtra	2011-2014	2015-16 2016-17	0.91
Value added tax, Rajasthan Value Added Tax, 2003	First Appellate Authority Rajasthan Commercial Tax	2014-15 to 2015-16	2016-17	0.10
Value added tax, Gujarat Value Added Tax, 2003	Deputy Commissioner, Sales Tax, Vadodara	2013 to Dec 2016	2016-17	2.67
Value Added Tax, Andhra Pradesh Value Added Tax, 2005	Commercial Tax Officer, Khairatabad Circle, Hyderabad	2009-10 to 2015-16	2016-17	3.82

Annexure 5(A): Standalone Summary Statement of Significant Accounting Policies

a Corporate information

Barbeque-Nation Hospitality Limited ('the Company') is primarily engaged in the business of operating casual dining restaurant chain in India. The registered office of the company is situated at Sy No. 62, Site No 13, 6th Cross NS Palya BTM Layout, Bengaluru - 560076, Karnataka, INDIA

b Basis of accounting and preparation of Standalone Financial Information, as restated

The standalone financial statements of Barbeque-Nation Hospitality Limited (the "Company") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the Act") / the Companies Act, 1956. The standalone financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those adopted in the preparation of the financial statements for the year ended March 31, 2017 except for a change in accounting policy for amortisation of brands as more fully described in Note (b) of Annexure 4.

The Restated Standalone Summary Statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013 and Restated Standalone Summary Statements of Profit and Loss and Cash Flows for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 (hereinafter collectively referred to as "Restated Standalone Financial Information") of the Company have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies and relevant stock exchange/s in connection with its proposed Initial Public Offering. These Restated Standalone Financial Information have been compiled by the Company from the audited Standalone Financial Statements to which further adjustments are made to comply in all material respects with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations"). Accordingly, these Restated Standalone Financial Information have been prepared after incorporating adjustments for the change in accounting policy retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods and after incorporating adjustments for the material amounts in the respective financial years to which they relate. There were no extra-ordinary items that need to be disclosed separately and there were no qualifications in the audit reports of the standalone financial statements of the respective years requiring adjustments.

c Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

e Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method.

Prior to April 1, 2014, depreciation on tangible fixed assets, except leasehold improvements, has been provided on the straight-line method as per the rates prescribed under Schedule XIV to the erstwhile Companies Act, 1956. Leasehold improvements were depreciated over the term of the respective leases.

With effect from April 1, 2014, pursuant to the notification of Schedule II to the Companies Act, 2013, depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following category of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- Service equipments - useful life of 10 years.
- Furniture and fittings (used in restaurants) - useful life of 10 years.

Leasehold improvements are depreciated over the duration of the lease.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- a) Liquor licenses with perpetual term purchased for restaurant chain business are amortised over the lease term of the respective restaurants.
- b) Software and other licenses are amortised over the estimated useful life of 3 years.
- c) Goodwill on acquisition of restaurant business is amortised over 10 years.
- d) The acquired brands are amortised over 10 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

h Revenue recognition

Revenue from sale of food and beverages is recognized when it is earned and no uncertainty exists as to its realization or collection. Sales are net of Sales tax, Service tax and other Taxes. Sales tax under the composition scheme is also excluded.

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

Share of profits and income from royalty under the agreements with customers are accrued based on confirmation received from customers.

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

In respect of gift vouchers, the income is recognised when the vouchers are redeemed by the customers or on completion of the validity period.

i Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

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

j Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Costs directly attributable to the acquisition are capitalised until the asset is ready for use, as intended by the management. Subsequent expenditure relating to fixed assets is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The Company has adopted the provisions of para 46 / 46A of AS 11 - The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

k Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

l Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

m Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Company are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

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

Long-term employee benefits

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

n Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOP) which provide for grant of options to employees of the Company to acquire equity shares of the Company that are to be exercised within a specified period after such options are vested. Options are vested on completion of specified period from the date of grant. Such ESOPs are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

The Company has also formulated Phantom Option Scheme (POS) under which eligible members are granted phantom shares entitling them to receive cash payments for the amounts measured as a difference between market value of share and the exercise price after the completion of specified period from the date of grant. Fair value of the liability in respect of such options is measured at every balance sheet date and is recognised over the vesting period on a straight-line basis.

o Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

p Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

q Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax, as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r Taxes on income

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

s Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

t Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

u Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

v Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

w Operating Cycle

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

Annexure 5 (B): Standalone Summary Statement of Notes to Accounts, as restated

a) Merger of Favorite Restaurants Private Limited, a wholly-owned subsidiary of the Company, with the Company:

In accordance with the terms of the Scheme of Amalgamation (the Scheme) of Favorite Restaurants Private Limited (Transferor Company) with the Company (Transferee Company), which was approved by the Board of Directors in their meeting on 28th Feb, 2017, the Transferor Company has been merged with the Company with effect from January 1, 2017 being the appointed date of the Scheme. The Scheme has been approved by the National Company Law Tribunal with an appointed date of January 1, 2017 and the effective date of June 24, 2017, the effective date being the date on which all the requirements under the Companies Act, 2013 have been completed.

Accounting treatment in accordance with the terms of the Scheme:

The merger has been accounted under the pooling of interest method referred to in Accounting Standard 14 "Accounting for Amalgamation" and the assets and liabilities transferred have been recorded at their book values. All reserves of the Transferor Company are carried forward and recorded in the books of Transferee Company in the same form in which they appeared in the books of the Transferor Company as on the Appointed Date. Further, the difference between the carrying value of investments in Transferor Company and the aggregate face value of such shares have been adjusted against and reflected in the reserves of the Company.

Following table provides details of carrying value of assets, liabilities and reserves merged with the Company as on January 1, 2017:

Particulars	Rs. in Million	Rs. in Million
Fixed assets		
Tangible assets	41.53	
Intangible assets	2.17	
Long-term loans and advances	1.60	
Inventories	0.34	
Trade receivables	3.02	
Cash & cash equivalents	4.20	
Short-term loans and advances	1.03	
Total assets		53.89
Long-term borrowings	40.43	
Deferred tax liability	0.03	
Long-term provisions	0.94	
Trade payables	1.37	
Other current liabilities	4.82	
Short-term provisions	3.69	
Total liabilities		51.28
Net assets		2.61
Reserves and Surplus		
Deficit in Statement of Profit and Loss		(92.53)

As on the appointed date, difference between carrying value of investments in Transferor Company amounting Rs. 95 Million has been offset with the face value of such shares amounting Rs. 95 Million.

b) Contingent liabilities and commitments (to the extent not provided for)

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
A. Contingent liabilities					
(a) Claims against the Company not acknowledged as debt					
-Sales Tax and VAT matters	19.16	9.19	8.18	2.87	0.54
(b) Customs duties saved against imports under EPCG scheme	-	-	-	1.95	4.05
(c) Bonus to employees for FY 2014-15 pursuant to retrospective amendment to the Payment of Bonus Act, 1965	-	11.64	-	-	-
(d) Stand-by Letter of Credit given to Bank on borrowings by subsidiary (to the extent of loans outstanding)	61.57	-	-	-	-
B. Commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	63.13	41.46	52.27	4.94	16.19

Annexure 5 (B): Standalone Summary Statement of Notes to Accounts, as restated

- c) Employee benefit plans
(i) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Contribution to Provident Fund and Employee State Insurance Scheme	64.43	53.64	35.06	24.96	15.82

- (ii) Defined benefit plans

The Company offers Gratuity and Compensated absence benefit schemes to its employees:

Gratuity: The following table sets out the funded status of the Gratuity and the amount recognised in the financial statements:

(Amount in Rs. Million)

Particulars	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Components of employer expense					
Current service cost	5.67	4.92	4.86	3.52	1.95
Interest cost	1.52	1.11	0.66	0.37	0.23
Expected return on plan assets	(0.13)	(0.12)	(0.12)	(0.12)	(0.10)
Curtailement cost/(credit)	-	-	-	-	-
Actuarial losses/(gains)	0.10	(0.49)	0.07	(0.24)	(0.31)
Total expense recognised in the Statement of Profit & Loss	7.16	5.42	5.47	3.53	1.77
Actual contribution and benefits payments					
Actual benefit payments	-	-	-	-	-
Actual contributions	-	-	-	-	-
Net asset/(liability) recognised in balance sheet					
Present value of defined benefit obligation (DBO)	(26.75)	(19.46)	(13.91)	(8.32)	(4.67)
Fair value of plan assets	1.78	1.65	1.52	1.40	1.28
Funded status [surplus/(deficit)]	(24.97)	(17.81)	(12.39)	(6.92)	(3.39)
Unrecognized past service costs	-	-	-	-	-
Net asset/(liability) recognised in balance sheet	(24.97)	(17.81)	(12.39)	(6.92)	(3.39)
Current	(3.90)	(5.31)	-	(0.06)	(0.04)
Non-current	(21.07)	(12.50)	(12.39)	(6.86)	(3.35)
Total asset / (liability) recognised in the balance sheet	(24.97)	(17.81)	(12.39)	(6.92)	(3.39)
Change in defined benefit obligations					
Present value of DBO at beginning of period	19.46	13.91	8.32	4.67	2.80
Acquisitions	-	-	-	-	-
Current service cost	5.67	4.92	4.86	3.52	1.95
Interest cost	1.52	1.11	0.66	0.37	0.23
Curtailement cost/(credit)	-	-	-	-	-
Actuarial (gains)/ losses	0.10	(0.48)	0.07	(0.24)	(0.31)
Benefits paid	-	-	-	-	-
Present Value of DBO at the end of period	26.75	19.46	13.91	8.32	4.67
Change in fair value of assets					
Plan assets at beginning of period	1.65	1.52	1.40	1.28	1.18
Expected return on plan assets	0.13	0.12	0.12	0.12	0.10
Actual contributions	-	-	-	-	-
Benefits paid	-	-	-	-	-
Actuarial gains/ (losses)	-	0.01	-	-	-
Plan assets at the end of period	1.78	1.65	1.52	1.40	1.28
Actuarial assumptions used in valuation of gratuity and compensated absences					
Discount rate	6.50%	7.85%	8.00%	8.75%	8.00%
Expected return on plan assets	8.00%	9.00%	9.00%	9.00%	9.00%
Salary escalation	10.00%	10.00%	10.00%	10.00%	5.00%
Attrition rate	40.00%	40.00%	40.00%	40.00%	40.00%
Retirement age	216 58 years	58 years	58 years	58 years	58 years

Annexure 5 (B): Standalone Summary Statement of Notes to Accounts, as restated

Mortality	Indian Assured Lives Mortality (2006-08)
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Note:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Annexure 5 (B): Standalone Summary Statement of Notes to Accounts, as restated

d) Employee Stock Option Scheme

- (i) In the annual general meeting held on August 26, 2015, the shareholders of the Company had approved the issue of not more than 266,240 options under the Scheme titled “ Employee Stock Option Scheme 2015 (ESOP 2015). The ESOP 2015 allows the issue of options to employees of the Company and its subsidiaries. Each option comprised of equity share of face value Rs. 10/-. Pursuant to the split of equity share of Rs. 10 each into 2 equity shares of Rs. 5 each during the current year, ESOP 2015 was further amended and approved by the shareholders in their meeting on June 30, 2017 wherein the maximum options under the ESOP 2015 was doubled to 532,480 options, wherein the option holder is entitled to 1 equity share of Rs. 5/- each for every option held.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. Vesting period of the option is three years from the date of grant and all the vested options can be exercised by the option grantee within six months from the vesting date or at the time of liquidity event, as approved by the Board, whichever is later.

On April 1, 2016, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

- (ii) The detail of fair market value of shares per option is Rs. 310 as at grant date of April 1, 2016. The details of exercise price and fair value of option as at grant date as per Black Scholes Option Pricing Model are given below:

Exercise price per option (Rs.)	Fair market value of option at grant date (Rs.)
93	232.44
124	207.98
155	184.64
186	162.87
217	142.94
279	108.96
310	94.82

* the details given in the above table is recast after considering amendments to the ESOP 2015 pursuant to share split.

- (iii) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	01-Apr-16
Risk Free Interest Rate	6.60%
Expected Life	3.5 years
Expected Annual Volatility of Shares	33.33%
Expected Dividend Yield	0.24%

- (iv) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Options outstanding at the beginning of the financial year 2016-17:	-	-
Granted during the year 2016-17:	213,528	155.50
Lapsed during the year 2016-17:	59,610	181.50
Options outstanding at the end of the financial year 2016-17:	153,918	143.50

Options available for grant as at 31-Mar-17: 378,562

e) Phantom Stock Options Scheme

The Board of Directors in their meeting on December 1, 2015 approved the issue of 22,242 Phantom options under the Scheme titled “Phantom Option Scheme 2015 (POS 2015) which were granted to eligible personnel on April 1, 2016. The POS 2015 allows the issue of options to the consultants of the Company and its subsidiaries. The option holder is entitled for cash equal to the difference between market value of equity shares of face value Rs. 10/- and the exercise price of each option.

Vesting period of each option is three years from the date of grant and all the vested options can be exercised by the option grantee within 60 days from the vesting date or at the time of liquidity event as approved by the Board.

The liability in respect of such options is measured as a difference between the fair value of market price of underlying shares and the exercise price of such options and is recognised over the vesting period on a straight-line basis. Provision made in respect of these options for the year ended March 31, 2017 amounted Rs. 3.33 Million.

f) Segment information

The Company operates in only one segment, viz., setting up and managing restaurant business. The Company's operations are in India and therefore there are no secondary geographical segment.

Annexure 5 (B): Standalone Summary Statement of Notes to Accounts, as restated

g) Disclosures in respect of Operating leases

Premises are taken on Lease for periods ranging from 3 to 15 years with a non- cancellable period at the beginning of the agreement ranging from 3 to 6 years. Contingent rent for certain restaurant outlets is payable in accordance with the leasing agreement at the higher of:

- i) Fixed minimum guarantee amount and;
- ii) Revenue share percentage

Annexure 5 (B): Standalone Summary Statement of Notes to Accounts, as restated

Future minimum lease payments in respect of non-cancellable leases are as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Future minimum lease payments:					
- Upto One year	206.70	119.59	128.70	175.33	59.39
- More than one year and upto five years	115.87	150.24	126.18	229.46	158.69
- More than five years	-	-	-	-	-

Lease expenditure recognised in the Standalone Statement of Profit and Loss:

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Expenditure on lease payments with respect to above mentioned non-cancellable operating lease arrangements.	159.79	193.09	166.52	161.86	178.93
Expenditure on lease payments with respect to other operating lease arrangements.	350.68	174.20	118.35	99.18	2.39

- h) The directors propose that a dividend of Re.1 per share be paid for equity shareholders out of profit for the year ended March 31, 2017. This equity dividend is subject to approval by shareholders at the Annual General Meeting. Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to the Company with effect from April 1, 2016, dividend declared after the balance sheet date but before the financial statements are approved for issue, is not to be recognised as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements. Accordingly, this dividend for the current year has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 27.02 Million. The payment of this dividend is estimated to result in payment of dividend distribution tax of Rs. 5.50 Million @ 20.36% on the amount of dividends payable.

Annexure 6: Summary Statement of Share Capital, as restated

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Authorised capital					
Equity shares of Rs.10/- each, with voting rights *					
- Number of shares	-	20,000,000	20,000,000	20,000,000	20,000,000
- Amount in Rs. Million	-	200.00	200.00	200.00	200.00
Equity shares of Rs.5/- each, with voting rights *					
- Number of shares	60,000,000	-	-	-	-
- Amount in Rs. Million	300.00	-	-	-	-
Issued, subscribed and paid-up capital					
Equity shares of Rs.10/- each, fully paid-up, with voting rights *					
- Number of shares	-	13,312,007	13,312,007	11,059,883	9,565,304
- Amount in Rs. Million	-	133.12	133.12	110.60	95.65
Equity shares of Rs.5/- each, fully paid-up, with voting rights *					
- Number of shares	27,024,014	-	-	-	-
- Amount in Rs. Million	135.12	-	-	-	-
Total paid-up capital (Amount in Rs. Million)	135.12	133.12	133.12	110.60	95.65

* The face value of equity shares of the Company has been split from Rs.10 to Rs. 5 per share with effect from December 15, 2016. Further, pursuant to the scheme of amalgamation referred in note a) of Annexure 5 B, the authorised share capital of the Company has changed to 60 million equity shares of Rs.5/- each. As the appointed date of this scheme is January 1, 2017, the effect for this change has been given in the above table in respect of authorised share capital as at March 31, 2017.

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

Particulars	Number of shares	Amount in Rs. Million
Equity shares of Rs.10/- each, fully paid-up:		
Outstanding at the 1 April 2012	9,565,304	95.65
Add: Issued during 2013-14	-	-
Outstanding at the 31 March 2013	9,565,304	95.65
Add: Issued during 2013-14	1,494,579	14.95
Outstanding at the 31 March 2014	11,059,883	110.60
Add: Issued during 2014-15	2,252,124	22.52
Outstanding at the 31 March 2015	13,312,007	133.12
Add: Issued during 2015-16	-	-
Outstanding at the 31 March 2016	13,312,007	133.12
Add: Issued during 2016-17	200,000	2.00
	13,512,007	135.12
Equity shares of Rs. 5 each as at 31 March 2017 pursuant to share split with effect from December 15, 2016	27,024,014	135.12

b) Terms & Rights attached to each class of shares:

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

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

Name of shareholder	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Sayaji Hotels Limited					
- Number of equity shares of Rs. 10 each	-	-	6,310,558	6,049,998	6,464,998
- Percentage of holding (%)	0.00%	0.00%	47.41%	54.70%	67.59%
- Number of equity shares of Rs. 5 each	-	-	-	-	-
- Percentage of holding (%)	0.00%	0.00%	-	-	-
Blue Deebaj Chemicals LLC					
- Number of equity shares of Rs. 10 each	-	-	1,421,505	1,421,505	2,800,000
- Percentage of holding (%)	0.00%	0.00%	10.68%	12.85%	29.27%
- Number of equity shares of Rs. 5 each	-	-	-	-	-
- Percentage of holding (%)	0.00%	0.00%	-	-	-
Sayaji Housekeeping Services Limited					
- Number of equity shares of Rs. 10 each	-	6,310,558	-	-	-
- Percentage of holding (%)	-	47.41%	0.00%	0.00%	0.00%
- Number of equity shares of Rs. 5 each	12,621,116	-	-	-	-
- Percentage of holding (%)	46.70%	-	-	-	-
Tamara Private Limited					
- Number of equity shares of Rs. 10 each	-	3,222,970	3,222,970	3,222,970	-
- Percentage of holding (%)	-	24.21%	24.21%	29.14%	0.00%
- Number of equity shares of Rs. 5 each	6,445,940	-	-	-	-
- Percentage of holding (%)	23.85%	-	-	-	-
Pace Private Limited					
- Number of equity shares of Rs. 10 each	-	1,687,713	-	-	-
- Percentage of holding (%)	-	12.68%	0.00%	0.00%	0.00%
- Number of equity shares of Rs. 5 each	3,375,426	-	-	-	-
- Percentage of holding (%)	12.49%	-	-	-	-

Details of Shareholders holding more than 5% shares in the Company contd.,

Name of shareholder	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Kayum Razak Dhanani					
- Number of equity shares of Rs. 10 each	-	497,894			
- Percentage of holding (%)	-	3.74%			
- Number of equity shares of Rs. 5 each	1,395,788				
- Percentage of holding (%)	5.16%				

d) Number of equity shares reserved for issuance

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Equity shares of Rs. 10/- each					
a) to eligible employees under Employee Stock Option Scheme	-	266,240	-	-	-
b) pursuant to outstanding share warrants	-	-	-	2,465,009	2,465,009
Equity shares of Rs. 5/- each					
a) to eligible employees under Employee Stock Option Scheme	532,480	-	-	-	-

Annexure 7: Standalone Summary Statement of Reserves and Surplus, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(a) Securities premium account					
Opening balance	742.80	742.80	742.80	257.75	257.75
Add: Premium on shares issued during the period	122.00	-	-	485.05	-
Closing balance	A 864.80	742.80	742.80	742.80	257.75
(b) Share options outstanding account					
Opening balance	-	-	-	-	-
Add: Amounts recorded on grant of employee stock options during the year	28.87	-	-	-	-
Less : Deferred stock compensation expense	(19.25)	-	-	-	-
Closing balance	B 9.62	-	-	-	-
(c) Surplus in Standalone Statement of Profit and Loss					
Opening balance, as restated (Refer Note (c) of Annexure 4 for restated opening balance as at 1-Apr-2012)	443.67	341.85	214.49	61.35	18.23
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred taxes Rs. 1.04 Million) (Refer note (d) of Annexure 4)	-	-	(2.02)	-	-
Add: Profit for the year, as restated	158.07	125.85	153.41	153.14	43.12
Less: Adjustment on account of merger of Favorite Restaurants Private Limited [Refer note (a) of Annexure 5 (B)]	(92.53)	-	-	-	-
Less: Proposed dividend on equity shares [Refer note (h) of Annexure 5 (B)]	-	(19.97)	(19.97)	-	-
Tax on proposed dividend	-	(4.06)	(4.06)	-	-
Closing balance	C 509.21	443.67	341.85	214.49	61.35
Total (A + B+C)	1,383.63	1,186.47	1,084.65	957.29	319.10

Barbeque-Nation Hospitality Limited
 Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured Loans, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Secured loans					
- Term loans from banks	774.50	509.25	268.00	345.88	397.00
- Term loans from financial institutions	-	-	40.00	40.40	120.00
- Working capital loans	14.26	10.09	-	-	18.02
Total borrowings	788.76	519.34	308.00	386.28	535.02
Total borrowings represented by:					
- Long-term borrowings	523.69	358.74	179.00	314.28	420.00
- Short-term borrowings	14.26	10.09	-	-	18.02
- Current maturities of long-term borrowings (included in other-current liabilities)	250.81	150.51	129.00	72.00	97.00
Total	788.76	519.34	308.00	386.28	535.02

There are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel

Annexure 8: Standalone Summary Statement of Secured Loans, as restated

Principal Terms and Conditions of Long Term Borrowings as at 31-Mar-17:

No	Name of Lender	Amount Rs. in Million outstanding as at 31-Mar-17	Rate of Interest % (p.a)	Repayment terms	No. of Instalments outstanding as at 31-Mar-17	Prepayment Charges	Security
1	State Bank of India (Term Loan 1)	47.00	10.60%	In 55 defined monthly instalments from September 2013 to March 2018	12	1% of entire Outstanding	Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)
2	State Bank of India (Term Loan 2)	42.00	10.60%	In 63 defined monthly instalments from January 2013 to March 2018	12	1% of entire Outstanding	Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)
3	Axis Bank Limited - Rupee Term Loan	219.67	Base rate + 0.85%	In 60 Equal Monthly Instalments	49	In case borrower desire to pre pay the loan, the prepayment of the loan will be accepted on the terms and conditions to be decided by bank	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
4	Axis Bank Limited Foreign Currency Term Loan - 1(USD)	40.79	6 Month LIBOR+450 bps	In 60 Equal Monthly Instalment	49	In case borrower desire to pre pay the loan, the prepayment of the loan will be accepted on the terms and conditions to be decided by bank	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
5	Axis Bank Limited Foreign Currency Term Loan - 2(USD)	41.71	6 Month LIBOR+450 bps	In 60 Equal Monthly Instalment	49	In case borrower desire to pre pay the loan, the prepayment of the loan will be accepted on the terms and conditions to be decided by bank	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
6	RBL Bank Limited	283.33	10.65%	in 54 monthly instalment, from January 2017 to June 2021	51	The repayment of loan will be accepted on terms and conditions to be decided by bank.	Paripassu charge on 1.Entire fixed assets, current assets and security deposits of the Company, both present and future. 2.The Brand of the Company
7	Yes Bank Limited	100.00	Yearly MCLR + 155 base points	In 20 equal quarterly installment from July 2017 to April 2022	20	1% on the prepayment amount	Paripassu charge on 1.Entire fixed assets, current assets and security deposits of the Company, both present and future. 2.The Brand of the Company
		774.50					

Barbeque-Nation Hospitality Limited
 Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured Loans, as restated

Principal Terms and Conditions of working capital loans as at 31-Mar-17

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-17	Rate of Interest (p.a)	Repayment terms	No. of Instalments outstanding as at 31-Mar-17	Prepayment Charges	Security
1	Axis Bank Limited	4.39	12 Month LIBOR+72 bps	Bullet Payment by January 2018	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
2	Axis Bank Limited	4.39	12 Month LIBOR+50 bps	Bullet Payment by November 2017	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
3	Axis Bank Limited	1.09	12 Month LIBOR+175 bps	Bullet Payment by July 2017	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
4	Axis Bank Limited	4.39	12 Month LIBOR+85 bps	Bullet Payment by May 2017	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
		14.26					

Barbeque-Nation Hospitality Limited
Standalone Financial Information, as restated

Annexure 9: Standalone Summary Statement of Other long term liabilities, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Rent Equalisation reserve	3.05	5.02	6.53	6.53	4.25
Total	3.05	5.02	6.53	6.53	4.25

Annexure 10: Standalone Summary Statement of Long term provisions, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Provision for employee benefits:					
- Compensated absences	15.56	11.43	8.83	5.50	5.80
- Gratuity	21.07	12.50	12.39	6.86	3.35
Provision for phantom stock options	3.33	-	-	-	-
Total	39.96	23.93	21.22	12.36	9.15

Annexure 11: Standalone Summary Statement of Trade Payables, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
a) Dues to micro and small enterprises	-	-	-	-	-
b) Dues to others	396.88	307.69	148.17	159.64	245.38
Total	396.88	307.69	148.17	159.64	245.38

Notes:

The Micro and Small Enterprises have been identified on the basis of information available with the Company and this has been relied upon by the auditors.

The above includes the following debts due to promoter/group companies/ related parties as follows:

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Trade Payables					
Entity in which KMP / Relatives of KMP can exercise significant influence					
-Sara Soule Private Limited	3.97	1.55	0.71	-	-
Investing party for which company is an associate					
- Sayaji Hotels Limited	6.69	119.45	-	-	-

Except for the above there are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel

Barbeque-Nation Hospitality Limited
Standalone Financial Information, as restated

Annexure 12: Standalone Summary Statement of Other current liabilities, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
a) Current maturities of long-term borrowings					
- From banks	250.81	150.51	89.00	72.00	57.00
- From financial institutions	-	-	40.00	-	40.00
b) Interest accrued but not due on borrowings	1.77	2.08	0.24	4.57	5.21
c) Other payables					
- Statutory remittances	48.82	35.96	30.81	24.85	32.79
- Payables on purchase of fixed assets	15.78	134.43	18.93	31.87	106.06
- Advances from customers	12.02	3.46	1.72	1.38	0.50
Total	329.20	326.44	180.70	134.67	241.56

There are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel.

Annexure 13: Standalone Summary Statement of Short term provisions, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Provision for employee benefits:					
- Compensated absences	19.80	18.67	13.28	8.33	1.67
- Gratuity	3.90	5.31	-	0.06	0.04
Provision - Others:					
- Provision for Income Tax (net of advance income tax)	43.35	41.59	46.92	41.44	1.34
- Provision for proposed equity dividend	-	19.97	19.97	-	-
- Provision for tax on proposed equity dividend	-	4.06	4.06	-	-
Total	67.05	89.60	84.23	49.83	3.05

Barbeque-Nation Hospitality Limited
Standalone Financial Information, as restated

Annexure 14: Standalone Summary Statement of Fixed Assets, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
I. Gross block					
Tangible assets (owned, unless otherwise stated)					
- Plant and equipments	409.06	305.50	202.54	166.92	137.75
- Service Equipments	536.15	433.22	290.72	233.55	170.88
- Computer equipments	69.66	54.43	35.35	19.33	14.59
- Furniture and fixtures	704.57	543.54	379.27	280.84	205.15
- Vehicles	4.34	2.65	2.26	1.97	1.41
- Leasehold improvements	848.08	717.85	566.91	502.45	438.58
Total	2,571.86	2,057.19	1,477.05	1,205.06	968.36
Intangible assets (others)					
- Liquor licenses	15.94	15.94	15.94	15.94	15.94
- Software and licenses	20.13	15.02	9.23	3.00	0.21
- Brand name	29.47	27.05	27.05	27.05	26.16
- Goodwill	249.28	249.28	134.60	134.60	134.60
Total	314.82	307.29	186.82	180.59	176.91
II. Accumulated depreciation					
Tangible assets (owned, unless otherwise stated)					
- Plant and equipments	74.03	51.68	32.95	20.35	13.17
- Service Equipments	253.31	151.93	82.75	52.09	31.23
- Computer equipments	44.06	29.31	18.79	9.12	5.61
- Furniture and fixtures	194.64	126.56	78.69	46.83	23.44
- Vehicles	1.70	1.15	0.84	0.46	0.44
- Leasehold improvements	362.82	308.55	249.11	187.11	131.30
Total	930.56	669.18	463.13	315.96	205.19
Intangible assets (others)					
- Liquor licenses	11.92	8.53	6.84	5.19	2.85
- Software and licenses	11.19	8.24	4.43	0.88	0.08
- Brand name	21.82	18.58	15.88	13.18	10.48
- Goodwill	84.60	59.62	40.38	26.92	13.46
Total	129.53	94.97	67.53	46.17	26.87

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
III. Net block					
Tangible assets (owned, unless otherwise stated)					
- Plant and equipments	335.03	253.82	169.59	146.57	124.58
- Service Equipments	282.84	281.29	207.97	181.46	139.65
- Computer equipments	25.60	25.12	16.56	10.21	8.98
- Furniture and fixtures	509.93	416.98	300.58	234.01	181.71
- Vehicles	2.64	1.50	1.42	1.51	0.97
- Leasehold improvements	485.26	409.30	317.80	315.34	307.28
Total	1,641.30	1,388.01	1,013.92	889.10	763.17
Intangible assets (others)					
- Liquor licenses	4.02	7.41	9.10	10.75	13.09
- Software and licenses	8.94	6.78	4.80	2.12	0.13
- Brand name	7.65	8.47	11.17	13.87	15.68
- Goodwill	164.68	189.66	94.22	107.68	121.14
Total	185.29	212.32	119.29	134.42	150.04

Annexure 15: Standalone Summary Statement of Non-Current Investments, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(a) Investment in equity instruments of subsidiaries:					
Favorite Restaurants Private Limited #					
- Cost of investment (Amount in Rs. Million)	-	95.07	52.84	-	-
- Number of equity shares	-	9,506,703	5,283,803	-	-
- Percentage of holding	-	99.94%	99.89%	-	-
	-	95.07	52.84	-	-
Prime Gourmet Private Limited ^					
- Cost of investment (Amount in Rs. Million)	206.70	-	-	-	-
- Number of equity shares	19,427,763	-	-	-	-
- Percentage of holding	100.00%	-	-	-	-
	206.70	-	-	-	-
Barbeque Nation Holdings Limited @					
- Cost of investment (Amount in Rs. Million)	18.61	-	-	-	-
- Number of equity shares	10,000	-	-	-	-
- Percentage of holding	100.00%	-	-	-	-
	18.61	-	-	-	-
(b) Share application money:					
Favorite Restaurants Private Limited #	-	-	9.28	-	-
Total	225.31	95.07	62.12	-	-

Of the total investments in Favorite Restaurants Private Limited, Rs. 52.36 Million pertains to investment in cash and the balance investments relate to issue of equity shares at face value by Favorite Restaurants Private Limited, pursuant to transfer of net assets by the Company at carrying value during the year ended March 31, 2015.

^ The Company subscribed for 13,000,000 equity shares of Rs. 10 each of Prime Gourmet Private Limited (PGPL) at face value on August 29, 2016. Pursuant to this investment of Rs. 130 Million, the Company acquired 78.64% stake in PGPL. Subsequently, the Company acquired remaining stake in PGPL for Rs. 47.73 Million during November 2016. Further, the Company made additional investments in PGPL amounting Rs. 28.97 Million.

@ On March 25, 2015, the company incorporated a wholly owned subsidiary, Barbeque Nation Holdings Limited as an Offshore Company with a Limited Liability in Dubai. The Company invested AED 1 Million (Rs. 18.61 Million) in shares of Barbeque Nation Holdings Limited, Dubai (BNHL, Dubai) during December 2016. BNHL, Dubai has in turn invested AED 147,000 for 49% stake in Barbeque-Nation Restaurant LLC, Dubai (BNR LLC). Although BNHL, Dubai holds less than half of the share capital in BNR LLC, the BNR LLC is considered subsidiary of BNHL, Dubai pursuant to its control of the composition of board of directors of BNR LLC.

Barbeque-Nation Hospitality Limited
Standalone Financial Information, as restated

Annexure 16: Standalone Summary Statement of Deferred tax assets, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Tax effect of items constituting deferred tax assets:					
- On difference between book balance and tax balance of fixed assets	5.79	8.41	4.46	0.68	5.32
- Disallowances under Section 43B of the Income Tax Act, 1961	33.34	25.57	13.82	6.98	3.69
Deferred tax assets (net)	39.13	33.98	18.28	7.66	9.01

Annexure 17: Standalone Summary Statement of Long term loans and advances, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(a) Capital advances	0.95	9.09	5.26	7.50	6.14
(b) Security deposits	247.14	227.08	165.47	137.79	116.14
(c) Deposit with Related Parties	0.23	0.05	0.05	0.05	-
(d) Loans and advances to related parties considered good	-	23.32	-	-	-
(e) Tax paid under protest					
Income Tax	-	-	-	-	-
VAT	10.06	1.50	0.80	0.26	-
(f) Other Loans & Advances	-	-	-	-	0.56
Total	258.38	261.04	171.58	145.60	122.84

The loans and advances include the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Private companies in which any director is a director or member					
- Favorite Restaurants Private Limited	-	23.32	-	-	-
Purpose: The above funds are to be used for business operations.					
- Sara Soule Private Limited	0.23	0.05	0.05	0.05	-
Purpose: The above fund is given as a security deposit towards lease of buildings					

Except for above, there are no dues from subsidiaries, associates, directors, relatives of directors, Key Management Personnel (KMP), entities in which KMP or relatives of KMP can exercise significant influence

Barbeque-Nation Hospitality Limited
Standalone Financial Information, as restated

Annexure 18: Standalone Summary Statement of Other Non-Current Assets, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Balances in earmarked account in Banks - held as margin money	25.08	11.15	5.58	4.07	11.50
Total	25.08	11.15	5.58	4.07	11.50

Annexure 19: Standalone Summary Statement of Current Investments, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(At lower of cost and fair value)					
Investment in mutual funds (quoted)					
Kotak Equity Arbitrage Fund - Monthly dividend plan					
- Cost of investment (Amount in Rs. Million)	-	30.00	11.26	10.23	-
- Number of mutual fund units	-	12,104.76	1,033,277.70	955,825.07	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	30.05	11.26	10.23	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	30.00	11.26	10.23	-
Kotak Floater Short Term - Daily dividend plan					
- Cost of investment (Amount in Rs. Million)	-	-	0.58	10.14	-
- Number of mutual fund units	-	-	568.59	10,027.99	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.58	10.14	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.58	10.14	-
SBI PLF-Reg Plan Daily dividend					
- Cost of investment (Amount in Rs. Million)	-	-	8.96	25.24	-
- Number of mutual fund units	-	-	8,914.70	25,161.11	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	8.98	25.24	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	8.96	25.24	-
Axis Treasury Advantage Fund - Daily dividend plan					
- Cost of investment (Amount in Rs. Million)	-	-	0.07	-	-
- Number of mutual fund units	-	-	71.01	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.07	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.07	-	-
Axis Liquid Fund - Daily dividend plan					
- Cost of investment (Amount in Rs. Million)	-	-	0.04	-	-
- Number of mutual fund units	-	-	38.97	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.04	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.04	-	-
Axis Short-term Fund - Growth plan					
- Cost of investment (Amount in Rs. Million)	-	-	0.33	-	-
- Number of mutual fund units	-	-	22,577.74	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.34	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.33	-	-
SBI Magnum Insta Cash Fund - Direct Plan - Growth					
- Cost of investment (Amount in Rs. Million)	27.86	-	-	-	-
- Number of mutual fund units	7,754.09	-	-	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	27.89	-	-	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	27.86	-	-	-	-
Total (Amount in Rs. Million)	27.86	30.00	21.24	45.61	-
Aggregate book value of quoted investments	27.86	30.00	21.24	45.61	-
Aggregate market value of quoted investments	27.89	30.05	21.27	45.61	-
Aggregate market value of unquoted investments	-	-	-	-	-

Annexure 20: Standalone Summary Statement of Inventories, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(At lower of cost and net realisable value)					
- Food & beverages	114.58	98.03	76.02	59.54	35.23
- Stores & consumables	35.49	23.08	58.49	47.25	38.60
Total	150.07	121.11	134.51	106.79	73.83

Annexure 21: Standalone Summary Statement of Trade Receivables, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:					
- Unsecured, considered good	0.80	1.46	7.18	3.82	6.05
- Doubtful	2.48	0.70	-	2.63	-
	3.28	2.16	7.18	6.45	6.05
Less: Provision for doubtful trade receivables	(2.48)	(0.70)	-	(2.63)	-
	0.80	1.46	7.18	3.82	6.05
Other trade receivables					
- Unsecured, considered good	39.88	46.49	22.41	32.45	19.43
- Doubtful	-	-	-	-	-
	39.88	46.49	22.41	32.45	19.43
Less: Provision for doubtful trade receivables	-	-	-	-	-
	39.88	46.49	22.41	32.45	19.43
Total	40.68	47.95	29.59	36.27	25.48

The above includes the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Private companies in which any director is a director or member (Favorite Restaurants Private Limited)	-	2.52	-	-	-
Total	-	2.52	-	-	-

Except for above, there are no dues from subsidiaries, associates, directors, relatives of directors, Key Management Personnel (KMP), entities in which KMP or relatives of KMP can exercise significant influence

Annexure 22: Standalone Summary Statement of Cash and cash equivalents, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(a) Cash on hand	7.33	4.56	6.52	7.65	7.99
(b) Balances with banks :					
- In current accounts	36.02	5.89	44.36	55.95	27.57
- In deposit accounts	1.00	-	-	20.00	-
Total	44.35	10.45	50.88	83.60	35.56

Annexure 23: Standalone Summary Statement of Short term loans and advances, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(a) Loans and advances to employees	5.73	2.61	2.43	1.78	0.90
(b) Prepaid expenses	46.43	33.04	22.06	33.61	14.66
(c) Others:					
- Advance to vendors:					
- Considered good	27.12	43.91	48.42	42.33	30.53
- Considered doubtful	9.96	5.00	-	1.66	-
	37.08	48.91	48.42	43.99	30.53
- Less: Provision for other doubtful loans and advances	(9.96)	(5.00)	-	(1.66)	-
	27.12	43.91	48.42	42.33	30.53
(d) Inter-corporate deposits	-	-	25.00	150.00	-
(e) Balance with Government Authorities					28.78
- CENVAT credit receivable	3.89	1.64	16.07	22.98	-
- Incentives receivables	-	4.73	8.42	-	-
(f) Mat Credit Entitlement	-	-	-	-	12.71
Total	83.17	85.93	122.40	250.70	87.58

There are no dues from subsidiaries, associates, directors, relatives of directors, Key Management Personnel (KMP), entities in which KMP or relatives of KMP can exercise significant influence

Annexure 24: Standalone Summary Statement of Other Current Assets, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(a) Interest accrued on fixed deposits	0.80	1.11	0.50	0.61	-
(b) Interest accrued on inter-corporate deposits and loans	-	0.80	14.07	5.02	-
(c) Other receivables from subsidiaries	16.49	-	-	-	-
(d) Unamortised share issue expenses *	5.39	-	-	-	-
Total	22.68	1.91	14.57	5.63	-

* The Company has incurred expenses of Rs. 5.39 Million during the year ended March 31, 2017 towards proposed Initial Public Offering of its equity shares. The Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.

The above includes the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Other current assets					
Interest accrued on inter-corporate deposits and loans					
-Favorite Restaurants Private Limited	-	0.88	-	-	-
Other receivables from subsidiaries					
-Prime Gourmet Private Limited	0.46	-	-	-	-
-Barbeque Nation Holdings Limited	16.03	-	-	-	-

Except for above, there are no dues from subsidiaries, associates, directors, relatives of directors, Key Management Personnel (KMP), entities in which KMP or relatives of KMP can exercise significant influence

Barbeque-Nation Hospitality Limited
Standalone Financial Information, as restated

Annexure 25: Standalone Summary Statement of Operational Income and Expenses, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
I. Revenue from operations					
Sale of food & beverages	4,828.76	3,944.11	2,983.99	2,648.34	1,828.38
Other operating revenues					
- Revenue from displays and sponsorships	29.14	26.88	27.32	14.22	8.70
- Share of profits and income from royalty	32.04	21.35	15.65	14.23	4.20
- Government incentives	2.74	3.67	8.42	-	-
- Sale of scrap	2.22	2.16	2.15	2.65	1.17
Total	4,894.90	3,998.17	3,037.53	2,679.44	1,842.45
II. Expenses					
Cost of food and beverages consumed					
Opening stock	98.03	76.02	59.54	35.23	15.31
Add: Stock of Favorite Restaurant Private Limited merged during the year	0.21	-	-	-	-
Add: Purchases	1,758.59	1,496.05	1,125.18	1,044.07	752.50
	1,856.83	1,572.07	1,184.72	1,079.30	767.81
Less Closing stock	(114.58)	(98.03)	(76.02)	(59.54)	(35.23)
Total	1,742.25	1,474.04	1,108.70	1,019.76	732.58
Employee benefits expense					
Salaries and wages	744.34	560.59	358.79	279.66	202.81
Contributions to provident and other funds	43.63	36.84	22.37	15.74	15.84
Expense on employee stock option scheme	9.62	-	-	-	-
Gratuity expenses	7.16	5.42	5.47	3.53	1.77
Staff welfare expenses	71.40	64.23	39.45	27.33	15.46
Total	876.15	667.08	426.08	326.26	235.88
Finance costs					
Interest expense on borrowings	74.55	43.56	42.14	63.70	52.97
Interest on delayed payment of income tax	-	1.31	1.88	2.30	-
Receivable discounting charges	57.50	45.20	39.67	24.42	18.55
Other's	7.71	7.11	0.71	0.65	3.48
Total	139.76	97.18	84.40	91.07	75.00

Annexure 25: Standalone Summary Statement of Operational Income and Expenses, as restated

II. Expenses contd.,

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Occupancy cost and other operating expenses					
Consumption of stores & operating supplies	82.82	95.01	81.14	76.59	44.65
Power and fuel	388.53	329.89	260.27	253.56	172.38
Rent including lease rentals	510.47	367.29	284.87	261.04	181.32
Repairs and maintenance:					
- Buildings	6.53	39.73	25.31	23.51	15.30
- Machinery	23.21	19.59	13.04	10.44	14.08
- Others	22.38	20.13	19.94	23.24	14.97
House keeping services	133.64	111.71	84.52	70.93	25.28
Water charges	25.41	21.42	13.91	9.88	4.88
Insurance	5.01	4.85	3.15	1.27	0.90
Rates and taxes	56.41	37.12	30.78	28.29	17.92
Communication	25.96	19.02	12.49	9.66	7.41
Travelling and conveyance	27.84	27.81	22.72	15.48	13.54
Printing and stationery	23.56	24.71	23.95	19.07	12.27
Laundry expenses	10.46	9.21	7.13	6.70	4.72
Security service charges	21.08	19.08	13.12	10.75	4.90
Recruitment expenses	2.55	4.59	2.78	2.70	3.97
Business promotion	96.28	96.27	49.36	24.62	11.77
Vehicle hiring charges	11.73	10.77	10.39	5.33	-
Legal and professional	38.98	27.53	32.13	21.29	24.41
Expense on phantom option scheme	3.33	-	-	-	-
Payments to auditors	2.65	2.18	1.74	1.46	0.30
Parking Charges	7.03	7.34	6.23	-	-
Loss on sale of assets	-	-	-	0.20	0.57
Corporate social responsibility	0.70	0.80	-	-	-
Provision for doubtful receivables and advances (net)	7.46	5.69	1.22	4.29	-
Foreign Exchange Loss (net)	-	1.33	0.08	-	-
Miscellaneous expenses	36.11	21.78	11.30	17.24	31.02
Total	1,570.13	1,324.85	1,011.57	897.54	606.56

III. EXCEPTIONAL ITEMS:

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Effect of increase / (decrease) in profits					
Net loss relating to restaurant units closed / relocated during the year	8.01	-	18.95	-	25.46
Total	8.01	-	18.95	-	25.46

Annexure 26: Standalone Summary Statement of Other Income, as restated

(Amount in Rs. Million)

Particulars	For the year ended					
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Other Income, as restated	7.53	4.91	20.96	24.70	1.74	
Net profit before tax, as restated	241.40	206.44	241.11	239.04	71.43	
Percentage	3%	2%	9%	10%	2%	
Break-up of Other Income:	Nature					
Interest income from deposits with bank	Recurring	1.25	0.79	2.46	4.35	1.74
Interest income from unsecured loans given to subsidiaries	Recurring	3.05	-	-	-	-
Interest income from Inter-corporate deposits	Recurring	-	1.39	15.37	5.59	-
Dividend income	Recurring	-	0.03	2.77	13.89	-
Net gain on sale of current investments - mutual fund	Recurring	3.23	2.70	0.36	0.87	-
Total		7.53	4.91	20.96	24.70	1.74

Notes

- 1) All the above income relate to the Company's business activity
- 2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current business operations and business activities of the Company as determined by the management

Annexure 26: Standalone Summary Statement of Other Income, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Other Income, as restated	7.53	4.91	20.96	24.70	1.74
Net profit before tax, as restated	241.40	206.44	241.11	239.04	71.43
Percentage	3%	2%	9%	10%	2%
Break-up of Other Income:					
Interest income from deposits with bank	1.25	0.79	2.46	4.35	1.74
Interest income from unsecured loans given to subsidiaries	3.05	-	-	-	-
Interest income from Inter-corporate deposits	-	1.39	15.37	5.59	-
Dividend income	-	0.03	2.77	13.89	-
Net gain on sale of current investments - mutual fund	3.23	2.70	0.36	0.87	-
Total	7.53	4.91	20.96	24.70	1.74

Annexure 27: Standalone Summary Statement of Dividend Paid / Proposed by the Company

(Rs. in Millions)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Equity Shares					
Number of shares	27,024,014	13,312,007	13,312,007	11,059,883	9,565,304
Face value (Rs.)	5.00	10.00	10.00	10.00	10.00
Amount (Rs in Million)	135.12	133.12	133.12	110.60	95.65
Final Dividend					
Rate of Dividend (%)	-	15%	15%	-	-
Dividend per Share (Rs.)	-	1.50	1.50	-	-
Amount of Dividend (Rs. in Million)	-	19.97	19.97	-	-
Corporate Dividend Tax (Rs. in Million)	-	4.06	4.06	-	-

As explained in Note (h) of Annexure 5 (B), the directors propose that a dividend of Re. 1 per share be paid for equity shareholders out of profit for the year ended March 31, 2017. This equity dividend is subject to approval by shareholders at the Annual General Meeting. Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to the Company with effect from April 1, 2016, dividend declared after the balance sheet date but before the financial statements are approved for issue, is not to be recognised as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements. Accordingly, this dividend for the current year has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 27.02 Million. The payment of this dividend is estimated to result in payment of dividend distribution tax of Rs.5.50 Million @ 20.36% on the amount of dividends payable.

Annexure 28: Standalone Summary Statement of Accounting Ratios

(Amount Rs. in Million, Except Per Share Data)

Particulars	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Basic and Diluted Earnings Per Share (Rs.)	A				
Basic Earnings Per Share (Basic EPS)					
Net profit after tax, as restated, attributable to equity shareholders	158.07	125.85	153.41	153.14	43.12
Weighted average number of Equity Shares outstanding	26,979,082	26,624,014	24,982,740	22,029,680	19,130,608
Basic EPS in Rs.	5.86	4.73	6.14	6.95	2.25
Face value in Rs.	5.00	5.00	5.00	5.00	5.00
Diluted Earnings Per Share (Diluted EPS)					
Net profit after tax, as restated, attributable to equity shareholders	158.07	125.85	153.41	153.14	43.12
Weighted average number of Shares used for calculating Basic EPS	26,979,082	26,624,014	24,982,740	22,029,680	19,130,608
Add: Effect of ESOPs and share warrants which are dilutive	-	-	1,592,214	4,504,248	-
Weighted average number of shares considered for calculating Diluted EPS	26,979,082	26,624,014	26,574,954	26,533,928	19,130,608
Diluted EPS in Rs.	5.86	4.73	5.77	5.77	2.25
Face value in Rs.	5.00	5.00	5.00	5.00	5.00
Net Asset Value Per Equity Share (Rs.)	B				
	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Net Asset Value (Net-worth), as restated	1,509.13	1,319.59	1,217.77	1,067.89	414.75
Number of equity shares outstanding at the year end	27,024,014	26,624,014	26,624,014	22,119,766	19,130,608
Add: Convertible share warrants outstanding at the year end	-	-	-	4,930,018	-
Number of adjusted equity shares outstanding at the year end	27,024,014	26,624,014	26,624,014	27,049,784	19,130,608
Net Assets Value per equity share (Rs.)	55.84	49.56	45.74	39.48	21.68
Return on Net worth	C				
	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Net Profit after tax, as restated	158.07	125.85	153.41	153.14	43.12
Net worth, as restated	1,509.13	1,319.59	1,217.77	1,067.89	414.75
Return on net worth	10.47%	9.54%	12.60%	14.34%	10.40%

Note: The face value of the equity share of the Company has been split from Rs.10 to Rs.5 per share with the effect from December 15, 2016. Accordingly, the share data considered in the calculation above reflect the effect of share split retrospectively for all previous periods presented.

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

The effect of ESOPs outstanding is anti-dilutive for the year ended March 31, 2017 and hence ignored for the purpose of computing Diluted EPS.

(ii) Net Assets Value (NAV)

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

Barbeque-Nation Hospitality Limited
 Standalone Financial Information, as restated

Annexure 29: Standalone Statement of Capitalisation, as restated

Particulars	Pre-issue As at 31-Mar-17	Post-Issue*
Debt		
Short-term borrowings	14.26	
Long-term borrowings	523.69	
Add: Current maturities of long term borrowings	250.81	
Total debts	788.76	
Shareholders' funds		
Share capital	135.12	
Reserves and surplus	1,383.63	
Total shareholders' funds	1,518.75	
Long term debt/equity	0.51	

* Shareholders fund post issue can be calculated only on the conclusion of the book building process.

Notes

1. Short term borrowings represent debts which are due within 12 months from 31-Mar-2017.
2. Long term debts include current portion of long-term borrowings repayable over the next twelve months.

Barbeque-Nation Hospitality Limited
 Standalone Financial Information, as restated

Annexure 30: Standalone Summary Statement of Transactions with Related Parties and Balances, as restated

List of related parties:

Description of relationship	Names of related parties
Subsidiaries	Favorite Restaurants Private Limited (upto 31 December, 2016) Prime Gourmet Private Limited (from 29 August, 2016) Barbeque Nation Holdings Limited (from 27 December, 2016)
Holding company	Sayaji Hotels Limited (upto 12 August, 2014)
Investing party for which the Company is an Associate	Sayaji Hotels Limited (from 13 August, 2014) Sayaji Housekeeping Services Limited (from 29 March, 2016) Tamara Private Limited
Key Management Personnel (KMP)	Kayum Dhanani (Managing Director) Prosenjeet Roy Choudhary (Executive Director upto 31 May, 2013)
Entities in which KMP / Relatives of KMP can exercise significant influence	Sara Soule Private Limited

Annexure 30: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

(Amount in Rs. Million)

Transactions with related parties	For the year ended				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Reimbursement of expenses paid Holding company: - Sayaji Hotels Limited	N/A	N/A	-	-	0.06
Subsidiaries : - Prime Gourmet Private Limited	0.46	N/A	N/A	N/A	N/A
- Barbeque Nation Holdings Limited	16.03	N/A	N/A	N/A	N/A
Purchase of consumables Entity in which KMP / Relatives of KMP can exercise significant influence - Sara Soule Private Limited	4.03	-	-	-	-
Services received Investing party for which the Company is an Associate : - Sayaji Hotels Limited	1.05	-	-	-	-
Royalty income & Service charge income Investing party for which the Company is an Associate : - Sayaji Hotels Limited	16.11	12.41	9.45	8.82	-
Purchase of fixed asset from Entity in which KMP / Relatives of KMP can exercise significant influence -Sara Soule Private Limited	-	-	0.09	-	-
Investing party for which the Company is an Associate - Sayaji Hotels Limited	-	123.80	-	-	-
Holding Company - Sayaji Hotels Limited	N/A	N/A	-	-	281.00
Sponsorship Income Entity in which KMP / Relatives of KMP can exercise significant influence -Sara Soule Private Limited	-	-	3.00	2.50	-
Rent and maintenance charges Entity in which KMP / Relatives of KMP can exercise significant influence -Sara Soule Private Limited	4.96	2.53	1.87	0.24	-
Investing party for which the Company is an Associate - Sayaji Hotels Limited	16.67	5.10	-	-	-
Sale of assets in consideration of equity shares Subsidiaries: - Favorite Restaurants Private Limited	-	-	42.71	N/A	N/A
Issue of equity shares KMP/ Relatives of KMP - Kayum Dhanani	124.00	-	4.98	-	-
Issue of equity shares at face value against outstanding share warrants Investing party for which the Company is an Associate - Sayaji Hotels Limited	-	-	2.61	-	-

Annexure 30: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

Security deposit paid					
Entities in which KMP / relatives of KMP have significant influence:					
-Sara Soule Private Limited	0.18	-	-	0.05	-
Share application money paid					
Subsidiaries:					
- Favorite Restaurants Private Limited	-	-	9.28	N/A	N/A
Investment made during the year in					
Subsidiaries:					
- Favorite Restaurants Private Limited	-	42.23	10.13	N/A	N/A
- Prime Gourmet Private Limited	28.98	N/A	N/A	N/A	N/A
- Barbeque Nation Holdings Limited	18.61	N/A	N/A	N/A	N/A
Loan granted to subsidiary					
Subsidiaries:					
- Favorite Restaurants Private Limited	22.84	29.61	-	N/A	N/A
Receipt towards repayment of loan granted to subsidiary					
Subsidiaries:					
- Favorite Restaurants Private Limited	5.73	6.29	-	N/A	N/A
Receipt towards interest on loan granted to subsidiary					
Subsidiaries:					
- Favorite Restaurants Private Limited	0.88	-	-	N/A	N/A
Interest income on loan granted					
Subsidiaries:					
- Favorite Restaurants Private Limited	3.05	0.88	-	N/A	N/A
Purchase of goods and reimbursement of expenses					
Subsidiaries:					
- Favorite Restaurants Private Limited	1.23	1.03	-	N/A	N/A
Remuneration					
- Prosenjeet Roy Choudhary	N/A	N/A	N/A	1.98	3.69

Annexure 30: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

(Amount in Rs. Million)

Balances outstanding with related parties	As at				
	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Trade receivables					
Holding:					
- Sayaji Hotels Limited	N/A	N/A	-	-	99.92
Investing party for which the Company is an Associate					
- Sayaji Hotels Limited	-	-	8.16	7.94	-
Subsidiaries:					
- Favorite Restaurants Private Limited	N/A	0.25	-	N/A	N/A
Share application money pending allotment					
Subsidiaries:					
- Favorite Restaurants Private Limited	N/A	-	9.28	N/A	N/A
Inter Corporate Deposit & Loans and advances					
Subsidiaries:					
- Favorite Restaurants Private Limited	-	23.32	1.80	N/A	N/A
Security deposits (refundable) with					
Entities in which KMP / relatives of KMP have significant influence:					
-Sara Soule Private Limited	0.23	0.05	0.05	0.05	-
Trade Payables					
Entities in which KMP / relatives of KMP have significant influence:					
- Sara Soule Private Limited	3.97	1.55	0.71	-	-
Investing party for which the Company is an Associate					
- Sayaji Hotels Limited	6.69	119.45	-	-	-
Other receivables					
Subsidiaries					
- Prime Gourmet Private Limited	0.46	N/A	N/A	N/A	N/A
- Barbeque Nation Holdings Limited	16.03	N/A	N/A	N/A	N/A
Interest accrued on loan					
Subsidiaries:					
- Favorite Restaurants Private Limited	-	0.79	-	N/A	N/A

Barbeque-Nation Hospitality Limited
Standalone Financial Information, as restated

Annexure 31: Standalone Statement of Tax Shelters, as restated

(Amount in Rs. Million)

Particulars		For the year ended				
		31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Profit before current and deferred taxes as restated	(A)	241.40	206.44	241.11	239.04	71.43
Weighted average tax rate (%)	(B)	34.61%	34.61%	33.99%	33.99%	32.45%
Tax Expense at weighted average rate	(C)	83.54	71.44	81.95	81.25	23.18
Adjustments						
Permanent Differences						
Expenses disallowed		18.34	15.82	10.64	4.67	16.63
Dividend/income exempt under the Income Tax Act		-	-	-	-	-
Total	(D)	18.34	15.82	10.64	4.67	16.63
Temporary Differences						
Difference between book depreciation and tax depreciation		66.09	16.58	20.09	(14.03)	(28.39)
Gratuity		7.16	5.41	5.47	4.92	1.77
Leave Encashment		5.26	7.99	8.27	6.36	3.64
Bonus		10.01	25.99	0.63	7.78	1.47
Adjustment of bought forward losses from merger of subsidiary - Favorite Restaurants Private Limited		(92.50)	-	-	-	-
Total	(E)	(3.98)	55.97	34.46	5.03	(21.51)
Net Adjustment (D+E)	(F)	14.36	71.79	45.10	9.70	(4.88)
Tax expense / (saving) thereon	(G)	4.97	24.85	15.33	3.30	(1.58)
Current Tax provision for the year as per restated accounts (C+G)	(H)	88.51	96.29	97.28	84.55	21.60
Total tax expenses as per the books of accounts (derived)		88.51	96.29	97.28	84.55	21.60
Total current tax expenses as per Restated Standalone Summary Statement of Profit and Loss		88.51	96.29	97.28	84.55	21.60

INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Barbeque-Nation Hospitality Limited
Sy. No. 62, Site No. 13, 6th Cross,
N.S. Palya, BTM Layout,
Bangalore 5600 76

Dear Sirs,

1. We have examined, as appropriate (refer paragraphs 4 and 5 below), the attached Restated Consolidated Financial Information of Barbeque-Nation Hospitality Limited (the "Company"), and its subsidiaries (collectively known as the "Group"), which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at [March 31, 2017, 2016 and 2015], the Restated Consolidated Summary Statements of Profit and Loss and the Restated Consolidated Summary Statements of Cash Flows for each of the years ended March 31, 2017, 2016 and 2015 and the Summary of Significant Accounting Policies (collectively, the "Consolidated Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on August 5, 2017 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").
2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter July 10, 2017 in connection with the proposed offer of equity shares of the Company;

- b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time; and
 - c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated consolidated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
4. These Restated Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements as at and for the years ended March 31, 2017, 2016 and 2015 which have been approved by Board of directors at their meetings held on June 29, 2017, June 28, 2016 and July 1, 2015 respectively.

We did not audit the financial statements of the subsidiaries for the financial years ended March 31, 2017, 2016 and 2015 (details furnished in Appendix I). These financial statements and other financial information for the subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information of the subsidiaries is based solely on the report of such other auditors.

These other auditors, as mentioned in paragraphs 4, 5 and 6 (of the subsidiaries), have confirmed that the restated financial information for the above mentioned years:

- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.
5. Based on our examination we report that:
- a) The Restated Consolidated Summary Statement of Assets And Liabilities of the Group, as at March 31, 2017, 2016 and 2015 examined by us, as set out in Annexure 1 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Summary Statement of Adjustments to the Audited Consolidated Financial Information.
 - b) The Restated Consolidated Summary Statement of Profits And Loss of the Group, for the years ended March 31, 2017, 2016 and 2015 examined by us, as set out in Annexure 2 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Summary Statement of Adjustments to the Audited Consolidated Financial Information.
 - c) The Restated Consolidated Summary Statement of Cash Flows of the Group, for the years ended March 31, 2017, 2016 and 2015 examined by us, as set out in Annexure 3 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4: Summary Statement of Adjustments to the Audited Consolidated Financial Information.

- d) Based on the above, according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the other auditors in respect of their examination of the restated financial information of the subsidiaries for the respective years, we further report that the Restated Consolidated Financial Information:
- a. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - c. do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.
6. We have also examined the following restated consolidated financial information of the Group set out in the Annexures, proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors on August 5, 2017 for the years ended March 31, 2017, 2016 and 2015. In respect of subsidiaries audited by other auditors, these information have been included based upon the reports submitted by other auditors and relied upon by us.
- (i) Annexure 1: Consolidated Summary Statement of Assets and Liabilities, as restated
 - (ii) Annexure 2: Consolidated Summary Statement of Profit and Loss, as restated
 - (iii) Annexure 3: Consolidated Summary Statement of Cash Flows, as restated
 - (iv) Annexure 4: Summary Statement of Adjustments to the Audited Consolidated Financial Information
 - (v) Annexure 5(A): Consolidated Summary Statement of Significant Accounting Policies
 - (vi) Annexure 5(B): Consolidated Summary Statement of Notes to Accounts, as restated
 - (vii) Annexure 6: Consolidated Summary Statement of Share Capital, as restated
 - (viii) Annexure 7: Consolidated Summary Statement of Reserves and Surplus, as restated
 - (ix) Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated
 - (x) Annexure 9: Consolidated Summary Statement of Deferred tax liabilities/assets, as restated
 - (xi) Annexure 10: Consolidated Summary Statement of Other long term liabilities, as restated
 - (xii) Annexure 11: Consolidated Summary Statement of Long term provisions, as restated
 - (xiii) Annexure 12: Consolidated Summary Statement of Trade payables, as restated
 - (xiv) Annexure 13: Consolidated Summary Statement of Other current liabilities, as restated
 - (xv) Annexure 14: Consolidated Summary Statement of Short term provisions, as restated
 - (xvi) Annexure 15: Consolidated Summary Statement of Fixed Assets, as restated
 - (xvii) Annexure 16: Consolidated Summary Statement of Long term loans and advances, as restated
 - (xviii) Annexure 17: Consolidated Summary Statement of Other non-current assets, as restated
 - (xix) Annexure 18: Consolidated Summary Statement of Current Investments, as restated
 - (xx) Annexure 19: Consolidated Summary Statement of Inventories, as restated
 - (xxi) Annexure 20: Consolidated Summary Statement of Trade Receivables, as restated
 - (xxii) Annexure 21: Consolidated Summary Statement of Cash and cash equivalents, as restated

- (xxiii) Annexure 22: Consolidated Summary Statement of Short term loans and advances, as restated
- (xxiv) Annexure 23: Consolidated Summary Statement of Other current assets, as restated
- (xxv) Annexure 24: Consolidated Summary Statement of Operational Income and Expenses, as restated
- (xxvi) Annexure 25: Consolidated Summary Statement of Other Income, as restated
- (xxvii) Annexure 26: Consolidated Summary Statement of Dividend Paid / Proposed by the Company
- (xxviii) Annexure 27: Consolidated Summary Statement of Accounting Ratios
- (xxix) Annexure 28: Consolidated Statement of Capitalisation, as restated
- (xxx) Annexure 29: Consolidated Statement of Related party transactions and balances as restated

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the other auditors of the subsidiaries, in our opinion, the Restated Consolidated Financial Information and the above restated consolidated financial information contained in Annexures 1 to 29 accompanying this report, read with Consolidated Summary Statement of Significant Accounting Policies disclosed in Annexure 5(A), are prepared after making adjustments and regroupings/reclassifications as considered appropriate [Refer Annexure 4] and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, Bombay Stock Exchange, National Stock Exchange of India and Registrar of Companies, Karnataka in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

S. Sundaresan
Partner
(Membership No. 025776)

Place: Bangalore
Date: August 5, 2017

APPENDIX I

Group's share of total assets, total revenues, and net cash flows pertaining to the subsidiaries for the relevant year not audited by us is tabulated below:

(Rs. in million)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gross of Elimination	Net of Elimination	Gross of Elimination	Net of Elimination	Gross of Elimination	Net of Elimination
Total Assets	241.73	241.73	60.72	45.32	52.75	52.75
Total Revenues	139.95	139.95	32.34	32.34	3.44	3.44
Net Cash Inflows / (Outflows)	(121.39)	(121.39)	0.08	0.08	0.32	0.32

The above table includes the financial information of following subsidiary companies audited by other auditors:

Subsidiary	Country of incorporation	Audited by
Favorite Restaurants Private Limited	India	Ishwar and Gopal
Prime Gourmet Private Limited	India	Gupta Sanjiv & Co
Barbeque Nation Holdings Limited	Dubai	KSI Shah & Associates
Barbeque Nation Restaurant LLC	Dubai	KSI Shah & Associates

Annexure 1: Consolidated Summary Statement of Assets and Liabilities, as restated

(Amount in Rs. Million)

Particulars	Annexure No	As at		
		31-Mar-17	31-Mar-16	31-Mar-15
I. EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	6	135.12	133.12	133.12
(b) Reserves and surplus	7	1,334.76	1,100.90	1,066.06
Total (A)		1,469.88	1,234.02	1,199.18
Minority Interest		-	0.01	0.05
Total (B)		-	0.01	0.05
Non-current liabilities				
(a) Long-term borrowings	8	582.18	358.74	179.00
(b) Deferred Tax Liability	9	-	-	1.07
(c) Other long-term liabilities	10	3.05	5.02	6.53
(d) Long-term provisions	11	40.36	24.24	21.22
Total (C)		625.59	388.00	207.82
Current liabilities				
(a) Short-term borrowings	8	34.45	10.09	-
(b) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises	12	417.89	317.47	153.95
(c) Other current liabilities	13	341.31	327.51	181.25
(d) Short-term provisions	14	67.03	90.23	84.23
Total (D)		860.68	745.30	419.43
TOTAL, E=(A + B + C+D)		2,956.15	2,367.33	1,826.48
II. ASSETS				
Non-current assets				
(a) Fixed assets				
- Tangible assets	15	1,768.60	1,420.11	1,052.46
- Intangible assets	15	208.03	214.81	121.92
- Capital work-in-progress	-	150.42	142.26	78.98
(b) Goodwill on consolidation	-	67.30	0.04	0.04
(c) Deferred tax assets (net)	9	39.13	34.03	18.28
(d) Long-term loans and advances	16	289.60	239.98	173.96
(e) Other non-current assets	17	25.08	12.17	5.58
Total (F)		2,548.16	2,063.40	1,451.22
Current assets				
(a) Current investments	18	27.86	30.00	21.24
(b) Inventories	19	160.73	124.24	137.10
(c) Trade receivables	20	40.72	51.25	29.63
(d) Cash and cash equivalents	21	52.70	10.85	51.19
(e) Short-term loans and advances	22	119.79	86.47	121.53
(f) Other current assets	23	6.19	1.12	14.57
Total (G)		407.99	303.93	375.26
TOTAL H=(F+G)		2,956.15	2,367.33	1,826.48

The accompanying summary of significant accounting policies and notes to accounts in Annexure - 5 are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

S.Sundaresan
Partner
Membership Number: 025776

For and on behalf of the Board of Directors

Kayum Dhanani
Managing Director

T.N.Unni
Director

Mohankumar R
Chief Financial Officer

Nagamani
Company Secretary

Place: Bengaluru
Date: August 5,2017

Place: Bengaluru
Date: August 5,2017

Annexure 2: Consolidated Summary Statement of Profit and Loss, as restated

(Amount in Rs. Million)

Particulars	Annexure No	For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
REVENUE				
Revenue from operations				
Sale of food & beverages	24	4,966.50	3,976.45	2,987.42
Other operating revenues (net of expense directly attributable to such income)	24	68.35	54.06	53.54
Total A		5,034.85	4,030.51	3,040.96
EXPENSES				
(a) Cost of food and beverages consumed	24	1,797.35	1,493.01	1,110.91
(b) Employee benefits expenses	24	918.92	695.63	431.63
(c) Occupancy cost and other operating expenses	24	1,649.70	1,352.87	1,023.44
Total B		4,365.97	3,541.51	2,565.98
Earnings before exceptional items, finance costs, other income, depreciation and amortisation EBITDA C=(A-B)		668.88	489.00	474.98
Finance costs D	24	143.99	97.19	84.44
Depreciation and amortisation expense E	-	335.11	256.73	168.92
Other Income F	25	4.48	3.84	20.96
Profit before tax and exceptional items G=(C-D-E+F)		194.26	138.92	242.58
EXCEPTIONAL ITEMS				
Net loss relating to restaurant units closed / relocated during the year		(11.51)	-	(18.95)
Total Exceptional Items H		(11.51)	-	(18.95)
Profit/(Loss) before tax I=(G + H)		182.75	138.92	223.63
TAX EXPENSE				
(a) Current tax expense		88.59	96.91	97.28
(b) Deferred tax		(5.18)	(16.82)	(8.51)
Net tax expense J		83.41	80.09	88.77
Net profit after tax before minority interest K=(I-J)		99.34	58.83	134.86
Share of Loss attributable to Minority interest L		(3.07)	(0.04)	(0.02)
Profit for the year, as restated, attributable to the shareholders of the Company M=(K-L)		102.41	58.87	134.88
Earnings per share (Rs.5/- per each):				
- Basic	27	3.80	2.21	5.40
- Diluted	27	3.80	2.21	5.08

The accompanying summary of significant accounting policies and notes to accounts in Annexure - 5 are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Sundaresan
Partner
Membership Number: 025776

Kayum Dhanani
Managing Director

T.N.Unni
Director

Mohankumar R
Chief Financial Officer

Nagamani
Company Secretary

Place: Bengaluru
Date: August 5,2017

Place: Bengaluru
Date: August 5,2017

Annexure 3: Consolidated Summary Statement of Cash Flows, as restated

(Amount in Rs. Million)

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
A. Cash flow from operating activities			
Profit before tax, as restated	182.75	138.92	223.63
Adjustments for:			
Depreciation and amortisation expense	335.11	256.73	168.92
Loss on sale / write off of assets	11.51	-	11.56
Finance costs	75.20	44.87	44.02
Interest income	(1.25)	(1.10)	(17.83)
Dividend income	-	(0.04)	(2.77)
Net (gain) / loss on sale of investments	(3.23)	(2.70)	(0.36)
Expense on employee stock option scheme	9.62	-	-
Expense on phantom option scheme	3.33	-	-
Provision for doubtful trade and other receivables, loans and advances, bad debts written off (net)	7.46	5.70	1.22
Unrealised foreign exchange loss	(1.40)	-	-
Operating profit before working capital changes	619.10	442.38	428.39
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	(31.90)	12.87	(30.32)
Trade receivables	8.52	(21.62)	6.64
Short-term loans and advances	(32.29)	4.36	2.95
Long-term loans and advances	(36.42)	(62.18)	(30.60)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	77.33	163.50	(5.68)
Other current liabilities	14.98	7.43	6.84
Short-term provisions	(0.82)	11.23	4.89
Other long-term liabilities	(1.98)	(1.50)	-
Long-term provisions	12.30	3.02	8.85
Cash generated from operations	628.82	559.49	391.96
Net income tax (paid) / refunds	(86.85)	(102.13)	(93.58)
Net cash flow from / (used in) operating activities (A)	541.97	457.36	298.38
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances	(705.50)	(664.17)	(388.32)
Proceeds from sale of fixed assets	5.06	-	-
Purchase / acquisition of long-term investments:			
- in subsidiaries	(177.73)	-	(0.04)
Deposits placed for margin money	(12.91)	(6.59)	(1.51)
Realisation of inter-corporate deposits	-	25.00	125.00
Interest received	1.56	14.56	8.90
Profit from sale of mutual funds	3.23	2.70	0.36
Dividend received from Mutual Funds units	-	0.04	2.77
Net cash flow from / (used in) investing activities (B)	(886.29)	(628.46)	(252.84)

C. Cash flow from financing activities			
Proceeds from issue of equity shares	124.00	-	22.52
Expenses towards proposed Initial Public Offering	(5.39)	-	-
Proceeds from long-term borrowings	461.57	325.51	-
Repayment of long-term borrowings	(164.69)	(129.00)	(78.28)
Net increase / (decrease) in working capital borrowings	(64.77)	10.09	-
Dividend paid	(19.97)	(19.97)	-
Tax on dividend	(4.07)	(4.07)	-
Finance costs	(75.17)	(43.04)	(46.59)
Net cash flow from / (used in) financing activities (C)	251.51	139.52	(102.35)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(92.81)	(31.58)	(56.81)
Cash and cash equivalents at the beginning of the period/ year	40.85	72.43	129.21
Add: Cash and cash equivalents pertaining on acquisition of subsidiary	132.52	-	0.03
Cash and cash equivalents at the end of the year/period	80.56	40.85	72.43
Cash and cash equivalents as per Balance Sheet, as restated	52.70	10.85	51.19
Add: Current investments considered as part of Cash and cash equivalents in the Cash Flow Statements	27.86	30.00	21.24
Cash and cash equivalents as per AS 3 Cash Flow Statements	80.56	40.85	72.43

The accompanying summary of significant accounting policies and notes to accounts in Annexure - 5 are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

S.Sundaresan
Partner
Membership Number: 025776

Kayum Dhanani
Managing Director

T.N.Unni
Director

Mohankumar R
Chief Financial Officer

Nagamani
Company Secretary

Place: Bengaluru
Date: August 5,2017

Place: Bengaluru
Date: August 5,2017

Annexure 4: Summary Statement of Adjustments to the Audited Consolidated Financial Information

Particulars	Note ref	(Amount in Rs. Million)		
		For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
Net Profit for the year (as per audited accounts) (A)		90.26	60.63	136.66
Restatement Adjustments				
Increase / (decrease) in net profits for restatement adjustments:				
Impact of change in accounting policy	(a)			
Reversal of impact on change in accounting policy		21.28	-	-
Accounting of amortisation expense for the respective period		(2.70)	(2.70)	(2.70)
Total effect of adjustments before tax (B)		18.58	(2.70)	(2.70)
Tax adjustments				
Deferred tax impact of the above adjustments		6.43	(0.94)	(0.92)
Total of tax adjustments (C)		6.43	(0.94)	(0.92)
Net effect of increase in profit/ (loss) on adjustments after tax (D) = (B - C)		12.15	(1.76)	(1.78)
Net Profit for the year as restated (E) = (A + D)		102.41	58.87	134.88

Explanatory Notes for the adjustments:

- (a) For the years upto 31 March, 2016, intangible asset - "brand" arising from acquisition of brand name was not amortised but was subject to the impairment assessment. During the year ended 31 March, 2017, the Group changed its accounting policy to amortise such intangible assets over the presumed useful life of 10 years from the date of such acquisition. The profits of the earlier years and of the year in which the change in accounting policy has taken place have been recomputed to reflect the profits of those years that would have been if a uniform accounting policy was followed in each of these years. The amortisation expense of Rs. 13.18 Million relating to the period prior to the financial year 2014-15 has been adjusted with brought forward balance of Surplus in Consolidated Statement of Profit and Loss as at 1-Apr-2014.

- (b) Surplus in Consolidated Statement of Profit and Loss as at 1-Apr-2014, as restated

Particulars	Amount Rs. in Million
Balance as at 31-Mar-2014 as per audited accounts	223.10
Add: Restatement adjustments to give effect to profits for the period prior to financial 2014-15	
- Impact of change in accounting policy referred in note (a) above	(13.18)
- Deferred tax impact of the above	4.57
Opening balance as at 1-Apr-2014, as restated	214.49

- (c) Material regrouping:

Appropriate adjustments have been made in these restated Consolidated Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended) and as per the audited financials of the Company for the year ended 31-Mar-17 prepared in accordance with schedule III of the Companies Act, 2013.

Annexure 4: Summary Statement of Adjustments to the Audited Consolidated Financial Information

(d) Non-Adjustment Items

Audit reservations / qualifications in the auditor's report on audit of Standalone Financial Statements of the Company, which do not require any corrective adjustment in the Consolidated financial information:

The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, as stated in notes to the financial statements (the extract of which is given below), the Company has received amounts aggregating Rs. 3.95 Million from transactions which are not permitted and utilised for payments of Rs. 0.06 Million for transactions which are not permitted.

Extract of the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 from the audited consolidated financial statements for the year ended March 31, 2017:

Particulars	Rs. in Million		
	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	2.84	7.03	9.87
(+) Permitted receipts	-	114.89	114.89
(+) Non-permitted receipts	3.95	-	3.95
(-) Permitted payments	-	13.22	13.22
(-) Non-permitted payments	0.06	-	0.06
(-) Amount deposited in Banks	6.73	100.00	106.73
Closing cash in hand as on December 30, 2016	-	8.70	8.70

Internal controls related to inventories

CARO for the year ended March 31, 2015: In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services, and except for the need to strengthen procedures of documentation related to purchases, we have not observed any continuing failure to correct major weakness in such internal control system.

CARO for the year ended 31st March 2015 : Details of disputed dues which have not been deposited:

Nature of Dues and Name of Statute	Forum where Dispute is Pending	Period to which the Amount Relates	Period in which the amount was reported	Rs. in Million
Value Added Tax, West Bengal Value Added Tax Rules, 2005	Deputy Commissioner, Sales Tax	2009-10 and 2010-11	2014-15	1.34
Sales Tax, West Bengal Value Added Tax Rules, 1995	Deputy Commissioner, Sales Tax	2009-10 and 2010-11	2014-15	0.99
Value Added Tax, Andhra Pradesh Value Added Tax, 2005	Commercial Tax Officer, Hyderabad	2009-10 to 2013-14	2014-15	0.71
Value added tax, Rajasthan Value Added Tax, 2003	Commercial Tax Officer, Rajasthan	2010-11 to October 2014	2014-15	0.24

Annexure 5(A): Consolidated Summary Statement of Significant Accounting Policies

a Corporate information

Barbeque-Nation Hospitality Limited ('the Company') is primarily engaged in the business of operating casual dining restaurant chain in India. The registered office of the company is situated at Sy No. 62, Site No 13, 6th Cross NS Palya BTM Layout, Bengaluru - 560076, Karnataka, INDIA.

Refer to note c (vi) below for information on subsidiaries.

b Basis of accounting and preparation of Consolidated Financial Information, as restated

The Consolidated financial statements of Barbeque-Nation Hospitality Limited (the "Company") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the Act"). The Consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Consolidated financial statements are consistent with those adopted in the preparation of the financial statements for the year ended March 31, 2017 except for a change in accounting policy for amortisation of brands as more fully described in Note (a) of Annexure 4.

The Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2017, 2016 and 2015, and Restated Consolidated Summary Statements of Profit and Loss and Cash Flows for the years ended March 31, 2017, 2016 and 2015 (hereinafter collectively referred to as "Restated Consolidated Financial Information") of the Company have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies and relevant stock exchange/s in connection with its proposed Initial Public Offering. These Restated Consolidated Financial Information have been compiled by the Company from the audited Consolidated Financial Statements to which further adjustments are made to comply in all material respects with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations"). Accordingly, adjustments are made to the Restated Consolidated Financial Information for the change in accounting policy retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods and after incorporating adjustments for the material amounts in the respective financial years to which they relate. There were no extra-ordinary items that need to be disclosed separately and there were no qualifications in the audit reports of the Consolidated financial statements of the respective years requiring adjustments.

As the group did not have any subsidiary, associate or joint venture prior to the financial year ended March 31, 2015, the Restated Consolidated Financial Information are given only for the years ended March 31, 2017, 2016 and 2015.

c Principles of consolidation

The consolidated financial statements relate to Barbeque-Nation Hospitality Limited and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31
- ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- iv) Minority Interest in the net assets of the subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- v) Goodwill arising on consolidation is not amortised but tested for impairment.

vi) Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Sl.No	Name of the entity	Country of Incorporation	% of ownership held by the Company as at		
			31-Mar-17	31-Mar-16	31-Mar-15
a	Favorite Restaurants Private Limited (Refer note below)	India	-	100%	99.89%
b	Prime Gourmet Private Limited (refer note a) of Annexure 5 B)	India	100%	-	-
c	Barbeque Nation Holdings Limited (refer note b) of Annexure 5 B)	Dubai	100%	-	-
d	Barbeque Nation Restaurant LLC (refer note b) of Annexure 5 B)	Dubai	49%	-	-

Note: In accordance with the terms of the Scheme of Amalgamation (the Scheme) of Favorite Restaurants Private Limited (FRPL) with the Holding Company, FRPL ceases to be subsidiary of the Holding Company pursuant to its merger with effect from January 1, 2017, being the appointed date of the Scheme. Accordingly, nine months ended results have been considered for consolidation.

d Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

e Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

f Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

g Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

h Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following category of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- Service equipments - useful life of 10 years.
 - Furniture and fittings (used in restaurants) - useful life of 10 years.
- Leasehold improvements are depreciated over the duration of the lease.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- a) Liquor licenses with perpetual term purchased for restaurant chain business are amortised over the lease term of the respective restaurants.
- b) Software and other licenses are amortised over the estimated useful life of 3 years.
- c) Goodwill on acquisition of restaurant business is amortised over 10 years.
- d) The acquired brands are amortised over 10 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

i Revenue recognition

Revenue from sale of food and beverages is recognized when it is earned and no uncertainty exists as to its realization or collection. Sales are net of Sales tax, Service tax and other Taxes. Sales tax under the composition scheme is also excluded.

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

Share of profits and income from royalty under the agreements with customers are accrued based on confirmation received from customers.

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

In respect of gift vouchers, the income is recognised when the vouchers are redeemed by the customers or on completion of the validity period.

j Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Group and is determined as the difference between the sale price and the then carrying value of the investment.

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

k Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Costs directly attributable to the acquisition are capitalized until the asset is ready for use, as intended by the management. Subsequent expenditure relating to fixed assets is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The Company has adopted the provisions of para 46 / 46A of AS 11 - The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

l Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts), outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

m Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

n Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Company are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

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

Long-term employee benefits

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

o Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOP) which provide for grant of options to employees of the Company to acquire equity shares of the Company that are to be exercised within a specified period after such options are vested. Options are vested on completion of specified period from the date of grant. Such ESOPs are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

The Company has also formulated Phantom Option Scheme (POS) under which eligible members are granted phantom shares entitling them to receive cash payments for the amounts measured as a difference between market value of share and the exercise price after the completion of specified period from the date of grant. Fair value of the liability in respect of such options is measured at every balance sheet date and is recognised over the vesting period on a straight-line basis.

p Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

q Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

r Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax, as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

s Taxes on income

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realis ability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

t Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

u Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

v Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

w Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

x Operating Cycle

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

Annexure 5 (B): Consolidated Summary Statement of Notes to Accounts, as restated

a) New subsidiaries during the year:

The Company acquired 78.64% stake in Prime Gourmet Private Limited (PGPL) on August 29, 2016, pursuant to its investment in 13,000,000 equity shares of Rs. 10 each of PGPL at a face value. The Group has consolidated this subsidiary in these consolidated financial statements with effect from September 1, 2016 for convenience as the transactions between August 29, 2016 and August 31, 2016 were not material. The effect of this acquisition on the financial position and results as included in the consolidated financial statements is given below:

	(Rs. in Million)	(Rs. in Million)
Particulars of assets and liabilities as on September 1, 2016		
Fixed assets		
Tangible assets	72.84	
Intangible assets	26.94	
Long-term loans and advances	21.62	
Inventories	4.58	
Trade receivables	0.47	
Cash & cash equivalents	132.52	
Short-term loans and advances	6.01	
Total assets		264.98
Long-term borrowings	29.95	
Long-term provisions	0.49	
Short-Term Borrowings	89.13	
Trade payables	23.14	
Other current liabilities	8.78	
Short-term provisions	-	
Total liabilities		151.49
Net assets considered in the consolidated financial statements		113.49
Share of minority interest as at September 1, 2016		24.24
Goodwill on acquisition		40.75

Subsequently, the Company acquired remaining stake in PGPL for Rs. 47.73 Million on November 24, 2016, thereby resulting in an additional goodwill of Rs. 26.55 Million.

Results of PGPL during September 1, 2016 to March 31, 2017 as considered in these consolidated financial statements:	(Rs. in Million)
Revenue from operations	69.53
Other Income	0.09
Total Revenue	69.62
Cost of Material Consumed	26.45
Employee Benefit Expenses	17.83
Occupancy cost and other operating expenses	44.68
Total Expenses	88.96
Earnings before exceptional items, finance cost, tax, depreciation and amortisation (EBIDTA)	(19.34)
Finance costs	2.84
Depreciation and amortization expenses	11.33
Profit/(loss) before exceptional items and tax	(33.51)
Exceptional Items	3.50
Loss before tax	(37.01)
Tax expense	-
Loss for the period considered in these consolidated financial statements	(37.01)

- b) On March 25, 2015, the company incorporated a wholly owned subsidiary, Barbeque Nation Holdings Limited as an Offshore Company with a Limited Liability in Dubai. The Company invested AED 1,000,000 (Rs. 18.61 Million) in shares of Barbeque Nation Holdings Limited, Dubai (BNHL, Dubai) during December 2016. BNHL, Dubai has further invested AED 147,000 for 49% stake in Barbeque-Nation Restaurant LLC, Dubai (BNR LLC). Although BNHL, Dubai holds less than half of the voting power in BNR LLC, the BNR LLC is considered subsidiary of BNHL, Dubai pursuant to its control of the composition of board of directors of BNR LLC.

In accordance with the agreement between BNHL and minority holders of BNR LLC, minority interest in BNR LLC is not entitled to claim or demand any rights, titles or interest in the assets of or any amount as dividend or in lieu of profit from BNR LLC, its affiliates or associates. Accordingly, there is no minority interest involved.

BNR LLC started its operations with effect from November 2, 2016. The results of this entity and BNHL, as considered in these consolidated financial statements for the year ended March 31, 2017 is given below:

Particulars	(Rs. in Million)
Revenue from operations	49.00
Total Revenue	49.00
Cost of Material Consumed	15.97
Employee Benefit Expenses	11.68
Occupancy cost and other operating expenses	26.65
Total Expenses	54.30
Earnings before finance cost, tax, depreciation and amortisation (EBIDTA)	(5.30)
Finance costs	1.36
Depreciation and amortization expenses	4.17
Profit/(loss) before tax	(10.83)
Tax expense	-
Loss for the period considered in these consolidated financial statements	(10.83)

c) Contingent liabilities and commitments (to the extent not provided for)

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
A. Contingent liabilities			
(a) Claims against the Company not acknowledged as debt			
-Sales Tax and VAT matters	19.16	9.19	8.18
(b) Bonus to employees for FY 2014-15 pursuant to retrospective amendment to the Payment of Bonus Act, 1965	-	11.64	-
B. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	63.13	41.46	52.27

d) Employee benefit plans

(i) Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(Amount in Rs. Million)

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Contribution to Provident Fund and Employee State Insurance Scheme	66.46	55.79	35.43

(ii) Defined benefit plans

The Group offers Gratuity and Compensated absence benefit schemes to its employees:

Gratuity: The following table sets out the funded status of the Gratuity and the amount recognised in the financial statements:

(Amount in Rs. Million)

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Components of employer expense			
Current service cost	5.67	4.92	4.86
Interest cost	1.52	1.11	0.66
Expected return on plan assets	(0.13)	(0.12)	(0.12)
Curtailement cost/(credit)	-	-	-
Actuarial losses/(gains)	0.10	(0.49)	0.07
Total expense recognised in the Statement of Profit & Loss	7.16	5.42	5.47
Actual contribution and benefits payments			
Actual benefit payments	-	-	-
Actual contributions	-	-	-
Net asset/(liability) recognised in balance sheet			
Present value of defined benefit obligation (DBO)	(27.15)	(19.46)	(13.91)
Fair value of plan assets	1.78	1.65	1.52
Funded status [surplus/(deficit)]	(25.37)	(17.81)	(12.39)
Unrecognized past service costs	-	-	-
Net asset/(liability) recognised in balance sheet	(25.37)	(17.81)	(12.39)
Current	266 (25.37)	(17.81)	(12.39)

Non-current	(50.74)	(35.62)	(24.78)
Total asset / (liability) recognised in the balance sheet	(76.11)	(53.43)	(37.17)

Change in defined benefit obligations			
Present value of DBO at beginning of period	19.46	13.91	8.32
Acquisitions	0.40	-	-
Current service cost	5.67	4.92	4.86
Interest cost	1.52	1.11	0.66
Curtailement cost/(credit)	-	-	-
Actuarial (gains)/ losses	0.10	(0.48)	0.07
Benefits paid	-	-	-
Present Value of DBO at the end of period	27.15	19.46	13.91
Change in fair value of assets			
Plan assets at beginning of period	1.65	1.52	1.40
Expected return on plan assets	0.13	0.12	0.12
Actual contributions	-	-	-
Benefits paid	-	-	-
Actuarial gains/ (losses)	-	0.01	-
Plan assets at the end of period	1.78	1.65	1.52
Actuarial assumptions used in valuation of gratuity and leave encashment			
Discount rate	6.50%	7.85%	8.00%
Expected return on plan assets	8.00%	9.00%	9.00%
Salary escalation	10.00%	10.00%	10.00%
Attrition rate	40.00%	40.00%	40.00%
Retirement age	58 years	58 years	58 years
Mortality	Indian Assured Lives Mortality (2006-08)		

Note:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

e) Employee Stock Option Scheme

- (i) In the annual general meeting held on August 26, 2015, the shareholders of the Company had approved the issue of not more than 266,240 options under the Scheme titled " Employee Stock Option Scheme 2015 (ESOP 2015). The ESOP 2015 allows the issue of options to employees of the Company and its subsidiaries. Each option comprised of equity share of face value Rs. 10/-. Pursuant to the split of equity share of Rs. 10 each into 2 equity shares of Rs. 5 each during the current year, ESOP 2015 was further amended and approved by the shareholders in their meeting on June 30, 2017 wherein the maximum options under the ESOP 2015 was doubled to 532,480 options, wherein the option holder is entitled to 1 equity share of Rs. 5/- each for every option held.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. Vesting period of the option is three years from the date of grant and all the vested options can be exercised by the option grantee within six months from the vesting date or at the time of liquidity event, as approved by the Board, whichever is later.

On April 1, 2016, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

- (ii) The detail of fair market value of shares per option is Rs. 310 as at grant date of April 1, 2016. The details of exercise price and fair value of option as at grant date as per Black Scholes Option Pricing Model are given below:

Exercise price per option (Rs.)	Fair market value of option at grant date (Rs.)
93	232.44
124	207.98
155	184.64
186	162.87
217	142.94
279	108.96
310	94.82

* the details given in the above table is recast after considering amendments to the ESOP 2015 pursuant to share split.

- (iii) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	Options (Numbers)	Weighted average exercise price per option (Rs.)
Options outstanding at the beginning of the financial year 2016-17:	-	-
Granted during the year 2016-17:	213,528	155.50
Lapsed during the year 2016-17:	59,610	181.50
Options outstanding at the end of the financial year 2016-17:	153,918	143.50

Options available for grant as at 31-Mar-17: 378,562

- (iv) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	01-Apr-16
Risk Free Interest Rate	268 6.60%

Expected Life	3.5 years
Expected Annual Volatility of Shares	33.33%
Expected Dividend Yield	0.24%

f) Phantom Stock Options Scheme

The Board of Directors in their meeting on December 1, 2015 approved the issue of 22,242 Phantom options under the Scheme titled "Phantom Option Scheme 2015 (POS 2015) which were granted to eligible personnel on April 1, 2016. The POS 2015 allows the issue of options to the consultants of the Company and its subsidiaries. The option holder is entitled for cash equal to the difference between market value of equity shares of face value Rs. 10/- and the exercise price of each option.

Vesting period of each option is three years from the date of grant and all the vested options can be exercised by the option grantee within 60 days from the vesting date or at the time of liquidity event as approved by the Board.

The liability in respect of such options is measured as a difference between the fair value of market price of underlying shares and the exercise price of such options and is recognised over the vesting period on a straight-line basis. Provision made in respect of these options for the year ended March 31, 2017 amounted Rs. 3.33 Million.

g) Segment information

The Group operates in only one segment, viz., setting up and managing restaurant business. The Group's operations are mainly in India and therefore there are no secondary geographical segment.

h) Disclosures in respect of Operating leases

Premises are taken on Lease for periods ranging from 3 to 15 years with a non- cancellable period at the beginning of the agreement ranging from 3 to 6 years. Contingent rent for certain restaurant outlets is payable in accordance with the leasing agreement at the higher of:

- i) Fixed minimum guarantee amount and;
- ii) Revenue share percentage

Future minimum lease payments in respect of non-cancellable leases are as follows:

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Future minimum lease payments:			
- Upto One year	206.70	119.59	59.39
- More than one year and upto five years	115.87	150.24	158.69
- More than five years	-	-	-

Lease expenditure recognised in the Consolidated Statement of Profit and Loss:

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Expenditure on lease payments with respect to above mentioned non-cancellable operating lease arrangements.	159.79	193.09	175.66
Expenditure on lease payments with respect to other operating lease arrangements.	350.68	118.35	2.39

- i) The directors of the Company propose that a dividend of Re.1 per share be paid for equity shareholders out of profit for the year ended March 31, 2017. This equity dividend is subject to approval by shareholders at the Annual General Meeting. Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to the Company with effect from April 1, 2016, dividend declared after the balance sheet date but before the financial statements are approved for issue, is not to be recognised as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements. Accordingly, this dividend for the current year has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 27.02 Million. The payment of this dividend is estimated to result in payment of dividend distribution tax of Rs. 5.50 Million @ 20.36% on the amount of dividends payable.

Annexure 6: Consolidated Summary Statement of Share Capital, as restated

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Authorised capital			
Equity shares of Rs.10/- each, with voting rights *			
- Number of shares	-	20,000,000	20,000,000
- Amount in Rs. Million	-	200.00	200.00
Equity shares of Rs.5/- each, with voting rights *			
- Number of shares	40,000,000	-	-
- Amount in Rs. Million	200.00	-	-
Issued, subscribed and paid-up capital			
Equity shares of Rs.10/- each, fully paid-up, with voting rights *			
- Number of shares	-	13,312,007	13,312,007
- Amount in Rs. Million	-	133.12	133.12
Equity shares of Rs.5/- each, fully paid-up, with voting rights *			
- Number of shares	27,024,014	-	-
- Amount in Rs. Million	135.12	-	-
Total paid-up capital (Amount in Rs. Million)	135.12	133.12	133.12

* The face value of equity shares of the Company has been split from Rs.10 to Rs. 5 per share with effect from December 15, 2016. Further, pursuant to the scheme of amalgamation of Favorite Restaurants Private Limited, the authorised share capital of the Company has changed to 60 million equity shares of Rs.5/- each. As the appointed date of this scheme is January 1, 2017, the effect for this change has been given in the above table in respect of authorised share capital as at March 31, 2017.

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

Particulars	Number of shares	Amount in Rs. Million
Equity shares of Rs.10/- each, fully paid-up:		
Outstanding at the 1 April 2014	11,059,883	110.60
Add: Issued during 2014-15	2,252,124	22.52
Outstanding at the 31 March 2015	13,312,007	133.12
Add: Issued during 2015-16	-	-
Outstanding at the 31 March 2016	13,312,007	133.12
Add: Issued during 2016-17	200,000	2.00
	13,512,007	135.12
Equity shares of Rs. 5 each as at 31 March 2017 pursuant to share split with effect from December 15, 2016	27,024,014	135.12

b) Terms & Rights attached to each class of shares:

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

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

Name of shareholder	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Sayaji Hotels Limited			
- Number of equity shares of Rs. 10 each	-	-	6,310,558
- Percentage of holding (%)	0.00%	0.00%	47.41%
- Number of equity shares of Rs. 5 each	-	-	
- Percentage of holding (%)	0.00%	0.00%	
Blue Deebaj Chemicals LLC			
- Number of equity shares of Rs. 10 each	-	-	1,421,505
- Percentage of holding (%)	0.00%	0.00%	10.68%

- Number of equity shares of Rs. 5 each	-	-
- Percentage of holding (%)	0.00%	0.00%

c) Details of Shareholders holding more than 5% shares in the Company contd.,

Name of shareholder	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Sayaji Housekeeping Services Limited			
- Number of equity shares of Rs. 10 each	-	6,310,558	-
- Percentage of holding (%)	-	47.41%	0.00%
- Number of equity shares of Rs. 5 each	12,621,116		
- Percentage of holding (%)	46.70%		
Tamara Private Limited			
- Number of equity shares of Rs. 10 each	-	3,222,970	3,222,970
- Percentage of holding (%)	-	24.21%	24.21%
- Number of equity shares of Rs. 5 each	6,445,940		
- Percentage of holding (%)	23.85%		
Pace Private Limited			
- Number of equity shares of Rs. 10 each	-	1,687,713	-
- Percentage of holding (%)	-	12.68%	0.00%
- Number of equity shares of Rs. 5 each	3,375,426		
- Percentage of holding (%)	12.49%		
Kayum Razak Dhanani			
- Number of equity shares of Rs. 10 each	-	497,894	
- Percentage of holding (%)	-	3.74%	
- Number of equity shares of Rs. 5 each	1,395,788		
- Percentage of holding (%)	5.16%		

d) Number of equity shares reserved for issuance

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Equity shares of Rs. 10/- each to eligible employees under Employee Stock Option Scheme	-	266,240	-
Equity shares of Rs. 5/- each to eligible employees under Employee Stock Option Scheme	532,480	-	-

Annexure 7: Consolidated Summary Statement of Reserves and Surplus, as restated

(Amount in Rs. Million)

Particulars		For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
(a) Securities premium account				
Opening balance (Refer note below)		742.80	742.80	742.80
Add: Premium on shares issued during the period		122.00	-	-
Closing balance	A	864.80	742.80	742.80
(b) Share options outstanding account				
Opening balance		-	-	-
Add: Amounts recorded on grant of employee stock options during the year		28.87	-	-
Less : Deferred stock compensation expense		(19.25)	-	-
Closing balance	B	9.62	-	-
(c) Foreign currency translation reserve				
Opening balance		-	-	-
Add: Addition during the year		(0.17)	-	-
Closing balance	C	(0.17)	-	-
(d) Surplus in Consolidated Statement of Profit and Loss				
Opening balance, as restated (Refer Note (b) of Annexure 4 for restated opening balance as at 1-Apr-2014)		358.10	323.26	214.49
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred taxes Rs. 1.04 Million) (Refer note (i) below)		-	-	(2.02)
Add: Profit for the year, as restated		102.41	58.87	134.88
Less: Adjustment on change in minority holding		-	-	(0.06)
Less: Proposed dividend on equity shares [Refer note (i) of Annexure 5 (B)]		-	(19.97)	(19.97)
Less: Tax on proposed dividend		-	(4.06)	(4.06)
Closing balance	D	460.51	358.10	323.26
Total (A + B+C+D)		1,334.76	1,100.90	1,066.06

Notes:

(i) During the year ended March 31, 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. In accordance with the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 2.02 Million (net of deferred tax of Rs. 1.04 Million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus for the year ended March 31, 2015.

Barbeque-Nation Hospitality Limited
 Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Secured loans			
- Term loans from banks	836.07	509.25	268.00
- Term loans from financial institutions	-	-	40.00
- Working capital loans	14.26	10.09	-
	850.33	519.34	308.00
Unsecured loans			
- from others (Repayable on demand)	20.19	-	-
Total borrowings	870.52	519.34	308.00
Total borrowings represented by:			
- Long-term borrowings	582.18	358.74	179.00
- Short-term borrowings	34.45	10.09	-
- Current maturities of long-term borrowings (included in other-current liabilities)	253.89	150.51	129.00
Total	870.52	519.34	308.00

There are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term Borrowings as at 31-Mar-17:

a) Secured term loans from Banks

No	Name of Lender	Amount Rs. in Million outstanding as at 31-Mar-17	Rate of Interest % (p.a)	Repayment terms	No. of Instalments outstanding as at 31-Mar-17	Prepayment Charges	Security
1	State Bank of India (Term Loan 1)	47.00	10.60%	In 55 defined monthly instalments from September 2013 to March 2018	12	1% of entire Outstanding	Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)
2	State Bank of India (Term Loan 2)	42.00	10.60%	In 63 defined monthly instalments from January 2013 to March 2018	12	1% of entire Outstanding	Paripassu charge by way of Hypothecation on entire current assets and movable fixed assets of the Company (both present and future)
3	Axis Bank Limited - Rupee Term Loan	219.67	Base rate + 0.85%	In 60 Equal Monthly Instalments	49	In case borrower desire to pre pay the loan, the prepayment of the loan will be accepted on the terms and conditions to be decided by bank	Paripassu charge on 1. Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2. Entire current assets and security deposits of the Company, both present and future 3. Brand of the Company
4	Axis Bank Limited Foreign Currency Term Loan - 1(USD)	40.79	6 Month LIBOR+450 bps	In 60 Equal Monthly Instalment	49	In case borrower desire to pre pay the loan, the prepayment of the loan will be accepted on the terms and conditions to be decided by bank	Paripassu charge on 1. Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2. Entire current assets and security deposits of the Company, both present and future 3. Brand of the Company
5	Axis Bank Limited Foreign Currency Term Loan - 2(USD)	41.71	6 Month LIBOR+450 bps	In 60 Equal Monthly Instalment	49	In case borrower desire to pre pay the loan, the prepayment of the loan will be accepted on the terms and conditions to be decided by bank	Paripassu charge on 1. Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2. Entire current assets and security deposits of the Company, both present and future 3. Brand of the Company
6	RBL Bank Limited	283.33	10.65%	in 54 monthly instalment, from January 2017 to June 2021	51	The repayment of loan will be accepted on terms and conditions to be decided by bank.	Paripassu charge on 1. Entire fixed assets, current assets and security deposits of the Company, both present and future. 2. The Brand of the Company
7	Yes Bank Limited	100.00	Yearly MCLR + 155 base points	In 20 equal quarterly instalment from July 2017 to April 2022	20	1% on the prepayment amount	Paripassu charge on 1. Entire fixed assets, current assets and security deposits of the Company, both present and future. 2. The Brand of the Company
8	Axis Bank	61.57	6 Month LIBOR+450bps	11 unequal half yearly instalment after a moratorium of 12 months.	11	NA	1) Paripassu First Charge by way of hypothecation on the entire fixed assets (including lease holds improvements excluding Vehicles) present and future of the company along with term lender. 2) Paripassu charge over the Brand of the Company
		836.07					

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of working capital loans as at 31-Mar-17

a) Secured loans

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-17	Rate of Interest (p.a)	Repayment terms	No. of Instalments outstanding as at 31-Mar-17	Prepayment Charges	Security
1	Axis Bank Limited	4.39	12 Month LIBOR+72 bps	Bullet Payment by January 2018	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
2	Axis Bank Limited	4.39	12 Month LIBOR+50 bps	Bullet Payment by November 2017	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
3	Axis Bank Limited	1.09	12 Month LIBOR+175 bps	Bullet Payment by July 2017	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
4	Axis Bank Limited	4.39	12 Month LIBOR+85 bps	Bullet Payment by May 2017	Repaid as Bullet payment	NA	Paripassu charge on 1.Entire fixed assets of the Company (including leasehold improvements excluding vehicles) both present and future 2.Entire current assets and security deposits of the Company, both present and future 3.Brand of the Company
		14.26					

b) Unsecured borrowings

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-17	Rate of Interest (p.a)	Repayment terms	No. of Instalments outstanding as at 31-Mar-17	Prepayment Charges	Security
1	Unsecured loan from Abdul Gani	20.19	Nil	Repayable on demand	Bullet Payment	NA	NA
		20.19					

Annexure 9: Consolidated Summary Statement of Deferred tax liabilities/assets, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Tax effect of items constituting deferred tax liability:			
- On difference between book balance and tax balance of fixed assets	-	-	1.07
Deferred tax liability	-	-	1.07
Tax effect of items constituting deferred tax assets:			
- On difference between book balance and tax balance of fixed assets	5.80	8.41	4.46
- Disallowances under Section 43B of the Income Tax Act, 1961	33.33	25.62	13.82
Deferred tax assets	39.13	34.03	18.28

Annexure 10: Consolidated Summary Statement of Other long term liabilities, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Rent Equalisation reserve	3.05	5.02	6.53
Total	3.05	5.02	6.53

Annexure 11: Consolidated Summary Statement of Long term provisions, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Provision for employee benefits:			
- Compensated absences	15.55	11.74	8.83
- Gratuity	21.48	12.50	12.39
Provision for phantom stock options	3.33	-	-
Total	40.36	24.24	21.22

Annexure 12: Consolidated Summary Statement of Trade payables, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
I. Trade payables			
a) Dues to micro and small enterprises	-	-	-
b) Dues to others	417.89	317.47	153.95
Total	417.89	317.47	153.95

Note:

The Micro and Small Enterprises have been identified on the basis of information available with the Company and this has been relied upon by the auditors.

The above includes the following debts due to promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Entity in which KMP / Relatives of KMP can exercise significant influence			
-Sara Soule Private Limited	3.97	1.55	0.71
Investing party for which company is an associate			
- Sayaji Hotels Limited	6.69	119.45	-

Except for the above there are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel

Annexure 13: Consolidated Summary Statement of Other current liabilities, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
a) Current maturities of long-term borrowings			
- from banks	253.89	150.51	89.00
- from financial institutions	-	-	40.00
b) Interest accrued but not due on borrowings	2.11	2.08	0.25
c) Other payables			
- Statutory remittances	50.60	36.76	31.21
- Payables on purchase of fixed assets	22.69	134.42	18.93
- Advances from customers	12.02	3.74	1.86
Total	341.31	327.51	181.25

There are no amounts due to Subsidiaries/ Associates/ Directors/ Relatives of Directors/Entities having significant influence/ Key Managerial Personnel

Annexure 14: Consolidated Summary Statement of Short term provisions, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Provision for employee benefits:			
- Compensated absences	19.81	19.21	13.28
- Gratuity	3.89	5.31	-
Provision - Others:			
-Provision for Income Tax (net of advance income tax)	43.33	41.68	46.92
- Provision for proposed equity dividend	-	19.97	19.97
- Provision for tax on proposed equity dividend	-	4.06	4.06
Total	67.03	90.23	84.23

Barbeque-Nation Hospitality Limited
Consolidated Financial Information, as restated

Annexure 15: Consolidated Summary Statement of Fixed Assets, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
I. Gross block			
Tangible assets (owned, unless otherwise stated)			
- Plant and equipments	452.26	307.59	204.62
- Service Equipments	554.11	446.15	300.28
- Computer equipments	76.64	55.95	36.56
- Furniture and fixtures	731.91	564.42	392.77
- Vehicles	4.34	3.79	2.67
- Leasehold improvements	918.16	735.40	579.84
Total	2,737.42	2,113.30	1,516.74
Intangible assets (others)			
- Liquor licenses	54.66	15.96	15.96
- Software and licenses	21.35	15.56	9.52
- Brand name	29.45	29.45	29.45
- Goodwill	249.28	249.28	134.60
Total	354.74	310.25	189.53
II. Accumulated depreciation			
Tangible assets (owned, unless otherwise stated)			
- Plant and equipments	86.15	51.86	32.98
- Service Equipments	254.23	154.76	83.13
- Computer equipments	47.56	29.89	18.88
- Furniture and fixtures	200.42	129.30	79.03
- Vehicles	1.76	1.28	0.85
- Leasehold improvements	378.70	326.10	249.41
Total	968.82	693.19	464.28
Intangible assets (others)			
- Liquor licenses	28.93	8.53	6.84
- Software and licenses	11.36	8.42	4.45
- Brand name	21.82	18.87	15.94
- Goodwill	84.60	59.62	40.38
Total	146.71	95.44	67.61

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
III. Net block			
Tangible assets (owned, unless otherwise stated)			
- Plant and equipments	366.11	255.73	171.64
- Service Equipments	299.88	291.39	217.15
- Computer equipments	29.08	26.06	17.68
- Furniture and fixtures	531.49	435.12	313.74
- Vehicles	2.58	2.51	1.82
- Leasehold improvements	539.46	409.30	330.43
Total	1,768.60	1,420.11	1,052.46
Intangible assets (others)			
- Liquor licenses	25.73	7.43	9.12
- Software and licenses	9.99	7.14	5.07
- Brand name	7.63	10.58	13.51
- Goodwill	164.68	189.66	94.22
Total	208.03	214.81	121.92

Annexure 16: Consolidated Summary Statement of Long term loans and advances, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
(a) Capital advances	3.83	9.09	5.26
(b) Security deposits	275.48	229.34	167.85
(c) Deposit with Related Parties	0.23	0.05	0.05
(d) Tax paid under protest VAT	10.06	1.50	0.80
Total	289.60	239.98	173.96

The loans and advances include the following debts due from promoter/group companies/ related parties as follows:

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Private companies in which any director is a director or member - Sara Soule Private Limited (long term loans and advances) Purpose: The above fund is given as a security deposit towards lease of buildings	0.23	0.05	0.05

Except for above, there are no dues from subsidiaries, associates, directors, relatives of directors, Key Management Personnel (KMP), entities in which KMP or relatives of KMP can exercise significant influence

Annexure 17: Consolidated Summary Statement of Other non-current assets, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Balances in earmarked account in Banks - held as margin money	25.08	12.17	5.58
Total	25.08	12.17	5.58

Annexure 18: Consolidated Summary Statement of Current Investments, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
(At lower of cost and fair value)			
Investment in mutual funds (quoted)			
Kotak Equity Arbitrage Fund - Monthly dividend plan			
- Cost of investment (Amount in Rs. Million)	-	30.00	11.26
- Number of mutual fund units	-	12,104.76	1,033,277.70
- Net asset value of mutual fund (Amount in Rs. Million)	-	30.05	11.26
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	30.00	11.26
Kotak Floater Short Term - Daily dividend plan			
- Cost of investment (Amount in Rs. Million)	-	-	0.58
- Number of mutual fund units	-	-	568.59
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.58
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.58
SBI PLF-Reg Plan Daily dividend			
- Cost of investment (Amount in Rs. Million)	-	-	8.96
- Number of mutual fund units	-	-	8,914.70
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	8.98
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	8.96
Axis Treasury Advantage Fund - Daily dividend plan			
- Cost of investment (Amount in Rs. Million)	-	-	0.07
- Number of mutual fund units	-	-	71.01
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.07
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.07
Axis Liquid Fund - Daily dividend plan			
- Cost of investment (Amount in Rs. Million)	-	-	0.04
- Number of mutual fund units	-	-	38.97
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.04
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.04
Axis Short-term Fund - Growth plan			
- Cost of investment (Amount in Rs. Million)	-	-	0.33
- Number of mutual fund units	-	-	22,577.74
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	0.34
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	0.33
SBI Magnum Insta Cash Fund - Direct Plan - Growth			
- Cost of investment (Amount in Rs. Million)	27.86	-	-
- Number of mutual fund units	7,754.09	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	27.89	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	27.86	-	-
Total (Amount in Rs. Million)	27.86	30.00	21.24
Aggregate book value of quoted investments	27.86	30.00	21.24
Aggregate market value of quoted investments	27.89	30.05	21.27
Aggregate market value of unquoted investments	-	-	-

Barbeque-Nation Hospitality Limited
Consolidated Financial Information, as restated

Annexure 19: Consolidated Summary Statement of Inventories, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
(At lower of cost and net realisable value)			
- Food & beverages	119.75	99.12	76.80
- Stores & consumables	40.98	25.12	60.30
Total	160.73	124.24	137.10

Annexure 20: Consolidated Summary Statement of Trade Receivables, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:			
- Unsecured, considered good	0.80	1.46	7.18
- Doubtful	2.48	0.70	-
	3.28	2.16	7.18
Less: Provision for doubtful trade receivables	(2.48)	(0.70)	-
	0.80	1.46	7.18
Other trade receivables			
- Unsecured, considered good	39.92	49.79	22.45
- Doubtful	-	-	-
	39.92	49.79	22.45
Less: Provision for doubtful trade receivables	-	-	-
	39.92	49.79	22.45
Total	40.72	51.25	29.63

There are no dues from subsidiaries, associates, directors, relatives of directors, Key Management Personnel (KMP), entities in which KMP or relatives of KMP can exercise significant influence

Barbeque-Nation Hospitality Limited
Consolidated Financial Information, as restated

Annexure 21: Consolidated Summary Statement of Cash and cash equivalents, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
(a) Cash on hand	7.89	4.58	6.52
(b) Balances with banks :			
- In current accounts	43.81	6.27	44.67
- In deposit accounts	1.00	-	-
Total	52.70	10.85	51.19

Annexure 22: Consolidated Summary Statement of Short term loans and advances, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
(a) Loans and advances to employees	5.91	2.67	2.45
(b) Prepaid expenses	71.53	33.14	22.06
(c) Others:			
- Advance to vendors:			
- Considered good	31.91	43.91	46.62
- Considered doubtful	9.96	5.00	-
	41.87	48.91	46.62
- Less: Provision for other doubtful loans and advances	(9.96)	(5.00)	-
	31.91	43.91	46.62
(d) Inter Corporate Deposits	-	-	25.00
(e) Balance with Government Authorities			
- CENVAT credit receivable	10.44	2.02	16.98
- Incentives receivables	-	4.73	8.42
Total	119.79	86.47	121.53

There are no dues from subsidiaries, associates, directors, relatives of directors, Key Management Personnel (KMP), entities in which KMP or relatives of KMP can exercise significant influence

Annexure 23: Consolidated Summary Statement of Other current assets, as restated

(Amount in Rs. Million)

Particulars	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
(a) Interest accrued on deposits	0.80	1.12	0.50
(b) Interest accrued on inter- corporate deposits and loans	-	-	14.07
(c) Unamortised share issue expenses	5.39	-	-
Total	6.19	1.12	14.57

Barbeque-Nation Hospitality Limited
Consolidated Financial Information, as restated

Annexure 24: Consolidated Summary Statement of Operational Income and Expenses, as restated

(Amount in Rs. Million)

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
I. Revenue from operations			
Sale of food & beverages	4,966.50	3,976.45	2,987.42
Other operating revenues			
- Revenue from displays and sponsorships	29.13	26.88	27.32
- Share of profits and income from royalty	32.04	21.35	15.65
- Government incentives	2.74	3.67	8.42
- Sale of scrap	2.22	2.16	2.15
- Others	2.22	-	-
Total	5,034.85	4,030.51	3,040.96
II. Expenses			
Cost of food and beverages consumed			
Opening stock	99.12	76.80	59.54
Add: Stock of Favorite Restaurant Private Limited merged during the year	4.28	-	-
Add: Purchases	1,813.69	1,515.33	1,128.17
	1,917.09	1,592.13	1,187.71
Less Closing stock	(119.74)	(99.12)	(76.80)
Total	1,797.35	1,493.01	1,110.91
Employee benefits expense			
Salaries and wages	784.41	586.50	363.55
Contributions to provident and other funds	45.80	38.52	22.69
Gratuity expenses	7.16	5.42	5.47
Expense on employee stock option scheme	9.62	-	-
Staff welfare expenses	71.93	65.19	39.92
Total	918.92	695.63	431.63
Finance costs			
Interest expense on borrowings	75.20	43.56	42.14
Interest on delayed payment of income tax	-	1.31	1.88
Receivable discounting charges	57.50	45.21	39.70
Other's	11.29	7.11	0.72
Total	143.99	97.19	84.44

Annexure 24: Consolidated Summary Statement of Operational Income and Expenses, as restated

II. Expenses contd.,

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Occupancy cost and other operating expenses			
Consumption of stores & operating supplies	85.63	96.20	81.52
Power and fuel	396.60	330.76	260.51
Rent including lease rentals	543.80	371.56	285.83
Repairs and maintenance:			
- Buildings	12.45	40.21	25.31
- Machinery	23.21	19.59	13.06
- Others	23.92	20.13	19.97
House keeping services	136.23	113.36	85.35
Water charges	25.89	21.66	13.96
Insurance	5.31	4.85	3.15
Rates and taxes	58.46	37.14	30.78
Communication	26.86	19.38	12.86
Travelling and conveyance	30.22	29.95	22.92
Printing and stationery	23.91	24.86	24.06
Laundry expenses	10.51	9.21	7.13
Security service charges	21.49	20.59	13.50
Recruitment expenses	2.55	4.67	2.84
Business promotion	100.52	98.64	50.03
Vehicle hiring charges	12.05	10.79	10.39
Royalty fee	5.43	-	-
Legal and professional	43.09	35.94	37.62
Expense on phantom option scheme	3.33	-	-
Payments to auditors	2.90	2.21	1.77
Parking Charges	7.04	7.34	6.23
Loss on sale of assets	-	-	-
Corporate social responsibility	0.70	0.80	-
Bad debts written-off (net)	-	-	1.22
Provision for doubtful receivables and advances	7.46	5.70	-
Foreign Exchange Loss (net)	1.27	1.33	0.08
Miscellaneous expenses	38.87	26.00	13.35
Total	1,649.70	1,352.87	1,023.44

Annexure 24: Consolidated Summary Statement of Operational Income and Expenses, as restated

III. EXCEPTIONAL ITEMS:

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Effect of increase / (decrease) in profits			
Net loss relating to restaurant units closed / relocated during the year	11.51	-	18.95
Total	11.51	-	18.95

Annexure 25: Consolidated Summary Statement of Other Income, as restated

(Amount in Rs. Million)

Particulars	For the year ended			
	31-Mar-17	31-Mar-16	31-Mar-15	
Other Income, as restated	4.48	3.84	20.96	
Net profit before tax, as restated	182.75	138.92	223.63	
Percentage	2%	3%	9%	
Break-up of Other Income:	Nature			
Interest income from deposits with bank	Recurring	1.25	0.79	2.46
Interest income from Inter-corporate deposits	Recurring	-	0.31	15.37
Dividend income	Recurring	-	0.04	2.77
Net gain on sale of current investments - mutual fund	Recurring	3.23	2.70	0.36
Total		4.48	3.84	20.96

Notes

- 1) All the above income relate to the Company's business activity.
- 2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current business operations and business activities of the Company as determined by the management.

Annexure 25: Consolidated Summary Statement of Other Income, as restated

(Amount in Rs. Million)

Particulars	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Other Income, as restated	4.48	3.84	20.96
Net profit before tax, as restated	182.75	138.92	223.63
Percentage	2%	3%	9%
Break-up of Other Income:			
Interest income from deposits with bank	1.25	0.79	2.46
Interest income from Inter-corporate deposits	-	0.31	15.37
Dividend income	-	0.04	2.77
Net gain on sale of current investments - mutual fund	3.23	2.70	0.36
Total	4.48	3.84	20.96

Annexure 26: Consolidated Summary Statement of Dividend Paid / Proposed by the Company

Particulars	(Rs. in Millions)		
	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Equity Shares			
Number of shares	27,024,014	13,312,007	13,312,007
Face value (Rs.)	5.00	10.00	10.00
Amount (Rs in Million)	135.12	133.12	133.12
Final Dividend			
Rate of Dividend (%)	-	15%	15%
Dividend per Share (Rs.)	-	1.50	1.50
Amount of Dividend (Rs. in Million)	-	19.97	19.97
Corporate Dividend Tax (Rs. in Million)	-	4.06	4.06

As explained in Note (i) of Annexure 5 (B), the directors propose that a dividend of Re.1 per share be paid for equity shareholders out of profit for the year ended March 31, 2017. This equity dividend is subject to approval by shareholders at the Annual General Meeting. Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to the Company with effect from April 1, 2016, dividend declared after the balance sheet date but before the financial statements are approved for issue, is not to be recognised as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements. Accordingly, this dividend for the current year has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 27.02 Million. The payment of this dividend is estimated to result in payment of dividend distribution tax of Rs.5.50 Million @ 20.36% on the amount of dividends payable.

Annexure 27: Consolidated Summary Statement of Accounting Ratios

(Amount Rs. in Million, Except Per Share Data)

Particulars		For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
Basic and Diluted Earnings Per Share (Rs.)	A			
Basic Earnings Per Share (Basic EPS)				
Net profit after tax, as restated, attributable to equity shareholders		102.41	58.87	134.88
Weighted average number of Equity Shares outstanding		26,979,082	26,624,014	24,982,740
Basic EPS in Rs.		3.80	2.21	5.40
Face value in Rs.		5.00	5.00	5.00
Diluted Earnings Per Share (Diluted EPS)				
Net profit/loss after tax, as restated, attributable to equity shareholders		102.41	58.87	134.88
Weighted average number of Shares used for calculating Basic EPS		26,979,082	26,624,014	24,982,740
Add: Effect of ESOPs and share warrants which are dilutive		-	-	1,592,214
Weighted average number of shares considered for calculating Diluted EPS		26,979,082	26,624,014	26,574,954
Diluted EPS in Rs.		3.80	2.21	5.08
Face value in Rs.		5.00	5.00	5.00
Net Asset Value Per Equity Share (Rs.)	B	As at		
		31-Mar-17	31-Mar-16	31-Mar-15
Net Asset Value (Net-worth), as restated		1,460.26	1,234.02	1,199.18
Number of equity shares outstanding outstanding at the year end		27,024,014	26,624,014	26,624,014
Add: Convertible share warrants outstanding at the year end		-	-	-
Number of adjusted equity shares outstanding at the year end		27,024,014	26,624,014	26,624,014
Net Assets Value per equity share (Rs.)		54.04	46.35	45.04
Return on Net worth	C	For the year ended		
		31-Mar-17	31-Mar-16	31-Mar-15
Net Profit after tax, as restated		102.41	58.87	134.88
Net worth, as restated		1,460.26	1,234.02	1,199.18
Return on net worth		7.01%	4.77%	11.25%

Note: The face value of the equity share of the Company has been split from Rs.10 to Rs.5 per share with the effect from December 15, 2016. Accordingly, the share data considered in the calculation above reflect the effect of share split retrospectively for all previous periods presented.

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

The effect of ESOPs outstanding is anti-dilutive for the year ended March 31, 2017 and hence ignored for the purpose of computing Diluted EPS.

(ii) Net Assets Value (NAV)

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity share holders}}{\text{Net-worth (excluding revaluation reserve), as restated, at the end of the year}}$$

Net-worth means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss and accumulated balance in foreign currency translation reserve.

Annexure 28: Consolidated Statement of Capitalisation, as restated

Particulars	Pre-issue As at 31-Mar-17	Post-Issue*
Debt		
Short-term borrowings	34.45	
Long-term borrowings	582.18	
Add: Current maturities of long term borrowings	253.89	
Total debts	870.52	
Shareholders' funds		
Share capital	135.12	
Reserves and surplus	1,334.76	
Total shareholders' funds	1,469.88	
Long term debt/equity	0.57	

* Shareholders fund post issue can be calculated only on the conclusion of the book building process.

Notes

1. Short term borrowings represent debts which are due within 12 months from 31-Mar-2017.
2. Long term debts include current portion of long-term borrowings repayable over the next twelve months.

Barbeque-Nation Hospitality Limited
 Consolidated Financial Information, as restated

Annexure 29: Consolidated Summary Statement of Transactions with Related Parties and Balances, as restated

List of related parties:

Description of relationship	Names of related parties
Holding company	Sayaji Hotels Limited (upto 12 August, 2014)
Investing party for which the Company is an Associate	Sayaji Hotels Limited (from 13 August, 2014) Sayaji Housekeeping Services Limited (from 29 March, 2016) Tamara Private Limited
Key Management Personnel (KMP)	Kayum Dhanani (Managing Director) Prosenjeet Roy Choudhary (Executive Director upto 31 May, 2013)
Entities in which KMP / Relatives of KMP can exercise significant influence	Sara Soule Private Limited

Barbeque-Nation Hospitality Limited
Consolidated Financial Information, as restated

Annexure 29: Consolidated Statement of transactions and balances with Related Parties, as restated

(Amount in Rs. Million)

Transactions with related parties	For the year ended		
	31-Mar-17	31-Mar-16	31-Mar-15
Purchase of consumables Entity in which KMP / Relatives of KMP can exercise significant influence - Sara Soule Private Limited	4.03	-	-
Royalty income & Service charge income Investing party for which the Company is an Associate : - Sayaji Hotels Limited	16.11	12.41	9.45
Services received Investing party for which the Company is an Associate : - Sayaji Hotels Limited	1.05	-	-
Purchase of fixed asset from Entity in which KMP / Relatives of KMP can exercise significant influence -Sara Soule Private Limited Investing party for which the Company is an Associate - Sayaji Hotels Limited	- -	- 123.80	0.09 -
Sponsorship Income Entity in which KMP / Relatives of KMP can exercise significant influence -Sara Soule Private Limited	-	-	3.00
Rent and maintenance charges Entity in which KMP / Relatives of KMP can exercise significant influence -Sara Soule Private Limited Investing party for which the Company is an Associate - Sayaji Hotels Limited	4.96 16.67	2.53 5.10	1.87 -
Issue of equity shares KMP/ Relatives of KMP - Kayum Dhanani Issue of equity shares at face value against outstanding share warrants Investing party for which the Company is an Associate - Sayaji Hotels Limited	124.00 -	- -	4.98 2.61
Security deposit paid Entities in which KMP / relatives of KMP have significant influence: -Sara Soule Private Limited	0.18	-	-

(Amount in Rs. Million)

Balances outstanding with related parties	As at		
	31-Mar-17	31-Mar-16	31-Mar-15
Trade receivables Investing party for which the Company is an Associate - Sayaji Hotels Limited	-	-	8.16
Security deposits (refundable) with - Sara Soule Private Limited	0.23	0.05	0.05
Trade Payables Entities in which KMP / relatives of KMP have significant influence: - Sara Soule Private Limited	3.97	1.55	0.71
Investing party for which the Company is an Associate - Sayaji Hotels Limited	6.69	119.45	-

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries have availed loans in the ordinary course of business for the purposes of setting up of new outlets in various cities, capital expenditure for existing and new outlets and long term working capital purposes. For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, including for change in its capital structure, change in its shareholding pattern, reconstitution of the board of directors, change or amendment to the constitutional documents of our Company or partial or full pre-payment of outstanding amounts under the facilities.

Set forth below is a brief summary of the financial indebtedness of our Company and our Subsidiaries, as of July 24, 2017:

(In ₹ Million)

Particulars	Sanction amount	Outstanding amount (As on July 24, 2017)
Secured Loans		
<i>Fund Based</i>		
Rupees Term Loan *	1,590.00	846.01 **
<i>Non-Fund Based</i>		
Buyers Credit #	200.00	13.09***
Sub Total	1,590.00	859.10
Our Subsidiaries:		
<i>Fund Based</i>		
Secured Loans (PGPL)	168.50	22.55
Term Loan (BNHL) ****	67.50	61.23*****
Sub Total	236.00	83.78
Grand Total	1,826.00	942.88

* This includes a facility from Axis Bank Limited which can either be availed as rupee term loan or foreign currency term loan ("FCTL") to the extent of ₹ 400 million.

** This includes ₹ 78.78 million FCTL availed in USD (Conversion rate = ₹ 64.45 as on July 24, 2017, source: <https://rbi.org.in>)

*** Buyer credit availed in USD (Conversion rate = ₹ 64.45 as on July 24, 2017, source: <https://rbi.org.in>).

Buyer credit is a sub-limit of the fund based limit availed from Axis Bank

**** The term loan is backed by stand by letter of credit issued by Axis Bank India in terms of the sanction letter dated September 26, 2016.

***** Repayment not started, difference in the amount sanctioned and the amount outstanding as on July 24, 2017 is on account of depreciation in USD and margin money retained by Axis Bank Limited.

Principal terms of the borrowings availed by our Company and our Subsidiaries:

1. **Interest:** In terms of the Indian rupee loans availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. With respect to foreign currency loans, the interest rate is the LIBOR specified by the lender as of a specific date and spread per annum. The spread varies between different loans for different banks.
2. **Tenor:** The tenor of the borrowings availed by our Company typically ranges from 5 to 6 years.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
 - a) Create *pari passu* charge by way of hypothecation on the fixed assets of our Company/ PGPL (including the outlets to be established with the loan proceeds), current assets of our Company/ PGPL (including of the outlets established with the loan proceeds), and security deposits of our Company with lessors of our outlets;
 - b) Create a *pari passu* charge by way of hypothecation on the brand "Barbeque nation";
 - c) Provide corporate guarantees and personal guarantees of certain Promoters; and
 - d) Provide indemnities.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Pre-payment:** Our Company may prepay part or full amount with prior written notice and certain pre-payment charges as may be applicable in accordance with the terms and conditions agreed upon with a

specific lender.

5. **Re-payment:** The term loan facilities are typically repayable in equal monthly or quarterly instalments, after the end of the moratorium period.
6. **Events of Default:** Borrowing arrangements entered into by us contain standard events of default, including:
 - a) Change in management setup or control or any change in senior management;
 - b) Change in capital structure of the Company without prior consent;
 - c) Registering any transfer of shares of our Company, made by our promoters or their associates, except with the permission of the lender;
 - d) Violation of any term of the relevant agreement or any other borrowing agreement;
 - e) Undertaking liquidation, dissolution or winding up, without the consent of the lender;
 - f) Cross-default;
 - g) Misrepresentation by the Company in any of the documents submitted to the lender;
 - h) Utilization of funds for purposes other than the sanctioned purpose; and
 - i) Any event which might have a material adverse effect.

This is an indicative list and there may be additional terms that may amount to an event of default under various borrowing arrangements entered into by us.

7. **Restrictive Covenants:** Certain borrowing arrangements entered into by us contain restrictive covenants, including:
 - a) Change in capital structure or shareholding pattern of our Company without prior permission of the lender;
 - b) Amendment of charter documents without the prior consent of the lender;
 - c) Undertake any re-organisation, amalgamation, reconstruction, takeover or any other schemes of compromise or arrangement, without the prior consent of the lender ;
 - d) Requirement of prior consent in case of any dilution of promoter shareholding in our Company;
 - e) Right of the lender to convert debt into equity, in case of an event of default;
 - f) Undertaking any expansion or fresh project, except normal capital expenditure, without prior written approval of the lenders;
 - g) Right of the lender to suspend, terminate or recall the existing credit facilities at the discretion of the lender;
 - h) Investing in the share capital of or lending an advance to any company, without prior lender approval; and
 - i) Right to appoint a nominee director.

This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us.

Bank Guarantee by our erstwhile Subsidiary, FRPL

Our erstwhile subsidiary, FRPL, had extended a bank guarantee of ₹1 million in favour of Karnataka Golf Association (“KGA”) for providing catering services at their premises. The bank guarantee was

issued by ICICI Bank Limited against the fixed deposit placed by FRPL with them. On December 2, 2016, FRPL has communicated its intention to KGA to terminate the contract. In terms of the agreement with KGA, the notice period has expired on March 2, 2017. Although the agreement with KGA has been terminated, the bank guarantee extended in favour of KGA is yet to be settled by KGA. Once the same is settled, consequently the facility from ICICI Bank will be closed.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Statements which are included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations are based on our Restated Consolidated Financial Statements, including the related notes and reports, which are prepared under Indian GAAP, in accordance with requirements of the Companies Act, and restated in accordance with the SEBI ICDR Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Our restated financial statements have been derived from our audited financial statements. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" on pages 16 and 14, respectively, and elsewhere in this Draft Red Herring Prospectus.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

Overview

We own and operate Barbeque Nation Restaurants, one of India's leading casual dining restaurant chains according to the Technopak Report. The first Barbeque Nation Restaurant was launched in 2005 by Sayaji Hotels, one of our promoters. Five Barbeque Nation Restaurants owned by Sayaji Hotels were transferred to us in 2012. We have steadily grown our owned and operated Barbeque Nation Restaurant network from a single restaurant in Fiscal 2007 to 81 Barbeque Nation Restaurants in 42 cities in India (including one currently under renovation) and one restaurant in Dubai as of June 30, 2017. In addition, as of June 30, 2017, we had granted the franchise rights of one Barbeque Nation Restaurant.

Through our Barbeque Nation Restaurants, we pioneered 'over the table barbeque' concept in Indian restaurants according to the Technopak Report. Live grills embedded in dining tables allow our guests to grill their own barbecues. We believe our Barbeque Nation Restaurants, compared to other fixed price dining options, offer competitive attractions such as a wide range of vegetarian and non-vegetarian appetisers and main courses, a popular dessert menu, a pleasant and casual dining environment and prompt service. We also periodically run popular food festivals at our Barbeque Nation Restaurants offering our guests a range of Indian, international and fusion cuisines. We are one of the few Indian companies in the organised Casual Dining Restaurant ("CDR") segment to have our own in-house chef training school for development of new products.

We believe the value we offer, the nature and quality of our food offering and the ambience and service of our restaurants create a one-of-a-kind overall customer experience. Our Barbeque Nation Restaurants have experienced steady growth in our number of covers and we believe that the proportion of our total revenues from weekday sales and lunch covers is relatively higher compared to the industry average. The APC (excluding taxes and service charges) at our Barbeque Nation Restaurants has grown from ₹617 in Fiscal 2013 to ₹702 in Fiscal 2017. Our restaurant locations are carefully chosen to help us keep our rent to revenue ratio lower than some of our peers.

We believe our offering format positions us well to capitalise on both the robust growth trend of the CDR segment in India and the broader chain restaurant market within the Indian food and services industry. According to Technopak, the chain CDR segment is one of the fastest growing segments in the Indian restaurant industry and is projected to grow at a Compounded Annual Growth Rate ("CAGR") of approximately 21.00% from Fiscal 2017 to Fiscal 2022.

Our number of covers, revenues and EBITDA has grown consistently as our Barbeque Nation Restaurants have matured, particularly after being in operation for more than two years. For example, our number of covers have grown from 2.98 million in Fiscal 2013 to 6.86 million in Fiscal 2017 at a CAGR of 23.20%. As of June 30, 2017, 34 out of our 81 Barbeque Nation Restaurants owned and operated by us (excluding relocated restaurants)

in India were less than two years old. We believe this puts us in a strong position going forward to monetise the benefits of our expansion in the past few Fiscals.

We have recently diversified into a second brand, becoming the India franchisee of the American hamburger chain, Johnny Rockets. As of June 30, 2017, we had five Johnny Rockets Restaurants in operation (we are currently in the process of relocating one of our Johnny Rockets Restaurants) and an additional one Johnny Rockets Restaurant was under construction. We intend to scale up our Johnny Rockets Restaurants, currently located in Bengaluru, Delhi and Gurugram, to other Metro cities and Tier-I cities. We also offer fixed price vegetarian and non-vegetarian unlimited six course meals including burgers and milkshakes at some of our Johnny Rocket Restaurants, in addition to *à la carte*, to reduce the bite size encouraging consumption of a greater variety of dishes. We also intend to add new dishes to the current menu.

In 2013, CX Partners acquired a stake in our Company followed by further acquisition of an additional stake in 2015.

Our core values prioritise being customer-focused to provide excellent products and service and team-focused by maintaining a superior quality work environment. We place a strong emphasis on guest reviews and feedback and use our in-house call centre to obtain guest feedback in accordance with our internally devised and managed Guest Satisfaction Index (“GSI”). We operate two cloud-based systems: the Central Reservation System (“CRS”) and the Central Feedback System (“CFS”). We also started accepting reservations for our Barbeque Nation Restaurants through our smartphone application ‘BBQ App’ in February, 2016 and through Facebook chat messenger in December, 2016.

We were ranked among the top 50 companies to work for in India across all categories by Economic Times “Great Places to Work” survey for 2016 and 2017 by Great Places to Work Institute in collaboration with the Retailers Association of India. We were also voted among the top ten employers within the Indian retail industry for 2017.

Our total revenue, EBITDA and profit after tax have grown from ₹1,842.45 million, ₹267.43 million and ₹43.12 million, respectively, in Fiscal 2013 to ₹5,034.85 million, ₹668.88 million and ₹102.41 million, respectively, in Fiscal 2017, at a CAGR of 28.57%, 25.76% and 24.14%, respectively.

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Indian GAAP, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

For Fiscals 2015, 2016 and 2017, we served 4.22 million, 5.68 million and 6.86 million covers, respectively. In Fiscals 2015, 2016 and 2017, our total revenues were ₹3,040.96 million, ₹4,030.51 million and ₹5,034.85 million, our EBITDA was ₹474.98 million, ₹489.00 million and ₹668.88 million, our cash profit (defined as Profit after tax plus Depreciation and Amortisation) was ₹303.80 million, ₹315.60 million and ₹437.52 million, respectively and our profit after tax was ₹134.88 million, ₹58.87 million and ₹102.41 million, respectively. We also had negative net working capital in two of the last three Fiscals.

Significant Factors Affecting our Results of Operations

The following is a discussion of certain factors that have had, and will continue to have, a significant effect on our financial results:

Customer spending and general economic and market conditions

Our success depends to a significant extent on customer confidence and spending, which is influenced by general economic condition and discretionary income levels. Many factors affect the level of customer confidence and spending in the overall food services market and the casual dining market, including recession, inflation, deflation, political uncertainty, availability of consumer credit, taxation, stock market performance and unemployment. Our performance may decline during recessionary periods or in other periods where one or

more macro-economic factors, or potential macro-economic factors, negatively affect the level of customer confidence and spending including the amount that consumers spend on eating out and our restaurants' cover turnaround.

Urbanisation rate may also influence our financial results as most of our customers are currently concentrated in the urban areas. Developments in the economy and the rate of urbanisation have in the past increased the supply and demand and affected pricing trends in food service market in the cities and the regions where we operate or intend to operate. We believe that this factor will continue to impact our business, financial condition, results of operations and prospects.

In addition, an increasing number of government and media initiatives to create increased awareness of healthy eating could have an impact on the public's perception of casual dining, and customers may turn to our competitors offering healthier food options such as lower calorie meals, which could adversely affect our business, financial condition, results of operations and prospects.

Furthermore, our business and results of operations to a large extent also depend on our ability to respond to changing trends. The experimental Indian consumer is becoming increasingly demanding and gets bored with one type restaurant/ concept/ food very fast and is continually looking for different options and newer concepts. We will need to keep up with continuous innovation in terms of formats, themes and products to attract and retain customers. The success of our business depends on our ability to anticipate the tastes of customers and to offer products and services that appeal to their preferences.

Number of restaurants in operation

We generate a majority of our revenue from food and beverages sales at our restaurants. Accordingly, our revenues are affected to a significant extent by the number of restaurants we have in operation.

A new restaurant generally experiences lower results of operations due to initially lower sales and higher start-up operating costs. For example, the daily average revenue per restaurant for our restaurants in operation throughout Fiscal 2017 was ₹0.19 million, while the daily average revenue per restaurant for our restaurants newly added during Fiscal 2017 was ₹0.05 million. Further, the location of a new restaurant is an important factor affecting the restaurant's business and results of operations and the length of its ramp-up period.

Restaurants incur various costs and expenses before they open and newly opened restaurants typically incur materially greater operating costs during the first few months of their operations. Therefore, new restaurants may temporarily lower our results of operations on a per restaurant basis.

From time to time, we close certain restaurants when they experience low customer traffic relative to their rental costs, making their operations uneconomical. We have closed one restaurant due to high rental costs during Fiscal 2015.

Cost of materials (food and beverages)

Costs of food and beverages consumed is the largest component of our expenses, representing 36.53%, 37.04% and 35.70% of our total revenue from operations, in Fiscals 2015, 2016 and 2017, respectively. Therefore, any change in the market prices of food and beverages will have a significant and direct impact on our profitability. Our APC in Fiscals 2015, 2016 and 2017 was ₹707, ₹694 and ₹702, respectively, and our average cost of food and beverages per customer in Fiscals 2015, 2016 and 2017 was ₹265, ₹257 and ₹246, respectively. Our cost of food and beverages is also impacted by the quality of food and beverages we offer in our restaurants. Our results of operations are therefore affected by our on-going ability to procure and prepare quality food and beverage offerings at an optimum price. Our relatively stable cost of materials and APC has resulted in our cash profit (defined as Profit after tax plus Depreciation and Amortisation) increasing from ₹303.80 million in Fiscal 2015 to ₹315.60 million in Fiscal 2016 and ₹437.52 million in Fiscal 2017.

Our supply arrangements (see section "*Our Business – Suppliers and Purchasing Practices*" on page 149 of this Draft Red Herring Prospectus) have a direct impact on our results of operations. Our cost of food and beverages is therefore impacted by our relationships with our suppliers. We have historically been able to pass on a significant portion of increased raw material and operating costs to our customers in the form of increased menu prices. As a casual dining operator in India, we believe we are also a key customer for many of our suppliers. This has historically enabled us to negotiate discounts and other favourable terms in contracts with our

suppliers. Such favourable terms can help reduce our cost of goods sold and can therefore help improve our gross margin. In addition, we maintain more than one suppliers for each of our key ingredients, including meat, chicken, seafood, rice and vegetables, which we believe can help mitigate price volatility. Given the increase in the number of restaurants in our network and scale of operations, we have increased our efforts to centralise supply sources by having national and regional level vendor management and supplies and consequently, enhance our bargaining power with suppliers.

In addition, we reduce cost of materials by controlling and reducing food wastage in the restaurants. We have adopted an inventory model for some of our raw materials such as fruits and vegetables and have reduced the holding period over time. We follow forecast and projection methods to ensure our production volumes are in accordance with our sale volumes.

Effectiveness of marketing strategies

We devote significant attention to our brand-building efforts. Our advertising strategy is centred on increasing our brand awareness, complemented with certain promotions and festivals from time to time. We use a variety of media to convey our advertising, including internet, radio, direct marketing and other unconventional media, such as short message services and social networking sites, to optimise our media plan and coverage of target demographic profiles. We also believe in word of mouth marketing by delivering good food and service to our customers. We plan on continuing to build our brand and retail sales by satisfying consumer preferences for fresh, wholesome, flavourful food and an affordable casual dining experience typically expected only in a five-star hotel setting. In Fiscals 2015, 2016 and 2017, we spent ₹50.03 million, ₹98.64 million and ₹100.52 million, respectively, on business promotion, which represented 1.65%, 2.45% and 2.00% of our revenue from operations for the corresponding years, respectively.

Digital marketing is becoming more and more important in business operations. We launched a chat bot in January 2017 to address enquiries by consumers and to reserve tables through Facebook Messenger. It also lets users enquire about locations and pricing and answers queries about ongoing festivals and menus. Table reservations can be made by simply sending a message on Facebook. We intend to continue developing such mechanism/platform to interact with the consumer in real time and accelerate easy interaction with our customers.

Employee benefits expenses

Restaurant operations are highly service-oriented, and consequently, our success, to a considerable extent, depends upon our ability to attract, motivate and retain a sufficient number of qualified employees, including restaurant managers and restaurant staff. We offer competitive wages and benefits to our restaurant employees to manage employee attrition. Employee remuneration includes wages, salaries and bonuses paid to employees of our restaurants, as well as employee benefits such as employee accommodation, medical insurance and contributions to provident funds. These costs are subject to certain factors that are out of our control, including amendments to the minimum wage laws and other employee benefit laws in India.

In addition, for Fiscal 2015, 2016 and 2017, these costs were primarily affected by the opening of new restaurants, hiring of additional restaurant managers and increases in salary levels. The salary level of employees in the consumer food services industry in India has been rising in recent years. In addition, when we open new restaurants, we have to hire staff approximately 45-60 days in advance of the restaurant opening and consequently, we normally incur obligations to pay wages for the hired staff of those restaurants before they begin to generate revenue.

Our expenses related to employee benefits as a percentage of total revenue from operations, was 14.19% in Fiscal 2015, 17.26% in Fiscal 2016 and 18.25% in Fiscal 2017. In Fiscals 2015, 2016 and 2017, we opened 8, 21 and 13 new Barbeque Nation Restaurants, respectively. As of March 31, 2015, 2016 and 2017, we had 3,207, 4,615 and 4,423 full-time employees, respectively. We expect our restaurant wages and related expenses, in absolute terms, to continue to increase as inflationary pressures in India, drive up wages and as we continue to increase the number of our restaurants.

We believe the resulting upward pressure on our expenses related to employee benefits as a percentage of total revenue from operations could be mitigated by (i) our increasing operating leverage expected from the use of commissaries as our restaurant network expands, (ii) keeping the number of staff requirements as static, which will be based on table turn and helps us to mitigate the cost escalation to certain extent, (iii) hiring interns, (iv)

tracking numbers of employees in each restaurant and (v) effective management of operations to reduce the number of employees in each restaurant. In addition, our new Barbeque Nation Restaurant designs (i.e. new Barbeque Nation Restaurants with orange logo) are efficiently designed to take lower number of employees per restaurant as compared to older design Barbeque Nation Restaurants.

Rent including lease rentals

We lease properties for all the restaurants operated by us and intend to continue to do so. In order to grow our business operations, we must identify suitable and available restaurant locations and successfully negotiate and finalise the terms of leases at such location. Our inability to identify suitable new restaurant locations at reasonable rentals, or a general increase in commercial real estate rentals in India, particularly in cities where we have significant operations, would negatively impact the growth of our revenue and profit.

Generally, most of our leases have initial lease terms of three to 19 years, with some granting us an option to renew such lease terms upon re-negotiation of rental prices and other rental terms. We enter into three types of leases depending on location and commercial viability: fixed rental leases, revenue sharing leases with a minimum guarantee and revenue sharing leases without a minimum guarantee. Our rental payments in respect of our revenue sharing leases (both with and without a minimum guarantee) are determined as a percentage of sales as defined by the terms of the applicable lease agreement. As a percentage of our total revenue from operations, our rent (including lease rentals) expenses were 9.40%, 9.22% and 10.80% in Fiscals 2015, 2016 and 2017, respectively. Generally, as we open more new restaurants and hire more people, our rent expenses and other operating expenses increase, however, with the increase in sales of food and beverages in the same restaurant, rent expenses and other operating expenses may decline as a percentage of revenue from operations.

Seasonality

Certain aspects of our businesses are subject to seasonal factors that can impact our results of operations. We typically experience slightly higher revenue from operations during the second half of our financial year than during the first half of our financial year resulting from the festive season including Diwali, Christmas, Dussehra and New Year. Certain of our restaurants, particularly those with outdoor seating or in areas with high tourist traffic, enjoy higher income from operations during the winter months than during the summer months.

Competition

We compete in India with national and regional restaurant chains. In addition, we compete with smaller restaurant chains as well as individual restaurants within the cities in which we operate. We also face competition from companies replicating our restaurant concepts at lower costs. Due to increased competition, we could experience downward pressure on prices, lower demand for our products, reduced margins, an inability to take advantage of new business opportunities and a loss of market share, all of which may have an adverse impact on our business, results of operations, financial condition and prospects.

We also compete on a broader scale with casual dining and other international, national, regional and local food service businesses. The overall food service markets, particularly the casual dining market, are highly competitive with respect to food quality, price, service, convenience and concept. Furthermore, technology and digitisation are making our operating environment more competitive. The offers, incentives, product information, and promotions can be communicated in real time. Restaurant operators are also able to see feedbacks and reviews generated by consumers instantly and are able to take immediate corrective actions and carry out recoveries. We also compete with other businesses for management, staff and restaurant locations. Difficulty in securing suitable management, staff and suitable restaurant locations may have an adverse impact on our business, results of operations, financial condition and prospects.

Significant Accounting Policies

Our significant accounting policies are those that we believe are the most important to the portrayal of our financial condition and results of operations and that require our management's most difficult, subjective or complex judgements. In many cases, the accounting treatment of a particular transaction is specifically dictated by applicable accounting policies with no need for the application of our judgement. In certain circumstances, however, the preparation of financial statements in conformity with applicable accounting policies requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period. Actual

results could differ from those estimates. We base our estimates on historical experience and on various other assumptions that our management believes are reasonable under the circumstances. However, significant accounting estimates are reflective of significant judgements and uncertainties and are sufficiently sensitive to result in materially different results under different assumptions and conditions. We believe that our significant accounting estimates are those described below.

Basis of Preparation of Consolidated Financial Statements

Our consolidated financial statements have been prepared in accordance with the Indian GAAP to comply with the Accounting Standards specified under Section 133 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. We have adopted the accounting policies consistently with the preparation of the financial statements for the year ended March 31, 2017, except for a change in accounting policy for amortisation of brands.

Our Restated Consolidated Financial Statements have been prepared specifically for inclusion in this Draft Red Herring Prospectus to be filed with the SEBI, our Registrar and the relevant stock exchange in connection with the Offer. We have compiled the Restated Financial Statements from our audited Consolidated Financial Statement and further incorporated adjustments to comply in all material respects with the requirements of the SEBI ICDR Regulations. Accordingly, we have made adjustment to the Restated Consolidated Financial Statements for the change in our accounting policy retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods and after incorporating adjustment for the material amounts in the respective financial years to which they relate. There were no extraordinary items that need to be disclosed separately and there were no qualifications in the audit report of our consolidated financial statements for the respective years requiring adjustment.

As our Company did not have any subsidiary, associate or joint venture prior to the financial year ended March 31, 2015, our Restated Consolidated Financial Statements are given only for the years ended March 31, 2015, 2016 and 2017.

Revenue Recognition

Food and beverages

Revenue from sale of food and beverages is recognised when it is earned and no uncertainty exists as to its realisation or collection. Sales are net of sales tax, service tax and other taxes. Sales tax under the composition scheme is also excluded.

Displays and sponsorships

Revenue from displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted or displayed.

Royalty

Share of profits and income from royalty under certain agreements with the franchisee are accrued based on confirmation received from the franchisee.

Government incentives

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

Gift vouchers

Our revenue from gift vouchers is recognised when the vouchers are redeemed by the customers or on completion of the validity period.

Employee Benefits

Our employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plan

Contribution to provide fund and employee state insurance scheme by our entities are considered as defined contribution plans and charged as an expense based on the amount of contribution required to be made and when services are rendered by our employees.

Defined benefit plans

We determine the cost of providing defined benefits plans in the form of gratuity by using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in our statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in our balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contribution to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services of our employees are recognised during the year such services are rendered.

Our cost of short-term compensated absences is accounted as under: (i) in case of accumulated compensated absences, when our employees render the services that increase their entitlement of future compensated absences and (ii) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

We recognise compensated absences, which are not expected to occur within 12 months after the end of the period in which our employee renders the related service, as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT)

MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that we will pay normal income tax. Accordingly, we recognise MAT as an asset in our balance sheet when it is highly probable that future economic benefit associated with it will flow to our Company.

Deferred tax

We recognise deferred tax on timing differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. We measure deferred tax using the enacted tax rates and tax laws or substantively enacted as at the reporting date. We recognise deferred tax liabilities for all timing differences.

Deferred tax are not recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be

available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, we recognise deferred tax only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Our deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and we have a legally enforceable right for such set off. We review our deferred tax assets at each balance sheet date for their potential for realisation.

Our current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

Depreciation and Amortisation

We calculate depreciable amount for assets as the cost of an asset, or other amount substituted for cost, less its estimated residual value.

We calculate the depreciation on tangible fixed assets using the straight-line method over their useful life as prescribed in Schedule II to the Companies Act, 2013, except for the following service equipment and furniture and fittings.

Our management has estimated that the useful life of service equipment and furniture and fittings (used in restaurants) is ten years, respectively. This useful life has been assessed based on technical advice, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement, anticipated technologies, manufacture warranties and maintenance support. Leasehold improvements are depreciated over the duration of the lease.

Our fixed assets added or disposed during the year are depreciated on pro-rata basis.

Provisions and Contingencies

A provision is recognised when we have a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. We review provisions at each balance sheet date and adjusted to reflect the current best estimates.

Our contingent liabilities are disclosed in the Restated Consolidated Financial Statements. We do not recognise contingent assets in the financial statements.

Foreign Currency Transaction and Translation

Initial recognition

Our transactions in foreign currencies are accounted at the prevailing exchange rates on the date of the transaction or at the rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Our outstanding foreign currency monetary items (other than derivative contracts) at the balance sheet date are restated at the period-end rates. Our non-monetary items are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement or restatement of our short-term foreign currency monetary assets and liabilities are recognised as income or expense in the statement of profit and loss.

Exchange differences arising on settlement or restatement of our long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets, and depreciated over the remaining useful life of such assets. If such monetary items are not related to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period or up to the date of settlement of such

monetary items, whichever is earlier, and charged to the statement of profit and loss. The unamortised exchange difference is carried in the balance sheet as “Foreign currency monetary item translation difference account” net of the tax effect thereon, where applicable.

Acquisition of subsidiaries

Our Company acquired 78.64% stake in Prime Gourmet Private Limited (PGPL) on August 29, 2016, pursuant to an investment in 13,000,000 equity shares of ₹10 each of PGPL at a face value. Subsequently the remaining equity share capital of PGPL was also acquired by our Company. We have consolidated this subsidiary in the Restated Consolidated Financial Statements with effect from September 1, 2016.

In December 2016, we acquired 49% stake in Barbeque-Nation Restaurant LLC, Dubai (BNR LLC) through our wholly owned subsidiary Barbeque-Nation Holdings Limited. BNR LLC started its operations with effect from November 2, 2016 and is considered our subsidiary pursuant to our control of the composition of its board of directors.

Principal Components of Our Income Statement

Revenue

Our revenue comprises revenue generated from operations and other income.

Revenue from operations

Our revenue from operations comprises revenue generated from sale of food and beverages and other operating revenue.

The following table sets forth a breakdown of our consolidated revenue from operations for the periods indicated:

Particulars	Fiscal 2015		Fiscal 2016		Fiscal 2017	
	(in ₹million)	(%)	(in ₹million)	(%)	(in ₹million)	(%)
Sales of food and beverages	2,987.42	98.24	3,976.45	98.66	4,966.50	98.64
Other operating revenue (net)						
Revenue from displays and sponsorships	27.32	0.90	26.88	0.67	29.13	0.59
Share of profits and income from royalty	15.65	0.51	21.35	0.53	32.04	0.64
Government incentives	8.42	0.28	3.67	0.09	2.74	0.05
Sale of scrap	2.15	0.07	2.16	0.05	2.22	0.04
Others	-	-	-	-	2.22	0.04
Sub-total - Other operating revenue	53.54	1.76	54.06	1.34	68.35	1.36
Total revenue from operations	3,040.96	100.00	4,030.51	100.00	5,034.85	100.00

Sales of food and beverages comprise income from food and beverage sold at our owned and operated restaurants.

Revenue from displays and sponsorships comprise income from group activities with unrelated third parties at our owned and operated restaurants.

Share of profits and income from royalty comprise profits and royalty from our franchisee restaurant.

Expenses

Our expenses comprise of (i) cost of food and beverages consumed, (ii) employee benefits expenses, and (iii) occupancy cost and other expenses.

Cost of food and beverages consumed

Our cost of food and beverages consumed comprises of opening stock and additional purchases less closing stock.

Employee benefits expenses

Our employee benefits expenses comprises: (i) salaries and wages, (ii) contribution to provident and other funds, (iii) gratuity expenses, (iv) expense on employee stock option scheme and (v) staff welfare expenses.

Occupancy cost and other operating expenses

Our occupancy cost and other operating expenses primarily comprises expenses related to: (i) consumption of stores and operating supplies, (ii) power and fuel, (iii) rent including lease rentals, (iv) repairs and maintenance (building, machinery and others), (v) housekeeping services, (vi) water charges, (vii) rates and taxes, (viii) communication, (ix) travelling and conveyance, (x) printing and stationery, (xi) security service charges, (xii) business promotion, (xiii) legal and professional and (xiv) miscellaneous expenses.

EBITDA

EBITDA represents our earnings before exceptional items, finance costs, other income, depreciation and amortisation.

Finance costs

Our finance costs primarily comprises: (i) interest expense on borrowings, (ii) receivable discounting charges, (iii) interest on delayed payment of income tax and (iv) others.

Depreciation and amortisation expenses

Tangible and intangible assets are depreciated and amortised over periods corresponding to their estimated useful lives. Please see “*Significant Accounting Policies - Depreciation and Amortisation*” above.

Other income

Our other income primarily consists of (i) interest income from deposits with bank, (ii) interest income from inter-corporate deposits, (iii) dividend income and (iv) net gain on sale of current investments– mutual fund.

Exceptional items

Exceptional items represent net loss relating to restaurant closed or relocated during the year.

Tax expense

Our tax expense comprises current tax expense and deferred tax.

Results of Operations

The following table sets forth our consolidated income statement for the periods indicated and as a percentage of revenue from operations for such periods:

Particulars	Fiscal 2015		Fiscal 2016		Fiscal 2017	
	(in ₹million)	(%)	(in ₹million)	(%)	(in ₹million)	(%)
Revenue from operations						
Sale of food and beverages	2,987.42	98.24	3,976.45	98.66	4,966.50	98.64
Other operating revenues (net of expense directly attributable to such income)	53.54	1.76	54.06	1.34	68.35	1.36
Total revenue from operations	3,040.96	100.00	4,030.51	100.00	5,034.85	100.00
Expenses						
Cost of food and beverages consumed	1,110.91	36.53	1,493.01	37.04	1,797.35	35.70
Employee benefits expenses	431.63	14.19	695.63	17.26	918.92	18.25

Particulars	Fiscal 2015		Fiscal 2016		Fiscal 2017	
	(in ₹million)	(%)	(in ₹million)	(%)	(in ₹million)	(%)
Occupancy cost and other operating expenses	1,023.44	33.66	1,352.87	33.57	1,649.70	32.76
Earnings before exceptional items, finance costs, other income, depreciation and amortisation (EBITDA)	474.98	15.62	489.00	12.13	668.88	13.29
Finance costs	84.44	2.78	97.19	2.41	143.99	2.86
Depreciation and amortisation expense	168.92	5.55	256.73	6.37	335.11	6.66
Other income	20.96	0.69	3.84	0.10	4.48	0.09
Profit before tax and exceptional items	242.58	7.98	138.92	3.45	194.26	3.86
Exceptional items	(18.95)	(0.62)	-	-	(11.51)	(0.23)
Profit before tax	223.63	7.35	138.92	3.45	182.75	3.63
Tax expense						
Current tax expense	97.28	3.20	96.91	2.40	88.59	1.76
Deferred tax	(8.51)	(0.28)	(16.82)	(0.42)	(5.18)	(0.10)
Net tax expense	88.77	2.92	80.09	1.99	83.41	1.66
Net profit after tax before minority interest	134.86	4.44	58.83	1.46	99.34	1.97
Share of loss attributable to minority interest	(0.02)	(0.00)	(0.04)	(0.00)	(3.07)	(0.06)
Profit for the year, as restated, attributable to shareholders	134.88	4.44	58.87	1.46	102.41	2.03

Fiscal 2017 compared to Fiscal 2016

Revenue from operations

Our revenue from operations increased by 24.92% to ₹5,034.85 million in Fiscal 2017 from ₹4,030.51 million in Fiscal 2016. This increase was primarily due to (i) an increase in our sales of food and beverages by 24.90% to ₹4,966.50 million in Fiscal 2017 from ₹3,976.45 million in Fiscal 2016, and (ii) an increase in our other operating revenues by 26.43% to ₹68.35 million from ₹54.06 million in Fiscal 2016. The increase in our sales of food and beverages were driven by our business expansion including acquisitions of our subsidiaries PGPL and BNR LLC and addition of 13 new Barbeque Nation Restaurants in Fiscal 2017 as well as to some extent same store growth due to price and footfall increases during the year. The increase in our other operating revenues was because (i) our sponsorship income increased to ₹29.13 million in Fiscal 2017 from ₹26.88 million in Fiscal 2016 which was attributable to our cross-promotional activities with unrelated third parties; and (ii) our share of profits and royalty increased to ₹32.04 million in Fiscal 2017 from ₹21.35 million in Fiscal 2016, which were positively impacted by the increase in sales in our franchisee Barbeque Nation Restaurant.

Expenses

Our expenses increased by 23.28% to ₹4,365.97 million in Fiscal 2017 from ₹3,541.51 million in Fiscal 2016. This increase was primarily due to increases in (i) cost of food and beverages consumed, (ii) employee benefits expenses, and (iii) occupancy cost and other operating expenses:

Cost of food and beverages consumed

Our cost of food and beverages consumed increased by 20.38% to ₹1,797.35 million in Fiscal 2017 from ₹1,493.01 million in Fiscal 2016 primarily due to an increase in the volume of raw materials we purchased including due to addition of 13 new Barbeque Nation Restaurants to our network in Fiscal 2017 and the increase in our sales in our existing restaurants.

Employee benefits expenses

Our employee benefits expenses increased by 32.10% to ₹918.92 million in Fiscal 2017 from ₹695.63 million in Fiscal 2016, primarily due to an increase in average salary level in Fiscal 2017 and an increase in our headcount as a result of opening of new restaurants in Fiscal 2017.

Occupancy cost and other operating expenses

Our occupancy cost and other operating expenses increased by 21.94% to ₹1,649.70 million in Fiscal 2017 from ₹1,352.87 million in Fiscal 2016. This increase was primarily due to increases in rent including lease rental, power and fuel and housekeeping services primarily as a result of opening of 13 new Barbeque Nation Restaurants in Fiscal 2017.

EBITDA

As a result of foregoing, our EBITDA increased by 36.79% to ₹668.88 million in Fiscal 2017 from ₹489.00 million in Fiscal 2016.

Finance costs

Our finance costs increased by 48.15% to ₹143.99 million in Fiscal 2017 from ₹97.19 million in Fiscal 2016. This increase was primarily due to increases in interest expense on borrowings and receivable discounting charges (directly linked to sales).

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 30.53% to ₹335.11 million in Fiscal 2017 from ₹256.73 million in Fiscal 2016. This increase was due to an increase in our fixed assets as a result of opening of 13 new Barbeque Nation Restaurants in Fiscal 2017 and many Barbeque Nation Restaurants we opened in Fiscal 2016 were opened in the second half of the year.

Other income

Our other income increased by 16.67% to ₹4.48 million in Fiscal 2017 from ₹3.84 million in Fiscal 2016. This increase was primarily due to increases in the interest income from deposits with bank and net gain on sale of current mutual fund investment as a result of our better treasury management.

Exceptional items

We recorded exceptional item of ₹11.51 million in Fiscal 2017. This was because (i) we re-located two Barbeque Nation Restaurants in Janakapuri, New Delhi and Banjara Hills, Hyderabad in Fiscal 2017 and the book value of certain leasehold improvements (mostly civil works) were written off, and (ii) we closed one Johnny Rockets of our subsidiary, PGPL, in Gurugram (Cyber Hub) and the book value of certain assets of that restaurant were also written off.

There was no exceptional item in Fiscal 2016.

Tax expense

Our net tax expense increased by 4.15% to ₹83.41 million in Fiscal 2017 from ₹80.09 million in Fiscal 2016. This increase was due to a decrease in our deferred tax benefits, partially offset by a decrease in our current tax expense. Our current tax expense decreased mainly on account of set off of carry forward losses of FRPL for Fiscal 2016 amounting to ₹92.50 million.

Net profit after tax before minority interest

Due to the factors discussed above, our net profit after tax before minority interest increased by 68.86% to ₹99.34 million in Fiscal 2017 from ₹58.83 million in Fiscal 2016.

Fiscal 2016 compared to Fiscal 2015

Revenue from operations

Our revenue from operations increased by 32.54% to ₹4,030.51 million in Fiscal 2016 from ₹3,040.96 million in Fiscal 2015, primarily due to an increase in our sales of food and beverages. Such increase was driven by our business expansion, new restaurant opening and to some extent same store growth due to increases in price and footfall. We opened 21 Barbeque Nation Restaurants in Fiscal 2016.

Expenses

Our expenses increased by 38.02% to ₹3,541.51 million in Fiscal 2016 from ₹2,565.98 million in Fiscal 2015. This increase was primarily due increases in (i) cost of food and beverages consumed, (ii) employee benefits expenses, and (iii) occupancy cost and other operating expenses:

Cost of food and beverages consumed

Our cost of food and beverages consumed increased by 34.40% to ₹1,493.01 million in Fiscal 2016 from ₹1,110.91 million in Fiscal 2015. This increase was primarily due to the increase in the sales of food and beverage in our existing restaurants and the opening of 21 new Barbeque Nation Restaurants in Fiscal 2016.

Employee benefits expenses

Our employee benefits expenses increased by 61.16% to ₹695.63 million in Fiscal 2016 from ₹431.63 million in Fiscal 2015. This increase was primarily due to increases in salaries and wages and contribution to provident fund and staff welfare expenses which were primarily attributable to an increase in our headcounts as a result of the opening of 21 Barbeque Nation Restaurants in Fiscal 2016.

Occupancy cost and other operating expenses

Our occupancy cost and other operating expenses increased by 32.19% to ₹1,352.87 million in Fiscal 2016 from ₹1,023.44 million in Fiscal 2015. This increase was primarily due to increases in rent including lease rentals, power and fuel, repairs and maintenance, housekeeping services, which were primarily attributable to the opening of new restaurants in the year, and an increase in our business promotion expenses.

EBITDA

As a result of foregoing, our EBITDA increased by 2.95% to ₹489.00 million in Fiscal 2016 from ₹474.98 million in Fiscal 2015.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 51.98% to ₹256.73 million in Fiscal 2016 from ₹168.92 million in Fiscal 2015. This increase was primarily due to an increase in our total fixed assets as a result of addition of 21 Barbeque Nation Restaurants in Fiscal 2016.

Finance costs

Our finance costs increased by 15.10% to ₹97.19 million in Fiscal 2016 from ₹84.44 million in Fiscal 2015. This increase was primarily due to increases in receivable discount charges (which are directly linked to sales) and interest expense paid on our increased borrowings in Fiscal 2016.

Other income

Our other income decreased by 81.68% to ₹3.84 million in Fiscal 2016 from ₹20.96 million in Fiscal 2015, primarily due to decreases in interest income from deposit with banks, interest income from inter-corporate deposits and dividend income, partially offset by an increase in net gain on sale of mutual fund.

Exceptional items

There was no exceptional item in Fiscal 2016.

We recorded exceptional item of ₹18.95 million in Fiscal 2015. This was due to net loss incurred from the closing of one Barbeque Nation Restaurant during Fiscal 2015.

Tax expense

Our net tax expense decreased by 9.78% to ₹80.09 million in Fiscal 2016 from ₹88.77 million in Fiscal 2015. This decrease was primarily due to a decrease in current tax expense and an increase in deferred tax benefits.

Net profit after tax before minority interest

Due to the factors discussed above, our net profit after tax before minority interest decreased by 56.38% to ₹58.83 million in Fiscal 2016 from ₹134.86 million in Fiscal 2015.

Liquidity and Capital Resources

Our primary sources of liquidity have historically been cash generated from operations and borrowings from banks and other financial institution. Other than the proceeds of the Fresh Issue, we expect that cash generated from operations and borrowings will continue to be our primary sources of liquidity. We believe that after taking into account the expected cash to be generated from our business and operations, we have sufficient funds for both our present and anticipated future requirements for capital expenditures and other cash requirements for 12 months following the date of this Draft Red Herring Prospectus.

Cash flows

The following table sets out a condensed summary of our cash flows for the periods indicated.

(in ₹million)

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Net cash generated from operating activities	298.38	457.36	541.97
Net cash used in investing activities	(252.84)	(628.46)	(886.29)
Net cash generated from/(used in) financing activities	(102.35)	139.52	251.51
Net increase/(decrease) in cash and cash equivalents	(56.81)	(31.58)	(92.81)
Cash and cash equivalents at the beginning of the year	129.21	72.43	40.85
Add: cash and cash equivalents pertaining on acquisition of subsidiary	0.03	-	132.52
Cash and cash equivalents at the end of the year	72.43	40.85	80.56
Cash and cash equivalents as per Balance Sheet, as restated	51.19	10.85	52.70
Add: current investments considered as part of cash and cash equivalents in the Cash Flow Statements	21.24	30.00	27.86
Cash and cash equivalents as per AS3 Cash Flow Statements	72.43	40.85	80.56

Operating activities

Fiscal 2017

Our net cash generated from operating activities was ₹541.97 million in Fiscal 2017. Our operating profit before working capital changes was ₹619.10 million in Fiscal 2017, which was primarily adjusted by net income tax of ₹86.85 million, an increase in long-term loans and advances of ₹36.42 million, an increase in short-term loans and advances of ₹32.29 million and an increase in inventories of ₹31.90 million, partially offset by an increase in trade payables of ₹77.33 million, an increase in other current liabilities of ₹14.98 million, an increase in long-term provisions of ₹12.30 million and a decrease in trade receivables of ₹8.52 million.

Fiscal 2016

Our net cash generated from operating activities was ₹457.36 million in Fiscal 2016. Our operating profit before working capital changes was ₹442.38 million in Fiscal 2016, which was primarily adjusted by net income tax of ₹102.13 million, an increase in long-term loan and advances of ₹62.18 million and an increase in trade receivables of ₹21.62 million, partially offset by an increase in trade payables of ₹163.50 million, a decrease in inventories of ₹12.87 million, an increase in short-term provisions of ₹11.23 million and an increase in other current liabilities of ₹7.43 million.

Fiscal 2015

Our net cash generated from operating activities was ₹298.38 million in Fiscal 2015. Our operating profit before working capital changes was ₹428.37 million in Fiscal 2015, which was primarily adjusted by net income tax of ₹93.58 million, an increase in inventories of ₹30.32 million, an increase in long-term loans and advances of ₹30.60 million and a decrease in trade payables of ₹5.68 million, partially offset by a decrease in trade receivables of ₹6.64 million, an increase in other current liabilities of ₹6.84 million and an increase in long-term provisions of ₹8.85 million.

Investing activities

Fiscal 2017

Net cash used in investing activities was ₹886.29 million in Fiscal 2017. This was primarily due to capital expenditure on fixed assets (including capital advances) of ₹705.50 million, purchase or acquisition of long-term investments in subsidiaries of ₹177.73 million and deposits placed for margin money of ₹12.91 million, partially offset by proceeds from sale of fixed assets of ₹5.06 million.

Fiscal 2016

Net cash used in investing activities was ₹628.46 million in Fiscal 2016. This was primarily due to capital expenditure on fixed assets (including capital advances) of ₹664.17 million and deposits placed for margin money of ₹6.59 million, partially offset by realisation of inter-corporate deposits of ₹25.00 million and interest received of ₹14.56 million.

Fiscal 2015

Net cash used in investing activities was ₹252.84 million in Fiscal 2015. This was primarily due to capital expenditure on fixed assets (including capital advances) of ₹388.32 million, partially offset by realisation of inter-corporate deposits of ₹125.00 million and interest received of ₹8.90 million.

Financing activities

Fiscal 2017

Net cash generated from financing activities was ₹251.51 million in Fiscal 2017. This was primarily due to proceeds from long-term borrowings of ₹461.57 million and proceeds from issue of equity shares of ₹124.00 million, partially offset by repayment of long-term borrowings of ₹164.69 million, finance costs of ₹75.17 million, repayment of other short-term borrowings of ₹64.77 million, dividend paid of ₹19.97 million and expenses towards proposed initial public offering of ₹5.39 million.

Fiscal 2016

Net cash generated from financing activities was ₹139.52 million in Fiscal 2016. This was primarily due to proceeds from long-term borrowings of ₹325.51 million and proceeds from other short-term borrowings of ₹10.09 million, partially offset by repayment of long-term borrowings of ₹129.00 million, finance costs of ₹43.04 million and dividend paid of ₹19.97 million.

Fiscal 2015

Net cash used in financing activities was ₹102.35 million in Fiscal 2015. This was primarily due to repayment of long-term borrowings of ₹78.28 million and finance costs of ₹46.59 million, partially offset by proceeds from issue of equity shares of ₹22.52 million.

Indebtedness

As of March 31, 2017, we had total outstanding indebtedness of ₹870.52 million, which consisted of long-term and short-term borrowings. The following table sets out our indebtedness as of March 31, 2017:

(in ₹million)

	As of March 31, 2017
Long-term borrowings (excludes current maturities)	582.18
Short-term borrowings	34.45
Current maturities of long-term borrowings (included in other-current liabilities)	253.89
Total borrowings	870.52

As of March 31, 2017, our long-term borrowings of ₹836.07 million (including current portion of our long-term borrowings of ₹253.89 million) represented secured term loans from banks. Our short-term borrowings represented secured loans from banks.

Our financing agreements that we have entered into with our bank lenders contain certain restrictive covenants that limit our ability to undertake certain types of transactions. Under some of our financing arrangements, upon the occurrence of an event of default, the lender shall have the right to, *inter alia*, cancel the outstanding facilities available for drawdown, convert the outstanding loan into equity in the Company, appoint nominee directors irrespective of default, declare the loan to be immediately due and payable with accrued interest and enforce rights over the security created. See “*Risk Factors – Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions.*” on page 32 of this Draft Red Herring Prospectus.

Contractual Obligations and Commitments

The following table sets forth information regarding our contractual obligations and commitments as of March 31, 2017.

	Payment due by period (in ₹million)		
	Total	Less than one year	More than one year
Long-term borrowings	870.52	288.34	582.18
Operating leases	322.57	206.70	115.87
Estimated amount of contracts remaining to be executed in capital account and not provided for tangible assets	63.13	63.13	-

Operating Leases

We have entered into operating leases for our office premises and restaurants. The leases have a life ranging between three to 19 years with a non-cancellable period at the beginning of the agreement ranging from three to six years. Contingent rent for certain restaurant outlets is payable in accordance with the leasing agreement at the higher of: (i) fixed minimum guarantee amount and (ii) revenue sharing percentage.

The following tables sets out the future minimum lease payments in respect of our non-cancellable leases of March 31, 2017:

	(in ₹million) As of March 31, 2017
Payable within one year	206.70
Payable between one and five years	115.87
Payable later than five years	-
Total	322.57

The following tables sets out lease expenditure recognised in our consolidated statement of profit and loss for the Fiscals 2015, 2016 and 2017:

	(in ₹million)		
	Fiscal 2015	Fiscal 2016	Fiscal 2017
Expenditure on lease payments with respect to the non-cancellable operating lease arrangements	175.66	193.09	159.79
Expenditure on lease payments with respect to other operating lease arrangements	2.39	118.35	350.68

Our expenditure on lease payments with respect to other operating lease arrangements increased from ₹2.39 million in Fiscal 2015 to ₹118.35 million in Fiscal 2016 was primarily due to the opening of 21 Barbeque Nation Restaurants in Fiscal 2016, and the further increase to ₹350.68 million in Fiscal 2017 was primarily due to the addition of 13 Barbeque Nation Restaurants in Fiscal 2017.

Related Party Transactions

Related party transactions primarily relate to purchase of fixed assets and consumables, royalty and service charge income, sponsorship income, rent and maintenance, issue of equity shares at face value against outstanding warrants and payment of security deposit. For further details of such related parties, see Annexure

29 to our Restated Consolidated Financial Statements included elsewhere in this Draft Red Herring Prospectus

Off-balance Sheet Arrangements and Contingent Liabilities

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

The following table sets our contingent liabilities as of March 31, 2017.

(in ₹million)

	As of March 31, 2017
Claims against the Company not acknowledged as debt in respect of sales tax and VAT matters	19.16
Bonus to employees for Fiscal 2014-2015 pursuant to retrospective amendment to the Payment of Bonus Act, 1965	Nil

Capital Expenditures

Our net capital expenditures include expenditures on tangible and intangible assets. Tangible assets primarily include leasehold improvements, furniture and fixtures, plant and machinery, service and computer equipment and vehicle. Intangible assets include liquor licenses, software and licenses, brand name and goodwill. The following table sets out the net capital expenditures for the years indicated:

(in ₹million)

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Tangible assets			
Plant and equipment	37.70	102.97	144.67
Service equipment	66.73	145.87	107.96
Computer equipment	17.23	19.39	20.69
Furniture and fixtures	111.93	171.65	167.49
Vehicles	0.70	1.12	0.55
Leasehold improvements	77.39	155.56	182.76
Sub-total	311.68	596.56	624.12
Intangible assets (others)			
Liquor licenses	0.02	-	38.70
Software and licenses	6.52	6.04	5.79
Brand name	2.40	-	-
Goodwill	-	114.68	-
Sub-total	8.94	120.72	44.49
Capital work-in progress	43.23	63.28	8.16
Total capital expenditure	363.85	780.56	676.77

We expect to meet our funds, net capital expenditures and investment requirements for the next 12 months primarily from revenues from operating activities, borrowings as well as the proceeds from the Fresh Issue.

Our actual net capital expenditures may differ from the amount set out above due to various factors, including our future cash flows, results of operations and financial condition, changes in the local economy in India, defects or cost overrun, delays in obtaining or receipt of governmental approval, changes in the legislative and regulatory environment and other factors that are beyond our control.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, equity price risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, interest rate risk and credit risk.

Reservations, Qualifications and Adverse Remarks

Our Restated Consolidated Financial Statements included a matter of emphasis in relation to Specified Bank Notes (SBN), which do not require any corrective adjustment.

The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in SBN during the period from November 8, 2016 to December 30, 2016. The Company has received amounts aggregating ₹3.95 million from transactions which are not permitted and utilised for payments of ₹0.06 million

for transactions which are not permitted. The table below sets out details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016 from the audited financial statements for Fiscal 2017:

(in ₹million)

	SBNs	Other	Total
Closing cash in hand as of November 8, 2016	2.84	7.03	9.87
(+) Permitted receipts	-	114.89	114.89
(+) Non-Permitted receipts	3.95	-	3.95
(-) Permitted payments	-	13.22	13.22
(-) Non-Permitted payments	0.06	-	0.06
(-) Amount deposited in banks	6.73	100.00	106.73
Closing cash in hand as of December 30, 2016	-	8.70	8.70

Known Trends and Uncertainties

Except as described elsewhere in this Draft Red Herring Prospectus, there are no known trends or uncertainties which are expected to have a material adverse impact on our revenues or income from continuing operations.

Unusual or Infrequent Events or Transactions

As of the date of this Draft Red Herring Prospectus, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are likely to Affect Revenue from Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in the section titled "Risk Factors", "Industry Overview" and "Our Business" on pages 16, 109 and 131 of this Draft Red Herring Prospectus, respectively.

Material Increase in Revenue from Operations or Other Income

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "Significant Factors Affecting Our Results of Operations" and the uncertainties described in the section titled "Risk Factors" on pages 301 and 16 of this Draft Red Herring Prospectus, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on revenue from operations or other income.

Future Relationships between Costs and Income

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "Risk Factors" and "Our Business" and on pages 16 and 131 of this Draft Red Herring Prospectus, respectively, there are no known factors which will have a material adverse impact on our business operations or financial condition.

New Products or Business Segments

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in "Risk Factors" on page 16 of this Draft Red Herring Prospectus.

Suppliers or Customers Concentration

We are not dependent on any particular supplier or customer.

Significant Developments after March 31, 2017

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which have materially or adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months. For further details, please see “*History and Certain Corporate Matters*” on page 156 of this Draft Red Herring Prospectus.

Recent Accounting Pronouncements

Our annual financial statements were prepared under Indian GAAP. Our financial statements for Fiscal 2018 will be prepared under Ind AS. Given that Ind AS is different in many respects from Indian GAAP and the transition to Ind AS is recent, this has a significant impact on our financial results and position. For more information, please see “*Summary of Significant Differences between Indian GAAP and Ind AS*” on page 319 of this Draft Red Herring Prospectus.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The financial statements/information have been prepared in accordance with Indian GAAP, which differs in certain material respects from IND AS.

The following table summarizes certain of the areas in which differences between Indian GAAP and IND AS could be significant to the Company's financial position and results of operations. This summary should not be taken as an exhaustive list of all the differences between Indian GAAP and IND AS. No attempt has been made to identify all recognition and measurement, disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in the Standalone and Consolidated financial statements (or notes thereto).

Certain principal differences between Indian GAAP and IND AS that may have a material effect on the Company's standalone and consolidated financial statements are summarized below. The Company's management has not quantified all of the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that the standalone and consolidated financial statements would not be materially different if prepared in accordance with IND AS. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and IND AS and how those differences might affect the financial information disclosed in this Draft Red Herring Prospectus.

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
1.	Ind AS 1 Presentation of Financial Statements	Items of Financial Statement	Was limited to Balance Sheet, Statement of Profit and Loss and Cash flow with necessary explanatory notes	A complete set of financial statements comprises <ol style="list-style-type: none"> a) Balance Sheet as at the end of the period b) Statement of profit and loss c) Statement of changes in equity d) Statement of cash flows e) Notes including the summary of accounting policies and other explanatory information.
		Other Comprehensive Income	Certain items such as asset revaluation or exchange difference arising on consolidation of non-integral operations are routed through the Reserves or actuarial adjustments on gratuity obligations are routed through the Statement of Profit and Loss, with no concept of Other Comprehensive Income in Indian GAAP.	Other Comprehensive Income would include adjustments arising from : <ul style="list-style-type: none"> ▪ Actuarial adjustments on Gratuity Plans to be recorded in OCI ▪ Accounting for Cash Flow hedge reserve ▪ Fair Value of investments in equity ▪ Asset Revaluation reserve ▪ Currency Translation Reserve This would be disclosed as an extension of the Statement of Profit and Loss, with adjustments made to the Net Profit to arrive at total comprehensive income.
		Presentation of income statement	Schedule III requires an analysis expense by nature. Any income or expenditure which exceeds one percent of the revenue from operations or Rs.100000 whichever is higher, needs to be disclosed.	Expenses recognized in profit or loss should be presented using a classification based only on the nature of expense.
		Statement of changes in equity	A statement of changes in equity is not presented. Movements in share capital, retained earnings and other reserves are presented in the notes to accounts	The statement of changes in equity includes the following information: <ul style="list-style-type: none"> • total comprehensive income for the period; • the effects on each component of

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
				<p>equity of retrospective application or retrospective restatement in accordance with Ind AS 8; and</p> <ul style="list-style-type: none"> for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change
		Extraordinary items	<p>Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.</p> <p>Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity</p>	Presentation of any items of income or expense as extraordinary is prohibited.
		Comparative information reclassification	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification	When comparative amounts are reclassified, the nature, amount and reason for reclassification are disclosed
		Critical Judgments	Does not require disclosure of judgments that management has made in the summary of significant accounting policies or other notes.	Requires disclosure of critical judgments made by management in applying accounting policies.
		Estimation uncertainty	Does not require an entity to disclose information about the assumptions that it makes about the future and other major sources of estimation uncertainty at the end of the reporting period though other standards may require certain disclosures of the same.	<p>Requires disclosure of key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p> <p>The nature of the uncertainty and the carrying amounts of such assets and liabilities at the end of the reporting period are required to be disclosed</p>
2	Ind As 2 Inventories	Deferred settlement terms	<p>Inventories purchased on deferred settlement terms are not explicitly dealt with in the accounting standard on inventories</p> <p>The cost of inventories generally will be the purchase price for deferred credit terms unless the contract states the interest payable for deferred terms</p>	Difference between the purchase price of inventories for normal credit terms and the amount paid for deferred settlement terms is recognized as expense.
		Cost formula	It is not expressly mandated to use the same cost formula	Requires to use the same cost formula for all inventories having a similar

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			consistently for all inventories that have a similar nature and use to the entity. The formula used should reflect the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location and condition	nature and use to the entity. For inventories with a different nature or use, different cost formulas may be justified.
		Reversal of write down of inventory	No specific guidance for reversal of write down of inventories. However, reversals may be permitted as AS 5 requires this to be disclosed as a separate line item in the statement of profit and loss.	Write down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in the net realizable value because of changes in economic circumstances. The amount of reversal is limited to the amount of the original write-down.
	Ind AS 7 – Statement of Cash flows	Classification of bank overdrafts	Bank overdrafts are considered as financing activities	Included as cash and cash equivalents if they form an integral part of an entity's cash management.
		Changes in ownership interest	No specific guidance.	Changes in ownership interest in a subsidiary without loss of control are treated as financing activities.
3	Ind AS 10 Events after Reporting Period	Proposed Dividend	Schedule III requires disclosure of proposed dividend in the notes to accounts. However, as per the requirements of AS 4, which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements that are proposed or declared after the balance sheet date but before approval of the financial statements are recorded as a provision. Further, as per recent amendments by the Companies (Accounting Standards) Amendment Rules, 2016 in AS 4, dividends declared subsequent to the balance sheet are to be considered as a non-adjusting event, which is similar to the Ind-AS requirement	Liability for dividends declared to holders for equity instruments are recognized in the period when approved by the Board of Directors in case of interim dividends and when approved by the Shareholders in general meeting in the case of final dividends.
4.	Ind AS 8– Accounting Policies, Changes in Accounting Estimates and Errors	Changes in Accounting Policies	As per AS-5, changes in accounting policies should be made only if required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in accounting policy has no material effect on the financial statements for the current period, but is expected	Requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			to have a material effect in the later periods, the same should be appropriately disclosed.	
		New accounting pronouncements	Not required to be disclosed	Non-application of new accounting pronouncements that have been issued but are not yet effective as at the end of the reporting period is disclosed. In such a case, known or reasonably estimable information relevant to assessing the possible impact that application of new accounting pronouncements will have on the financial statements on initial application is also disclosed.
5	Ind AS 18 – Revenue	Measurement	Revenue is recognized at the nominal amount of consideration receivable. Sales incentives, cash discounts etc, would get accounted as selling expenses under Other Expenses.	Revenue is recognized at fair value of the consideration receivable. Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method. Any sales incentive, discounts or rebates in any form, including cash discounts given to customers will be considered as selling price reductions and accounted as reduction from revenue, and not as other expenses.
6.	Ind AS 19 – Employee Benefits	Treatment of actuarial adjustments	All actuarial gains and losses should be recognised immediately in the statement of profit and loss	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
7.	Ind AS 17 - Leases	Operating Leases	Lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit.	Lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless either of the below: a) another systematic basis is more representative of the time pattern of the user's benefit, or b) the payments to the lessor are structured to increase in line with expected general inflation for cost increases.
		Determining if an arrangement contains a lease	There is no such requirement if it does not take the legal form of a lease	An arrangement that does not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which conveys the right to use the assets is accounted for as a lease in accordance with Ind AS 17

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
		Operating leases – incentives	Lease incentives were not accounted separately. There is no specific guidance on this matter.	Lease incentives (such as rent-free period) for operating lease are recognized by both lessor and lessee as a reduction of rental income and expense respectively over the lease term. These are recognized on a straight line basis unless another systematic basis is more representative of the time pattern over which the benefit of the leased asset is diminished for the lessor/time pattern of the lessee's benefit from the use of the leased asset for the lessee.
		Evaluating the substance of transactions involving the legal form of a lease	No specific guidance on this matter	If a series of transactions involves the legal form of a lease and the economic effect can only be ascertained with reference to the series as a whole, then the series is accounted for as a single transaction.
8.	Ind AS 27 – Separate Financial Statements	Investments in Subsidiaries	All long-term investments were recorded at cost, net of any diminution other than temporary on such investments.	The Company has an option to classify each of its investments in subsidiaries to be either presented at cost or at fair value.
9	Ind AS 103 – Business combinations	Accounting for business combinations	There is no comprehensive standard dealing with all business combinations. Guidance for amalgamations is contained in AS 14. Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests. Identifiable assets and liabilities of subsidiaries acquired by purchase of shares, which are not amalgamations, are recorded in the consolidated financial statements at the carrying value of amounts stated in the acquired subsidiary's financial statements on the date of acquisition.	Under IND (AS), business combinations, other than those between entities under common control, are accounted for using the purchase method, wherein fair values of identifiable assets and liabilities of the acquiree are recognized (with very limited exceptions). Business combinations between entities under common control should be accounted for using the 'pooling of interests' method.
	Ind AS 103 – Business combinations	Accounting treatment for goodwill	Goodwill arising on amalgamation in nature of purchase is amortized to the statement of profit and loss over a period not exceeding five years. In case of amalgamation in nature of merger, excess consideration over net assets taken over is adjusted against the revenue reserves. After initial recognition, the acquirer will measure goodwill acquired in a business combination at cost	At the acquisition date, Goodwill will be measured at cost of acquisition plus amount of non-controlling interest plus if business combination is achieved in stages, the acquisition date fair value of previous equity interest in the acquiree less net acquisition-date amount of assets acquired and liabilities assumed. After initial recognition, the acquirer will measure goodwill acquired in a business combination at cost less any accumulated impairment losses. Goodwill amortization is prohibited.

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			less accumulated amortization, if any, and accumulated impairment losses.	
10	Ind AS 21 The Effects of Changes in Foreign Exchange Rates	Translation of foreign subsidiaries	<p>Under Indian GAAP, the translation of financial statements of a foreign operation to the reporting currency of the parent/investor depends on the classification of that operation as integral or non-integral.</p> <p>In the case of an integral foreign operation, monetary assets are translated at closing rate. Non-monetary items are translated at historical rate if they are valued at cost. Non-monetary items which are carried at fair value or other similar valuation are reported using the exchange rates that existed when the values were determined. Income and expense items are translated at historical/average rate. Exchange differences are taken to the statement of profit and loss.</p> <p>For non-integral foreign operations, closing rate method should be followed (i.e. all assets and liabilities are to be translated at closing rate while profit and loss account items are translated at actual/average rates). The resulting exchange difference is taken to reserve and is recycled to profit and loss on the disposal of the non-integral foreign operation.</p>	<p>Under Ind AS, assets and liabilities should be translated from the functional currency to the presentation currency at the closing rate at the date of the statement of financial position, income and expenses at actual/average rates for the period; exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity. These are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.</p> <p>Treatment of disposal depends on whether control is lost or not. Thus, if control is lost, the exchange difference attributable to the parent is reclassified to profit or loss from foreign currency translation reserve in other comprehensive income.</p>
11.	Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance	Recognition	<p>There are two method of recognising government grant related to asset. The grant is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge. Under the other method, grants related to depreciable assets are treated as deferred income which is recognised in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is</p>	<p>Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred income, to be recognized as income over the life of the asset.</p> <p>Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests.</p>

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
			<p>charged.</p> <p>Government grants in the nature of promoters' contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders' funds.</p>	
12	Ind AS 24 – Related Party Disclosures	Definition of related party	<p>Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial/or operating decisions.</p>	<p>A related party is a person or entity that is related to the entity that is preparing its financial statements :</p> <p>a) A person or a close member of the person's family is related to a reporting entity if that person:</p> <p>(i) Has control or joint control of the reporting entity</p> <p>(ii) Has significant influence over the reporting entity</p> <p>(iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity</p> <p>b) An entity is related to a reporting entity if any of the following conditions apply:</p> <p>i) The entity and reporting entity are members of the same group</p> <p>ii) One entity is an associate or joint venture of other entity</p> <p>iii) Both entities are joint ventures of the same third party</p> <p>iv) On entity is a joint venture of a third party and the other entity is a an associate of the third party</p> <p>v) The entity is a post-employment benefit plan for the employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity itself is</p> <p>vi) The entity is controlled or jointly controlled by a person identified in a)</p> <p>vii) A person identified in a) has significant influence over the entity or is a member of the key management personnel of the entity</p> <p>viii) The entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity</p>

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
				or to the parent of the reporting entity .
		Definition of close member of the family	No definition of close member of the family. Instead the term “relative” has been defined in relation to an individual as the spouse, son, daughter, brother, sister father, mother who may be expected to influence, or be influenced by, that individual in his/her dealings with the reporting enterprise	Close member of the family are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: <ul style="list-style-type: none"> a) That person’s children and spouse or domestic partner b) Children of that person’s spouse or domestic partner c) Dependents of that person or that person’s spouse or domestic partner d) Father, Mother, brother and sister of that person.
13.	Ind AS 12 Income Taxes	Income and Balance Sheet Approach	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purpose of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.
		Deferred tax on unrealized intragroup profits	Deferred tax is not recognized. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation	Deferred tax assets/Deferred Tax Liabilities will need to be created on unrealized intragroup profit. Deferred tax on unrealized intra group profits is recognized at the buyer’s rate.
14.	Ind AS 109 – Financial Instruments Ind AS 32 – Financial Instruments : Presentation Ind AS 107 – Financial Instruments : Disclosure	Classification of assets and liabilities	Assets and liabilities were only categories between Current and Non-current/Long-term with certain sub categories as required under Schedule III, valued at historical cost.	In addition, all assets and liabilities would further need to be categorized between financial and non-financial assets, with different valuation requirements.
		Provision for doubtful debts	Provisions are made for specific receivables based on circumstances such as. Credit default of customer or disputes with customers. An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flows of the debtors. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	In addition to the specific provisions under Indian GAAP, under Ind AS, at each reporting date, an entity shall assess whether the credit risk on trade receivables has increased significantly since initial recognition. When making the assessment, an entity shall use the Expected Credit Loss model to provide for a loss allowance over and above any provision for doubtful debts in the profit and loss statement. An entity shall measure expected credit losses to reflect the following: <ul style="list-style-type: none"> • an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • reasonable and supportable information that is available without

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
				undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
		Valuation of rental deposits	There is no specific accounting treatment specified under Indian GAAP for the accounting of deposits provided by the lessee under a lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposit under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease. The lessee also recognizes interest income using internal rate of return through its profit and loss over the life of the deposit.
		Current and non-current investments (other than in subsidiaries, joint ventures and associates)	Under Indian GAAP, long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is not temporary in nature. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value	<p>A financial asset is measured at amortized cost if it meets the following criteria:</p> <ul style="list-style-type: none"> • the asset is held to collect its contractual cash flows. • the asset's contractual cash flows represent 'solely payments of principal and interest' ('SPPI'). <p>Financial assets included within the amortized cost category are initially recognized at fair value and subsequently measured at amortized cost. A financial asset is measured at fair value through the Other Comprehensive Income if it fulfils the following requirements:</p> <ul style="list-style-type: none"> • the objective of the business model is achieved both by collecting contractual cash flows and by selling financial assets. • the asset's contractual cash flows represent SPPI. <p>Financial assets included within the Fair value through other comprehensive income (FVTOCI) category are initially recognized and subsequently measured at fair value.</p> <p>Movements in the carrying amount will be taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit and loss. Where the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.</p> <p>Fair value through profit & loss (FVTPL) is the residual category. Financial assets will be classified as FVTPL if they do not meet the criteria of FVTOCI or amortized cost.</p>

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
				Financial assets included within the FVTPL category will be measured at fair value with all changes taken through profit or loss. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVTPL, if doing so, reduces or eliminates a measurement or recognition inconsistency ('accounting mismatch')
		Financial guarantee contract	Under Indian GAAP, the financial guarantee contracts (i.e. guarantees given on behalf of subsidiary, associate or joint venture companies) are disclosed by way of contingent liabilities in the standalone financial statements of the parent company.	Ind AS 109 requires all financial guarantee contracts to be recognised at fair value at inception. The fair value of the contract will be equal to the amount of premium receivable (or net present value of the premium if the same is paid over the period) determined on an arm's length basis. Thereafter, the same is required to be carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.
		Measurement of financial assets and liabilities	Assets and liabilities were never classified as financial and non-financial. Measurement criteria was mostly on cost / transactional value basis, unless otherwise permitted under relevant accounting standards for investments, etc.	Ind AS 109 requires identification of financial assets and liabilities separately from nonfinancial assets and liabilities. All financial assets and liabilities are initially recognised at fair value. Subsequently financial assets are either classified or measured at fair value or at amortised cost. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, i.e. they are carried at fair value through profit and loss (FVTPL), or recognized in other comprehensive income by measuring them fair value through other comprehensive income (FVTOCI). There are two measurement categories for financial liabilities subsequently–FVTPL and amortized cost.
	Ind AS 33 – Earnings Per Share	Additional disclosures	No such requirement.	Disclosure is required for instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.
		Mandatorily convertible instrument		Ordinary shares to be issued
14	Ind AS 113 Fair Value Measurement	Basis for determining fair value	Under Indian GAAP, there is no framework for measuring fair value for financial reporting.	Under IND AS , Company would need to consider the following in a fair value measurement : a) The particular asset or liability that is subject of the measurement, b) The principal market for the asset or liability, c) The market participant; and d) The price.

Sl. No.	Ind AS Reference	Particulars of the Standard	Treatment Indian GAAP	Treatment Ind AS
				<p>In addition, there are specific consideration for the fair value measurement of:</p> <ul style="list-style-type: none"> a. Non- financial assets, b. Liabilities, c. Equity, and d. Financial instruments.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) tax proceedings, (iv) material litigation, in each case, involving our Company, our Subsidiaries, our Promoters, our Directors, or our Group Entity, and (v) any litigation involving our Company, our Promoters, our Directors, our Subsidiaries or our Group Entity or any other person whose outcome could have a material adverse effect on the position of our Company.

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in the Draft Red Herring Prospectus:

- (a) Criminal, tax proceedings and actions by statutory authorities/regulatory authorities: All criminal, tax proceedings and actions by statutory/ regulatory authorities involving our Company, our Promoters, our Directors, our Subsidiaries or our Group Entity shall be deemed to be material;*
- (b) Pre-litigation notices: Notices received by our Company, our Promoters, our Directors, our Subsidiaries or our Group Entity, from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that our Company, our Promoters, our Directors, our Subsidiaries or our Group Entity are impleaded as defendants in litigation proceedings before any judicial forum; and*
- (c) De minimis monetary threshold for civil litigation: Civil litigation involving our Company, our Promoters, our Directors, our Subsidiaries or our Group Entity before any judicial forum and having a monetary impact exceeding 1% of the restated consolidated profit after tax of the Company for the financial year ended March 31, 2017, shall be considered material. However, in the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation is material to the operations or performance of the Company or its subsidiaries.*

Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or our Subsidiaries, (ii) fines imposed or compounding of offences against our Company or our Subsidiaries, (iii) material frauds committed against our Company, in each case (i), (ii) and (iii) above, in the preceding five years from the date of this Draft Red Herring Prospectus; (iv) pending proceedings initiated against our Company for economic offences, (v) defaults or non-payment of statutory dues; (vi) legal action pending or taken against our Promoters, by any Ministry/ Department of the Government of India or any statutory authority, during the last five years immediately preceding the year of issue of this Draft Red Herring Prospectus; (vii) matters involving our Company and our Subsidiaries pertaining to violations of securities law; and (viii) outstanding dues to material creditors and material small scale undertakings.

Litigation involving our Company

Civil/Criminal Litigation against our Company

Nil

Civil/Criminal Litigation by our Company

Nil

Actions by statutory/ regulatory authorities against our Company

1. Our Company had received a notice dated April 27, 2016 from the Office of the Joint Director of Health Services, Kamrup Metropolitan District, Uzanbazar, Guwahati forwarding the report of the Food Analyst to the Government of Assam pertaining to the paneer sample collected from our Barbeque Nation restaurant located at Guwahati. The report of the Food Analyst opined about the non-conformity of the paneer sample with the prescribed standards under the Food Safety and Standards (Food Products

Standards and Additives) Regulations, 2011 (“FSSR”) and was therefore sub-standard in terms of the requirements prescribed under the FSSA. Our Company has filed a reply dated June 7, 2016 with the Designated Officer, Food Safety, Kamrup Metropolitan District, Guwahati submitting the justification that the paneer sample taken for testing was not meant for human consumption and was a sample received from a vendor for quality check. Subsequently, there has been no communication from the Designated Officer in this regard.

2. Our Company had received notices dated March 29, 2016 from the Designated Officer, Ludhiana forwarding the report of the Food Analyst to the Government of Punjab & Chandigarh pertaining to the ‘curd’ and ‘green chutney’ samples collected from our Barbeque Nation restaurant located at Ludhiana. The report of the Food Analyst opined about the non-conformity of the curd sample with the prescribed standards under the FSSR and was therefore sub-standard in terms of the requirements prescribed under the FSSA. Subsequently, no further communication has been received from the concerned authority in this regard.
3. Our Company alongwith our Director, Suchitra Dhanani and the manager of our restaurant had received a notice dated November 2, 2012, Government of Gujarat forwarding the report of the Food Analyst to the Government of Gujarat pertaining to the ‘paneer’ sample collected from our Barbeque Nation restaurant located at Ahmedabad. Late. Sajid Dhanani has also been named in the notice. The report of the Food Analyst opined about the non-conformity of the ‘paneer’ sample with the prescribed standards under the FSSR. Subsequently, pursuant to the order dated November 30, 2016 of the Local Additional Collector & Adjudicating Officer, Ahmedabad a penalty of ₹50,000 was levied on the noticees. Our Company has paid the said penalty and the matter is disposed.
4. Our Company alongwith some of our Directors, namely Kayum Dhanani, Raof Dhanani and Suchitra Dhanani and some erstwhile directors of the Company had received a notice dated April 29, 2016 from the Mahanagar Seva Sadan, Health Department, Government of Gujarat forwarding the report of the Food Analyst to the Government of Gujarat pertaining to the ‘green mukhvaas’ sample collected from our Barbeque Nation restaurant located at Ahmedabad. The report of the Food Analyst opined about the non-conformity of the ‘green mukhvaas’ sample with the prescribed standards under the FSSR. This was further confirmed by the Director, Referral Food Laboratory, Pune pursuant to their letter dated July 7, 2016. No further communication has been received in this regard.

Tax proceedings involving our Company

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	20	18.30

Litigation involving our Subsidiaries

Civil/Criminal Litigation against our Subsidiaries

Nil

Civil/Criminal Litigation by our Subsidiaries

Nil

Actions by statutory/ regulatory authorities against our Subsidiaries

Our Subsidiary, PGPL had filed an application seeking condonation of delay under Section 460 read with section 117 of the Companies Act, 2013 before the Registrar of Companies, Delhi for delay in filing form MGT-14 in relation to the special resolution passed by the shareholders of PGPL dated March 12, 2015 for conversion of unsecured loan from erstwhile shareholders of PGPL into 3,500,000 equity shares of ₹10 each of PGPL. The Assistant Director, Ministry of Corporate Affairs passed an order dated November 8, 2016 condoning the delay, subject to, inter alia, payment of fees and additional fees under the Companies Act, 2013 and the rules enacted thereunder.

Tax proceedings involving our Subsidiaries

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving our Promoters

Litigation involving SHL

Civil litigation against SHL

1. State Bank of India, Itarsi branch, filed a civil suit dated February 13, 2017 before the First Civil Judge Class-1, Itarsi (“**SBI**”) against SHL, Bank of India, Itarsi branch (“**BoI**”) and Sunil Gopal Rao initiating recovery proceedings. It is alleged by SBI that SHL had submitted a cheque of an amount of ₹0.90 million in favour of Sunil Gopal Rao at its Itarsi branch, which was honoured as per the instructions of SHL and the amount was remitted to the collecting bank of Sunil Gopal Rao, viz, BoI. It has been further alleged by SBI, that upon receipt of complaint from SHL informing that SHL had not issued any such cheque, it returned the amount debited from SHL’s account to SHL. Further, SBI simultaneously requested BoI to remit the amount back to SBI alleging that BoI had defaulted in conducting the proper KYC checks on their account holder, i.e Sunil Gopal Rao. SBI further alleged that in spite of repeated requests, BoI did not return the said amount, and hence this suit was filed by SBI for recovering an amount of ₹0.90 million from BoI. Separately, SBI has also prayed that SHL and Sunil Gopal Rao be liable to pay an interest of 18% on the said amount. The matter is currently pending.
2. Girishbhai Amin filed a writ petition no. 9069 of 2013 before the High Court of Gujarat, Ahmedabad against the Joint Charity Commissioner, Vadodara (“**JCC**”) and SHL along with four other parties. The petitioner has alleged that SHL had made an application to Ramji Mandir Trust for the purchase of property bearing survey number 455/17 admeasuring 772 sq. yards. It is further alleged that the JCC pursuant to its order dated January 18, 2007, directed publication of notice inviting bids from interested parties and objections to such sale to SHL. The petitioner has further alleged that after considering his objections the sale was approved by the JCC pursuant to its order dated August 5, 2010. Thereafter a sale deed was executed between Ramji Mandir Trust and SHL dated October 29, 2010. Being aggrieved by the order of JCC, the petitioner had subsequently challenged the aforesaid order before the Gujarat Revenue Tribunal (“**Tribunal**”) pursuant to the application no. AA/46/2010. The Tribunal had rejected the application of the petitioner on extraneous and irrelevant consideration and confirmed the order of the JCC. Being aggrieved by the order of the Tribunal, the petitioner has filed the appeal before the High Court of Gujarat. The matter is currently pending.

Civil litigation by SHL

1. SHL filed a writ petition no. 594/2015 against Indore Municipal Corporation, acting through the Commissioner of Nagar Palika Nigam, Indore and the Building officer, Zone 7, Indore Municipal Corporation, Nagar Palika, Indore (“**Building Officer**”), before the Hon’ble High Court of Judicature of Madhya Pradesh bench at Indore. SHL filed the writ petition against the order of the Building Officer issued on January 21, 2015 directing SHL to demolish the restaurant operated in the name of ‘Mediterra’ on the eight floor of the hotel building owned by SHL as the same was illegal and was constructed without permission. It has been further submitted by SHL that it had obtained all the relevant permissions in relation to the construction of the said restaurant. SHL has alleged that the Building Officer failed to consider that the construction is in the compoundable limits and hence the order served upon SHL for demolition of the restaurant is in violation of natural justice. SHL has further alleged that the said notice for demolition is barred by the law of limitation. SHL had prayed, *inter alia*, a joint inspection to be conducted in its presence and a joint inspection should be prepared. The Hon’ble High Court pursuant to its order dated April 19, 2017 ordered for conducting a joint inspection. In light of this order, the Building Officer had issued a notice dated May 5, 2017 to SHL in relation to joint inspection to be conducted. The joint inspection report dated May 7, 2017 was prepared by the Building Officer along with SHL. The matter is currently pending.

Criminal Litigation against SHL

On April 10, 2010, one of the guest, Tabassum Ahmed, was found dead in the steam room of the Indore hotel of SHL. A diary copy no. 774(A) was filed by the Vijay Nagar police station before the magistrate first class against certain employees of SHL. The trial is currently pending. The employees of SHL filed a petition no. 7921/2010 with the High Court of Madhya Pradesh, Principal seat at Jabalpur, Indore Bench, pending trial in the court of Magistrate First Class, praying that the FIR and subsequent proceedings against them should be quashed. The High Court through its order dated February 9, 2016 dismissed the petition stating that there is no abuse of judicial process and the merits of the matter will be decided by the trial court.

Criminal Litigation by SHL

1. SHL filed a criminal complaint on May 27, 2016 before the First Class Judicial Magistrate, Indore against Mayank Chinchvadkar under section 138 of the Negotiable Instruments Act, 1881 for recovering an amount of ₹0.04 million which was due towards non-payment of boarding charges by the accused. The matter is currently pending.
2. SHL filed a criminal complaint on April 19, 2017 before the First Class Judicial Magistrate, Indore against Alok Gupta under section 138 of the Negotiable Instruments Act, 1881 for recovering an amount of ₹0.20 million which was due towards non-payment of charges for using hotel facilities for marriage function by the accused. The matter is currently pending.

Actions by statutory/ regulatory authorities against SHL

Orders dated December 10, 2015 and May 17, 2016 and show cause notice dated May 17, 2017 issued by SEBI in respect of SHL

An order bearing reference WTM/PS/101/CFD/DEC/2015 dated December 10, 2015, was issued by SEBI in respect of SHL in the matter of non-compliance with the requirements of minimum public shareholding norms by listed companies. During February 2013, one of the promoters of SHL, Raoof Dhanani (who is also a Promoter and a Director of our Company) had acquired 27.16% shareholding of SHL from Clearwater Capital Partners Cyprus Limited. The said acquisition triggered an open offer under the Takeover Regulations. Accordingly, the open offer was undertaken and it was completed on September 11, 2013. However, pursuant to the said open offer, the total promoters' shareholding in SHL increased to 79.90%, thereby breaching the requirement of maintaining minimum public shareholding of 25% under rule 19A of the SCRR. Such fall in public shareholding occurred on October 3, 2013. Thereafter, SHL failed to increase its public shareholding to 25% within the prescribed period of 12 months from the date of fall in minimum public shareholding, under rule 19A(2) of the SCRR. Accordingly, SEBI passed the aforesaid order, (a) directing freezing of voting rights and corporate benefits like dividend, rights, bonus shares and split with respect to the excess of proportionate promoter/ promoter group shareholding; (b) prohibiting the promoters/ promoter group members of SHL and directors of SHL from directly/ indirectly dealing in securities of SHL, except for complying with minimum public shareholding requirements; and (c) prohibiting the promoter/ promoter group shareholders of SHL and the directors of SHL from holding any new position as a director in any listed company, till such time that SHL met the minimum public shareholding requirements.

The aforesaid order issued by SEBI was subsequently vacated by SEBI order bearing reference WTM/PS/38/CFD/MAY/2016 dated May 17, 2016, whereby SEBI noted that the promoters had divested (a) 3.61% shareholding of SHL through an offer for sale on February 12, 2016; and (b) 1.37% shareholding of SHL through offers for sale on March 2, 2016 and March 3, 2016, thereby reducing promoter shareholding in SHL to 74.93%, and bringing SHL in compliance with the minimum public shareholding limits prescribed under the SCRR. However, in light of the delayed compliance with the minimum public shareholding requirements, SEBI referred the matter for adjudication, and stated that an adjudicating officer shall be appointed by SEBI to conduct an inquiry as per law. SEBI issued a show cause notice bearing reference EAD/NP/AS/OW/11093/1/2017 dated May 17, 2017 directing SHL to show cause within 15 days from the date of receipt of the show cause notice as to why an enquiry should not be held against SHL under section 23E of the SCRA for its failure to comply with listing conditions. In the event that the aforesaid violation is established, under section 23E of the SCRA, SHL may be liable for penalty between ₹0.50 million and ₹250 million. SHL replied to the show cause notice on June 21, 2017.

Show cause notice dated February 15, 2017 issued by SEBI to SHL

SHL received a show cause notice bearing reference SEBI/HO/EAD/EAO/OW/P/2017/3582/1 dated February 15, 2017 issued by SEBI in relation to (a) failure of SHL to report acquisition of 725,000 shares of SHL by Ahilya Hotels Limited on March 2, 2006 under regulation 13(1) of the SEBI Insider Trading Regulations, 1992 to the stock exchanges; and (b) failure of SHL to report sale of 600,000 shares of SHL by Aries Hotels Private Limited on September 6, 2005 under regulation 13(3) of the SEBI Insider Trading Regulations, 1992 to the stock exchanges. SEBI directed SHL to reply to the show cause notice within 14 days from the date of receipt of the show cause notice, failing which the matter would be proceeded with on the basis of the evidence on record. In the event that the aforesaid violation is established, under section 15A(b) of the SEBI Act, SHL may be liable for monetary penalty of Rs. 0.10 million per day during which the failure continues or Rs. 10 million, whichever is less. SHL replied to the show cause notice on April 29, 2017, stating that while SHL was in compliance with the reporting requirements, it was unable to trace the copies of intimations made to the stock exchanges.

Tax proceedings involving SHL

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	13	26.34
Indirect Tax	24	190.43

Other pending litigation involving SHL

Show cause notices received from the Indore Development Authority (“IDA”)

SHL received show cause notices dated August 23, 2011 and August 26, 2014 issued by the IDA directing SHL to show cause as to why the lease agreement dated June 29, 1994 executed between SHL and IDA for property situated at Plot H-1, Scheme No. 54, MR 10, Vijaynagar, Indore, Madhya Pradesh (“**IDA Lease Agreement**”) should not be cancelled, for reasons which include, *inter alia*, sale of shops constructed on the said property by SHL, in breach of the terms of the IDA Lease Agreement. Pursuant to resolution no. 179 dated October 28, 2015, the IDA cancelled the allotment of the said plot and the IDA Lease Agreement, and issued an order dated December 11, 2015 to SHL informing it of such cancellation, with effect from midnight of December 26, 2015. SHL filed a writ petition dated November 24, 2015 before the High Court of Madhya Pradesh claiming, *inter alia*, that a proper opportunity of hearing was not accorded to SHL and praying for the quashing of the resolutions no. 179 and 153 passed by the IDA on October 28, 2015 and October 7, 2015, respectively. The High Court of Madhya Pradesh (Indore Bench) passed an order dated December 18, 2015 setting aside the said resolutions and directed the IDA to give a proper opportunity of hearing to SHL and take a fresh decision as per law. Proceedings before the IDA are ongoing.

Application for cancellation of sale deeds and lease deeds

SHL (as seller) had executed sale deeds dated February 5, 2004 and June 9, 2004 with Sushma Wadhvani, Heena Wadhvani and Poonam Wadhvani (collectively the “**Defendants**”), with respect to a part of the property allotted to SHL by the IDA, and had executed lease deeds dated February 5, 2004 and June 9, 2004 between SHL (as lessee) and the Defendants (as lessors) for the same parcel of land as the sale deeds. The Defendants issued notices dated December 24, 2015 and February 17, 2016 to SHL directing SHL to vacate the premises leased upon completion of the term of the lease deeds. SHL responded to the notices on February 20, 2016 and filed a plaint before the VIIth District Judge, Indore (Madhya Pradesh) on February 24, 2016 for, *inter alia*, cancellation of the sale deeds and the lease deeds executed with the Defendants. The Defendants filed an application dated May 3, 2016 before the court for rejection of the plaint filed by SHL. The court passed an order dated February 1, 2017 rejecting the said application. The Defendants have filed a civil revision petition dated February 2, 2017 before the High Court of Madhya Pradesh for setting aside the court order dated February 1, 2017, and allowing the application dated May 3, 2016. The matter is currently pending before the High Court of Madhya Pradesh.

Litigation involving SHKSL

Actions by statutory/ regulatory authorities against SHKSL

Nil

Tax proceedings involving SHKSL

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
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Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving Kayum Dhanani

Actions by statutory/ regulatory authorities against Kayum Dhanani

Show cause notice dated January 4, 2017 issued by SEBI to promoters and promoter group members of SHL, including, Kayum Dhanani

Kayum Dhanani, Suchitra Dhanani and other promoters and promoter group members of SHL, received a show cause notice bearing reference SEBI/HO/EAD/EAO/OW/P/2017/272/1 dated January 4, 2017 issued by SEBI, in the matter of alleged irregularities in the shares of SHL. The show cause notice was issued in relation to (i) failure of (late) Sajid Dhanani to make an open offer for acquisition of 0.40% shareholding of SHL (while he held 57.37% shareholding in SHL) during April to June 2005 under regulation 11(2) of the Takeover Regulations, 1997; (ii) failure of (late) Sajid Dhanani, Suchitra Dhanani, Anisha Dhanani, Aries Hotels Private Limited and Alishan Computer System Private Limited to report the divestment of 15.34% shareholding of SHL between July to September 2005 under regulation 7(1A) of the Takeover Regulations, 1997; (iii) failure of (late) Sajid Dhanani and Ahilya Hotels Limited to make an open offer and disclosures for acquisition of 10.52% shareholding of SHL during January to March 2006 under regulations 7(1A) and 11(1) of the Takeover Regulations, 1997; and (iv) failure of Suchitra Dhanani to disclose change in her shareholding in SHL from 7.63% to 2.54% under regulation 13(3) of the SEBI Insider Trading Regulations, 1992. SEBI directed the noticees to reply to the show cause notice within 14 days from the date of receipt of the show cause notice, failing which the matter would be proceeded with on the basis of the evidence on record. In the event that the aforesaid violations are established, (i) under section 15A(b) of the SEBI Act, the promoters and promoter group members of SHL may be liable for monetary penalty of ₹0.10 million per day during which the failure continues or ₹10 million, whichever is less; and (ii) under section 15H of the SEBI Act monetary penalty may be imposed for failure to make a public announcement to acquire shares at a minimum price. Ahilya Hotels Limited (on behalf of the noticees), replied to the said show cause notice on May 2, 2017.

Tax proceedings involving Kayum Dhanani

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving Raof Dhanani

Criminal Litigation against Raof Dhanani

A complaint was filed by Videocon Leasing and Industrial Finance Limited (“**Complainant**”) under Sections 34, 415, 418 and 420 of the Indian Penal Code (“**IPC**”) and Section 200 of the Criminal Procedure Code before the Additional Criminal Judicial Magistrate, Court No. 8, Ghaziabad, against, *inter alia*, Raof Dhanani for dishonestly inducing the Complainant to part with ₹160 million for issuance of non-convertible, redeemable debentures of Divya Chemicals Limited (“**DCL**”), which were not issued and subsequently, *inter alia*, undertaking to repay an amount of ₹225.57 million to the Complainant, which was also done. Pursuant to order dated May 9, 2003, the Magistrate issued summons to the accused, including Raof Dhanani to appear before the court. The accused filed an application under Section 245(2) of the Criminal Procedure Code for discharge and pleaded that the court at Ghaziabad did not have jurisdiction to hear the matter. The Magistrate rejected the application, against which the accused, including Raof Dhanani, filed a criminal revision petition no. 578 of 2004 before the Additional Sessions Judge, Court no. 1, Ghaziabad, which was rejected. Thereafter, the accused filed a criminal miscellaneous application no. 11816 of 2005 before the High Court of Allahabad claiming that the Magistrate at Ghaziabad did not have territorial jurisdiction to hear the matter. The High Court of Allahabad upheld the application and directed the Magistrate to decide the question of territorial jurisdiction according to law, without insisting on the personal appearance of the accused. The matter is currently pending.

Criminal Litigation by Raof Dhanani

Nil

Civil Litigation against Raoof Dhanani

SICOM Limited (“**SICOM**”) had filed a summary suit for recovery in 1997 against DCL, Yusuf Dhanani and Raoof Dhanani at the High Court of Bombay to recover an initial amount of ₹5 million granted to DCL as a loan (“**Initial Recovery Suit**”). The Initial Recovery Suit was transferred to the Debt Recovery Tribunal-II, Mumbai (“**DRT-II Mumbai**”) in 2005 bearing O.A. No. 203/2005, with Yusuf Dhanani and Raoof Dhanani, who were guarantors for the said term loan being listed as parties to the suit. The DRT-II Mumbai through its judgement dated September 29, 2006 allowed for the recovery of an amount of ₹2.75 million from Yusuf Dhanani and Raoof Dhanani (“**DRT Order**”) and issued a recovery certificate dated October 19, 2006. Subsequently, insolvency notice N/73 of 2007 dated March 16, 2007 was issued by the High Court of Bombay to Yusuf Dhanani and Raoof Dhanani (as judgement creditors), to pay SICOM ₹6.01 million, with interest on the sum of ₹2.75 million at the rate of 12% per annum from January 24, 2007 until payment, as claimed by SICOM and as set out in the DRT Order, which amount the Defendants had failed to pay. Yusuf Dhanani and Raoof Dhanani filed a notice of motion dated November 30, 2007 in the High Court of Bombay for setting aside the insolvency notice. The Bombay High Court has passed an order dated July 5, 2016, wherein the notice of motion N/73 of 2007 involving the Defendants and other similar insolvency matters have been reserved for directions until the Supreme Court decides whether an insolvency notice can be issued on the basis of a judgment and order passed by the debt recovery tribunal. The matter is currently pending.

Civil Litigation by Raoof Dhanani

Nil

Actions by statutory/ regulatory authorities against Raoof Dhanani

Show cause notices dated June 27, 2014 issued by SEBI to certain promoters and promoter group members of Liberty Phosphate Limited, including our Promoter, Raoof Dhanani

Our Promoter and Director, Raoof Dhanani and certain erstwhile promoters and promoter group members of Liberty Phosphate Limited, which subsequently merged with Coromandel International Limited received a common show cause notice bearing reference number EAD-5/ADJ/ASK/AA/OW/18543/2014 dated June 27, 2014 issued by SEBI, in relation to violation of regulation 11(1) read with regulation 14(1) of the Takeover Regulations, 1997 for failure to make a public announcement on acquisition of shares exceeding the prescribed thresholds. SEBI directed the noticees to reply to the show cause notice within 14 days from the date of receipt of the show cause notice. In the event that the aforesaid violation is established, under section 15H(ii) of the SEBI Act, the noticees, including our Promoter, Raoof Dhanani may be liable for monetary penalty extending to ₹250 million or three times the profits made out of such failure, whichever is higher. Further, SEBI also issued individual show cause notices to the said erstwhile promoters and promoter group members of Liberty Phosphate Limited, including Raoof Dhanani. The individual show cause notice dated June 27, 2014 issued to Raoof Dhanani bore reference number EAD-5/ADJ/ASK/AA/OW/18536/2014. For details of the individual show cause notice received by Raoof Dhanani, see “*Show cause notice dated June 27, 2014 issued by SEBI to Raoof Dhanani*” on page 337 below. Pursuant to the provisions of the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014, the noticees jointly filed a consent application no. 2905 of 2014 on October 8, 2014 and a rectified consent application on November 12, 2014 before SEBI in relation to the common show cause notice and the individual show cause notices. SEBI rejected the consent application *vide* letter dated February 18, 2016, for failure of the noticees to submit details in relation to the necessary disclosures under the SEBI Insider Trading Regulations, 1992, which were required to be made by the noticees in relation to the trades referred to in the show cause notices. Subsequently, *vide* order dated July 25, 2016, the Securities Appellate Tribunal permitted SEBI to withdraw the letter dated February 18, 2016 issued to the noticees. Thereafter, pursuant to letter dated July 29, 2016 issued by the noticees to SEBI, the noticees have requested SEBI to pass an appropriate consent order in the matter, assuming non-compliance with the SEBI Insider Trading Regulations, 1992. Subsequently, pursuant to adjudication proceedings initiated by SEBI against the noticees, personal hearings were held on October 18, 2016 and December 5, 2016. Thereafter, the noticees were directed by SEBI to appear for an internal committee meeting on July 25 2017, and to submit the revised settlement terms during the meeting itself. By way of form F dated July 26, 2017, the noticees submitted a revised settlement application for ₹22.13 million in relation to the common consent application. The matter is currently pending.

Show cause notice dated June 27, 2014 issued by SEBI to Raof Dhanani

Raof Dhanani received a show cause notice bearing reference EAD-5/ADJ/ASK/AA/OW/18536/2014 dated June 27, 2014 issued by SEBI, in relation to violation of Regulations 8(2), 7(1) and 7(1A) of the Takeover Regulations, 1997 for failure to make prescribed disclosures for dealings in securities of Liberty Phosphate Limited, which subsequently merged with Coromandel International Limited. SEBI directed Raof Dhanani to reply to the show cause notice within 14 days from the date of receipt of the show cause notice, failing which the matter would be proceeded with on the basis of the evidence on record. In the event that the aforesaid violation is established, under section 15A(b) of the SEBI Act, Raof Dhanani may be liable for monetary penalty extending to ₹0.10 million for each day that the violation continues or ₹10 million, whichever is lower. Raof Dhanani, along with certain erstwhile promoters and promoter group members of Liberty Phosphate Limited filed a common consent application no. 2905 of 2014 on October 8, 2014 and a rectified consent application on November 12, 2014 before SEBI. Further, Raof Dhanani issued a letter dated December 3, 2016 to SEBI, in response to the said show cause notice, requesting SEBI to drop the alleged charges. For details of the consent and adjudication proceedings in relation to the said consent application, see “*Show cause notices dated June 27, 2014 issued by SEBI to certain promoters and promoter group members of Liberty Phosphate Limited, including our Promoter, Raof Dhanani*” on page 336 above.

Show cause notice dated May 12, 2015 issued by SEBI to Liberty Phosphate Limited and its directors and compliance officers, including our Promoter, Raof Dhanani

Liberty Phosphate Limited (which subsequently merged with Coromandel International Limited), Raof Dhanani, and other directors and compliance officers of Liberty Phosphate Limited received a show cause notice bearing reference EAD-2/PU/13355/2015 dated May 12, 2015 issued by SEBI. Pursuant to the show cause notice, Raof Dhanani and other directors and compliance officers of Liberty Phosphate Limited were directed to show cause within 14 days of receipt of the show cause notice, why an inquiry should not be held against them and penalty should not be imposed for violation of Clause 1.2 of the code of conduct specified under Part A of the Schedule I of the SEBI Insider Trading Regulations, 1992 read with Regulation 12(1) of the SEBI Insider Trading Regulations, 1992. In the event that the aforesaid violation is established, under section 15HB of the SEBI Act, Raof Dhanani may be liable for monetary penalty extending to ₹10 million. Certain noticees, including Raof Dhanani, jointly filed a consent application on July 20, 2015 before SEBI. The matter is currently pending.

Show cause notice dated January 4, 2017 issued by SEBI to Raof Dhanani

Raof Dhanani received a show cause notice bearing reference SEBI/HO/EAD/EAO/OW/P/2017/277/1 dated January 4, 2017 issued by SEBI, in relation to violation of regulations 22(1) and 24(1) of the Takeover Regulations, 2011 during an open offer by Raof Dhanani and certain persons acting in concert with him in February 2013, by (a) undertaking an acquisition of shares of SHL attracting the obligation of making an open offer during the open offer period, before the expiry of 21 days from the date of the public statement; and (b) appointing Raof Dhanani as an additional director of SHL during the open offer period, each without depositing 100% of the consideration payable under the open offer in escrow (assuming full acceptance of the open offer). SEBI directed Raof Dhanani to reply to the show cause notice within 14 days from the date of receipt of the show cause notice, failing which the matter would be proceeded with on the basis of the evidence on record. In the event that the aforesaid violation is established, under section 15HB of the SEBI Act, Raof Dhanani may be liable for monetary penalty extending to ₹10 million. Raof Dhanani replied to the said show cause notice on May 1, 2017.

Tax proceedings involving Raof Dhanani

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving Suchitra Dhanani

Actions by statutory/ regulatory authorities against Suchitra Dhanani

Please see details of “Show cause notice dated January 4, 2017 issued by SEBI to promoters and promoter group members of SHL, including, Kayum Dhanani” under “Actions by statutory/ regulatory authorities against Kayum Dhanani”, on page 335.

Tax proceedings involving Suchitra Dhanani

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	9	4.65
Indirect Tax	Nil	Nil

Other pending litigation involving Suchitra Dhanani

Application for grant of succession certificate under section 325 of the Indian Succession Act, 1925

Sanya Dhanani and Zoya Dhanani, who are daughters of (late) Sajid Dhanani have filed an application dated November 2016 for grant of succession certificate under section 325 of the Indian Succession Act, 1925 before the XIII Civil Judge, Class I, Indore, wherein Suchitra Dhanani and public at large are named as respondents. Pursuant to the said application, Sanya Dhanani and Zoya Dhanani have claimed the succession certificate for moveable properties (majority of which are situated in Indore, Madhya Pradesh), including the shareholding of (late) Sajid Dhanani in SHL, amounting to an aggregate valuation of ₹10.48 million. The second upper district judge, Indore issued a letter dated February 4, 2017 to Dainik Indore newspaper directing the newspaper to publish a public notice with respect to the said application, setting out the property proposed to be divided between Sanya Dhanani and Zoya Dhanani, enabling the public to express any objections by April 3, 2017, failing which the court would proceed to settle the matter exparte.

Litigation involving our Directors, other than our Promoters

Civil/Criminal Litigation against our Directors

Nil

Civil/Criminal Litigation by our Directors

Nil

Actions by statutory/ regulatory authorities against our Directors

Nil

Tax proceedings involving our Directors

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Other pending litigation involving our Directors

Nil

Material frauds committed against our Company

There have been no instances of material frauds against our Company in the past five years.

Inquiries, inspections or investigations under the Companies Act

There are no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company or our Subsidiaries in the past five years.

Fines imposed or compounding of offences

Except as disclosed below, there are no rectification/ compounding applications which have been filed by our Company or our Subsidiaries in the last five years. Further, except as stated below, there are no fines that have been imposed on our Company or our Subsidiaries in the last five years.

- (i) Our Company filed a rectification letter dated May 29, 2017 with the ROC in relation to an error in filing of a form 2 for an allotment of 415,000 equity shares to SHL on March 31, 2009. While the allotment was made for consideration other than cash, the said form 2 was filed reflecting cash consideration. Subsequently, our Company filed a rectified form PAS 3 with the ROC for the said allotment.
- (ii) Our Subsidiary PGPL had filed an application for condonation of delay before the Registrar of Companies, Delhi. For details see “Outstanding Litigation and Material Developments- Actions by statutory/ regulatory authorities against our Subsidiaries”, on page 331.

Litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority

Except as disclosed above, there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences.

Defaults and non-payment of statutory dues

There are no instances of defaults and non-payment of statutory dues, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financials institution (including interest) by our Company.

Material developments since March 31, 2017

Other than as disclosed in this Draft Red Herring Prospectus, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next 12 months.

Outstanding dues to Creditors

All creditors of the Company to whom the amount due by the Company exceeds 5% of the total trade payables of the Company as on March 31, 2017, on a consolidated basis based on the Restated Financial Statements, shall be considered material.

The material dues owed to small scale undertakings and other creditors as at March 31, 2017, is set out below:

Material Creditors	Number of cases	Amount involved (in ₹ million)
Small scale undertakings	Nil	Nil
Other Creditors	Nil	Nil

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at <http://www.barbeque-nation.com/declaration>. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company’s website, www.barbeque-nation.com, would be doing so at their own risk.

GOVERNMENT AND OTHER APPROVALS

Our Company and our Subsidiaries have received the necessary consents, licenses, permissions, registrations and approvals from various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and our Subsidiaries undertake to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal or we have sought a clarification from the relevant statutory and/ or regulatory authorities in relation to the applicability of the approval. For details of risk associated with not obtaining or delay in the obtaining the requisite approvals, see “Risk Factors - We require a number of regulatory approvals, registrations, licenses and permits in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals may adversely affect our business and results of operations” on page 30. For further details, in connection with the applicable regulatory and legal framework, see “Regulations and Policies” on page 153.

The objects clause of the respective memoranda of association enables our Company and our Subsidiaries to undertake their respective present business activities.

Approvals in relation to our Company

The approvals required to be obtained by our Company include the following:

I. Incorporation details of our Company

1. Certificate of incorporation dated October 13, 2006 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, located at Gwalior to our Company, in its former name, being Sanchi Hotels Private Limited.
2. Fresh certificate of incorporation dated February 18, 2008 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, located at Gwalior to our Company consequent upon change of name to Barbeque-Nation Hospitality Private Limited.
3. Fresh certificate of incorporation dated March 4, 2008 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, located at Gwalior to our Company consequent upon change of name on conversion to public limited company to Barbeque-Nation Hospitality Limited.
4. Certificate of registration of the regional director order for change of state issued to our Company by the RoC on January 15, 2014.
5. Our Company was allotted a corporate identity number U55101KA2006PLC073031.

II. Approvals in relation to the Offer

For details, see “Other Regulatory and Statutory Disclosures” and “The Offer” on pages 342 and 67, respectively.

III. Approvals under tax laws of our Company

Our Company is required to register itself under various tax laws such as the IT Act and GST Act. Our Company is also required to pay state specific professional tax. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

IV. Approvals in relation to Business Operations of our Company and Subsidiaries

In order to operate our restaurant outlets in India, our Company and our Subsidiaries require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses, *inter alia*, include licenses under the FSSA, the Legal Metrology Act, 2009, Police Act, approval of state pollution control boards, trade license and liquor license, where applicable. In order to operate our

restaurant outlet in Dubai, our Subsidiary BNRL requires trade license. BNRL has obtained the trade license for its operations in Dubai.

V. Registrations under Employment Laws

Our Company has obtained the relevant shops and establishments registrations and the restaurant outlets which are required to be registered under employment laws, including, EPF Act and ESI Act have been registered with the relevant authorities. Our Company has made or is in the process of making renewal applications for registrations that have expired in the ordinary course.

VI. Intellectual Property

Trademark:

Our Company has registered the following trademarks in India and overseas:

In India

Sl. No	Trade Mark	Trade Mark No.	Class	Certificate No.	Valid upto
1.	BARBEQUE NATION	2303973	43	1319266	March 22, 2022
2.	BARBEQUE EXPRESS	2303972	43	1319262	March 22, 2022
3.	BARBEQUE NATION	1483932	42	1035651	September 4, 2026
4.	ATMOSFIRE	2795990	43	1609957	August 22, 2024

Additionally, our Company has made applications for other trademarks including ‘BARBEQUE NATION’ and ‘ATMOSFIRE’. These applications are at various stages in the registration process. Certain of these application have also been opposed. Seperately, we have opposed for registration of trademarks ‘BARBEQUE DELIGHTS’ and “BARBEQUE FACTORY’ filed by third parties.

Overseas

Sl. No	Trade Mark	Region	Certificate No.	Valid upto
1.	BARBEQUE NATION	European Union	010743417	March 20, 2022
2.	BARBEQUE NATION	Saudi Arabia	1517/66	February 28, 2022
3.	BARBEQUE NATION	South Africa	2012/09426	April 12, 2022
4.	BARBEQUE NATION	Canada	TMA901,996	April 23, 2030

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on June 29, 2017 and our Shareholders have approved the Offer pursuant to a special resolution passed at the AGM held on July 10, 2017 under Section 62(1)(c) of the Companies Act, 2013.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see “The Offer” on page 67.

The Equity Shares being offered by the Selling Shareholders in the Offer have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Each of the Selling Shareholders have severally and on their own account confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by each of them are free from any lien, encumbrance, transfer restrictions or third party rights (other than such rights as set out under the various shareholder agreements) further details of which are set out in “History and Certain Corporate Matters” on page 156.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, our Group Entity, the persons in control of our Company and the Selling Shareholders have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with the securities market in any manner.

Except as disclosed in “Outstanding Litigation and Material Developments” on page 330, there has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

Prohibition by RBI

Neither our Company, nor our Promoters, the relatives of the Promoters, Directors, the Group Entity, nor the Selling Shareholders have been identified as Wilful Defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. Except as disclosed in “Outstanding Litigation and Material Developments” on page 330, there are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Financial Statements prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12

months each);

- The aggregate size of the proposed Offer and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the year ended March 31, 2017; and
- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	Financial year ended March 31, 2017		Financial year ended March 31, 2016		Financial year ended March 31, 2015		Financial year ended March 31, 2014		Financial year ended March 31, 2013	
	Standal one	Consolidated	Standal one	Consolidated	Standal one	Consolidated	Standal one	Consolidated	Standal one	Consolidated
Net Tangible Assets, as restated	1,294.33	1,155.42	1,073.29	985.15	1,080.20	1,060.06	925.81	NA	255.70	NA
Monetary Assets, as restated	72.21	80.56	40.45	40.85	72.12	72.43	129.21	NA	35.56	NA
Monetary Assets, as restated as a % of net tangible assets, as restated	5.58%	6.97%	3.77%	4.15%	6.68%	6.83%	13.96%	NA	13.91%	NA
Pre-tax Operating Profit, as restated	373.63	322.26	298.71	232.27	304.55	287.11	305.41	NA	144.69	NA
Net Worth, as restated	1,509.13	1,460.26	1,319.59	1,234.02	1,217.77	1,199.18	1,067.89	NA	414.75	NA

Source: Restated Financial Statements

- Net tangible assets excludes intangible fixed assets, goodwill on consolidation and deferred tax assets/liabilities and minority interest;
- Monetary assets include cash on hand, cheques in hand and balance with banks (including the deposit and current accounts) and current investments in mutual funds (quoted);
- 'Pre-tax operating profit', mentioned above has been calculated after excluding other income and finance costs from profit before tax as per restated financial information; and
- Net-worth means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in statement of profit and loss and accumulated balance in foreign currency translation reserve.

Financial Years 2014, 2015 and 2017 are the three most profitable years out of the immediately preceding five Financial Years in terms of our Restated Financial Statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, IIFL HOLDINGS LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, JEFFERIES INDIA PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND EACH SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 14, 2017 WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**
 - (A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS,**

2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. -COMPLIED WITH AND NOTED FOR COMPLIANCE**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE SELLING SHAREHOLDERS AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE**

SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR. - COMPLIED WITH
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, REPORTED IN ACCORDANCE WITH THE ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY SINGHAL GUPTA & CO, CHARTERED ACCOUNTANTS, FIRM REGISTRATION NUMBER 4933C BY WAY OF A CERTIFICATE DATED AUGUST 9, 2017.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS (IF APPLICABLE) - NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve any Selling Shareholder from any liability to the extent of the statements made by such Selling Shareholder in respect of the Equity Shares offered by it under the Offer for Sale, under Section 34 and 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.barbeque-nation.com or the respective websites of our Subsidiaries or our Group Entity would be doing so at his or her own risk. Each Selling Shareholder, its directors, affiliates, associates and officers accepts/undertakes no responsibility for any statements made other than those statements made by such Selling Shareholder in relation to itself and to the Equity Shares offered by it, by way of the Offer for Sale in the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, Selling Shareholders or the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and FPIs and other eligible foreign investors including registered multilateral and bilateral development financial institutions. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has

been no change in the affairs of our Company, our Subsidiaries, our Group Entity or the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as — QIBs) pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (ii) outside the United States only in offshore transactions in reliance on Regulation S under the U.S. Securities Act and pursuant to the applicable laws of the jurisdiction where those offers and sales occur.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or any other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;
- (4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to another available exemption from the registration requirements under the U.S. Securities Act and (B) in each case in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;
- (6) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
- (7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary

receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- (8) the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) of Regulation D under the U.S. Securities Act);
- (9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK."

- (10) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All other Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (3) the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) of Regulation S under the U.S. Securities Act);
- (7) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (8) the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, 'E' Wing, 2nd Floor, Kendriya Sadan, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus and each Selling Shareholder will be liable severally and not jointly to re-imbure the Company for such repayment of monies, on its behalf, with respect to the Equity Shares offered by it in the Offer for Sale. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely by such Selling Shareholder and to the extent of the Equity Shares being offered by the Selling Shareholder in the Offer for Sale.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Each Selling Shareholder, severally and not jointly, undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLMs, in relation to the Equity Shares offered by it in the Offer for Sale to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid / Offer Closing Date. The fees and expenses relating to the Offer, other than the listing fees which will be borne by our Company, shall be shared between the Company and the Selling Shareholders, as mutually agreed, in accordance with applicable law. Each Selling Shareholder shall reimburse our Company for all expenses incurred by our Company on behalf of such Selling Shareholder, in relation to the Offer for Sale.

Price information of past issues handled by the BRLMs

A. IIFL

1. Price information of past issues handled by IIFL

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.2%, [+2.4%]	+31.5%, [-2.2%]	+58.6%, [-6.9%]
2.	Power Mech Projects Limited	2,732.16	640.00	August 26, 2015	600.00	-9.4%, [-0.2%]	-2.8%, [-0.6%]	-10.6%, [-8.2%]
3.	Precision Camshafts Limited	4,101.90	186.00	February 8, 2016	165.00	-15.0%, [+0.6%]	-20.8%, [+3.3%]	-20.1%, [+15.9%]
4.	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.9%, [+3.3%]	-17.4%, [+7.0%]	-1.3%, [+14.8%]
5.	Ujjivan Financial Services Limited	8,824.96	210.00	May 10, 2016	231.90	+74.1%, [+4.3%]	+115.4%, [+10.7%]	+98.3%, [+7.2%]
6.	Qess Corp Limited	4,000.00	317.00	July 12, 2016	500.00	+67.9%, [+1.5%]	+94.6%, [+2.8%]	+110.8%, [-2.6%]
7.	Dilip Buildcon Limited	6,539.77	219.00	August 11, 2016	240.00	+5.1%, [3.4%]	-3.9%, [-1.7%]	+20.3%, [+2.3%]
8.	RBL Bank Limited	12,129.67	225.00	August 31, 2016	274.20	+29.4%, [-1.5%]	59.8%, [-6.9%]	+107.9%, [+1.7%]
9.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	333.00	-7.6%, [-1.2%]	-11.6%, [-8.1%]	+11.3%, [+4.1%]
10.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.00	N/A	N/A	N/A

Source: www.nseindia.com

Notes:

1. Benchmark Index taken as CNX NIFTY.
2. Price on NSE is considered for all of the above calculations.
3. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
4. % change taken against the Issue Price in case of the Issuer.
5. % change taken against closing CNX NIFTY Index a day prior to the listing date.
6. NA means Not Applicable.

2. Summary statement of price information of past issues handled by IIFL:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014-15	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	4	17,330.46	-	-	3	-	-	1	-	-	3	1	-	-
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2017-18	1	7,795.80	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Note:

1. Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.
2. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

B. Edelweiss

1. Price information of past issues handled by Edelweiss:

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Cochin Shipyard Limited	14,429.30	432.00	August 11, 2017	440.15	Not applicable	Not applicable	Not applicable
2.	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	127.92%; [5.84%]	Not applicable	Not applicable
3.	Tejas Networks Limited	7,766.88	257.00	June 27, 2017	257.00	28.04%; [5.35%]	Not applicable	Not applicable
4.	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	600.00	145.08%; [-0.20%]	166.35% [5.88%]	Not applicable
5.	BSE Limited	12,434.32	806.00	February 3, 2017	1,085.00	17.52%; [2.55%]	24.41%; [6.53%]	34.43% [15.72%]
6.	Sheela Foam Limited	5,100.00	730.00	December 9, 2016	860.00	30.23%; [-0.31%]	48.39% [8.02%]	86.65% [16.65%]

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
7.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-7.60%; [0.54%]	11.54%;[-6.50%]	12.31%; [5.28%]
8.	Thyrocare Technologies Limited	4,792.14	446.00	May 9, 2016	665.00	36.85%; [5.09%]	22.57%;[10.75%]	39.09%;[7.22%]
9.	Equitas Holdings Limited	21,766.85	110.00	April 21, 2016	145.10	34.64%;[-2.05%]	57.91%;[7.79%]	63.77%;[7.69%]
10.	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.30%;[1.45%]	-19.98%;[4.65%]	-1.28%;[12.77%]

Source: www.nseindia.com

^ Cochin Shipyard Limited - Discount of ₹21 per equity share was offered to retail bidders & eligible employees. All calculations are based on the offer price of Rs. 432 per equity share

Notes

- Based on date of listing.
- % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
- Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
- The Nifty 50 index is considered as the Benchmark Index
- Not Applicable. – Period not completed
- Disclosure in Table-1 restricted to 10 issues.

- Summary statement of price information of past issues handled by Edelweiss:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18*	3	27,436.09	-	-	-	1	1	-	-	-	-	-	-	-
2016 - 17	6	123,361.22	-	-	1	1	3	1	-	-	-	2	2	1
2015 - 16	7	56,157.83	-	-	3	-	2	2	-	-	4	-	1	2

*The information is as on the date of the document

- Based on date of listing.
- Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
- The Nifty 50 index is considered as the Benchmark Index.

For the financial year 2017-18 – 3 issues have been completed. However, only 2 issues have completed 30 days and no issues have completed 90 days yet.

For the financial year 2016-17 – total 6 issues were completed. However, 5 issues have completed 180 days.

For the financial year 2015-16 total 7 issues were completed. However, disclosure under Table-1 is restricted to latest 10 issues.

C. Jefferies

1. Price information of past issues handled by Jefferies:

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Syngene International Limited	5,500.00	250.00	11-Aug-15	295.00	36.00%, [-7.61%]	44.90%, [-6.47%]	57.20%, [-12.70%]
2.	Narayana Hrudayalaya Limited	6,130.82	250.00	06-Jan-16	291.00	28.76%, [-4.35%]	15.86%, [0.23%]	25.56%, [8.13%]
3.	Quick Heal Technologies Limited	4,512.53	321.00	18-Feb-16	305.00	-31.56%, [5.74%]	-20.05%, [9.72%]	-24.21%, [20.17%]
4.	Laurus Labs Limited	13,305.10	428.00	19-Dec-16	489.90	11.44%, [3.62%]	23.29%, [12.62%]	41.43%, [18.31%]
5.	BSE Limited	12,434.32	806.00	3-Feb-17	1,085.00	17.52%, [2.55%]	24.41%, [6.53%]	34.43%, [15.72%]

Notes:

1. All data sourced from www.nseindia.com

2. Benchmark index considered is NIFTY

3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of price information of past issues handled by Jefferies:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-16	3	16,143.35	-	1	-	-	2	-	-	-	1	1	1	-
2016-17	2	25,739.42	-	-	-	-	-	2	-	-	-	-	2	-

* The information is as on the date of the document

D. SBICAP

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP :

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Cochin Shipyard Limited	14,429.30	432.00	August 11, 2017	435.00	NA	NA	NA
2.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	NA	NA	NA
3.	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.99% [+5.84%]	NA	NA
4.	Housing and Urban Development Corporation Limited	12,095.70	60.00	May 19, 2017	73.45	+13.08% [+2.78%]	NA	NA
5.	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	604.40	+145.03% [-0.50%]	+165.17% [+6.19%]	NA
6.	BSE Limited	12,434.32	806.00	February 03, 2017	1085.00	+17.52% [+2.55%]	+24.41% [+6.53%]	+1.29% [+15.72%]
7.	Laurus Labs Limited	13,305.10	428.00	December 19, 2016	490.00	+11.50% [+3.26%]	+23.36% [+11.92%]	+40.98% [+17.75%]
8.	HPL Electric & Power Limited	3,610.00	202.00	October 04, 2016	190.00	-14.75% [-2.91%]	-51.19% [-6.72%]	-37.77% [+5.34%]
9.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-7.60% [+0.54%]	-11.54% [-6.50%]	+12.31% [+5.28%]
10.	L&T Technology Services Limited	8,944.00	860.00	September 23, 2016	920.00	-0.85% [-1.57%]	-8.54% [-8.72%]	-9.55% [+3.28%]

Source: www.nseindia.com, www.bseindia.com

Notes:

- The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
- The designated exchange for the issue has been considered for the price, benchmark index and other details.
- The number of Issues in Table-1 is restricted to 10.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	4	17,335.61	-	-	-	1	-	1	-	-	-	-	-	-
2016-17	7	129,691.00	-	-	3	1	1	2	-	1	1	1	1	2
2015-16*	4	18,163.78	-	-	1	-	-	3	-	-	2	1	-	1

* Based on issue closure date

Notes:

For the financial year 2015-16 total 4 issues were completed. However, disclosure under Table-1 for financial year 2015-16 is restricted to one issue.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	IIFL	www.iiflcap.com
2.	Edelweiss	www.edelweissfin.com
3.	Jefferies	www.jefferies.com
4.	SBICAP	www.sbicaps.com

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Indian legal counsel to the Company, legal counsel to the BRLMs as to Indian law and international legal counsel to the BRLMs, Bankers/lenders to our Company, monitoring agency, Technopak, the BRLMs, the Syndicate Members, the Escrow Collection Banks, the Refund Bank and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert to the Offer

Except as stated herein, our Company has not obtained any expert opinions:

- (a) Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated August 5, 2017 and the statement of tax benefits dated August 11, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and the consent thereof does not represent an expert or consent under the under the U.S. Securities Act.
- (b) Our Company has received written consent from Technopak, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the the report entitled “*Indian Food Services Market*” dated July 28, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer Expenses

The expenses of the Offer include, among others, brokerage and selling commission, printing and stationery expenses, legal fees, advertising and marketing expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see “Objects of the Offer” on page 93.

All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be shared between our Company and the Selling Shareholders, as mutually agreed, in accordance with applicable law.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement, a copy of which will be available at the Corporate Office of our Company.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see “Objects of the Offer” on page 93.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order and preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the Registrar Agreement, a copy of which is available for inspection at the Corporate Office of our Company.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage and stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Each Selling Shareholder will reimburse our Company the part of the expenses incurred by our Company in proportion to the Equity Shares contributed to the Offer by such Selling Shareholder.

For details of the Offer expenses, see “Objects of the Offer” on page 93.

IPO grading

Our Company may appoint an IPO grading agency registered with SEBI in respect of obtaining grading for the Offer. Such an IPO grading agency may be appointed prior to filing of the Red Herring Prospectus with the RoC.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the “Capital Structure” on page 76, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company’s inception.

Previous capital issue during the previous three years by listed Group Entities and Subsidiaries

None of our Group Entity and Subsidiaries are listed.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Entities, and Subsidiaries

Our Company has not undertaken any previous public or rights issue.

None of our Group Entity, or Subsidiaries are listed.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Except the employee stock options issued under the ESOP 2015 our Company does not have any outstanding preference shares or other convertible instruments, as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising T Narayanan Unni, Abhay Chaudhari and Tarun Khanna as members. For details, see "Our Management" on page 174. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has also appointed Nagamani CY, Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "General Information" on page 69.

Investor grievance redressal mechanism and investor complaints for our Promoter

Our Promoter, SHL has arrangements and mechanisms in place for redressal of investor grievance. The average time required by SHL for the redressal of routine investor grievances is 30 days. The number of investor complaints received during the Financial Year 2018 and three financial years preceding this Draft Red Herring Prospectus and the number of complaints disposed off during that period are as follows:

Period	Complaints Received	Complaints Disposed off
For the Financial Year 2018*	1	1
For the Financial Year 2017	0	N/A
For the Financial Year 2016**	0	N/A
For the Financial Year 2015**	7	7

* As on June 30, 2017

**For Financial Year 2016 and Financial Year 2015 appropriate disclosures were made in the annual report of SHL

There are no investor complaints pending as on the date of this Draft Red Herring Prospectus.

Investor grievance mechanism and investor complaints for the listed companies (whose equity shares are listed on stock exchanges) under the same management within the meaning of section 370 (1B) of the Companies Act, 1956

Welterman International Limited ("**Welterman International**") has arrangements and mechanisms in place for redressal of investor grievance. The average time required by SHL for the redressal of routine investor grievances is 30 days. The number of investor complaints received during the Financial Year 2018 and three financial years preceding this Draft Red Herring Prospectus and the number of complaints disposed off during that period are as follows:

Period	Complaints Received	Complaints Disposed off
For the Financial Year 2018*	0	N/A
For the Financial Year 2017	1	1
For the Financial Year 2016**	2	2

* As on June 30, 2017

**For Financial Year 2016 and Financial Year 2015 appropriate disclosures were made in the annual report of SHL

There are no investor complaints pending as on the date of this Draft Red Herring Prospectus.

Changes in Auditors

There has been no change in the Auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in “Capital Structure” on page 76.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer Expenses

The Offer comprises the Fresh Issue and the Offer for Sale. For further details in relation to Offer expenses, see “Objects of the Offer” and “Other Regulatory and Statutory Disclosures” on pages 93 and 342, respectively.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of Articles of Association” on page 416.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the MoA and AoA and provisions of the SEBI Listing Regulations. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 193 and 416, respectively. In relation to the Offer for Sale, the dividend for the entire financial year shall be payable to the transferees.

Face Value and Offer Price

The face value of each Equity Share is ₹5 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the minimum Bid Lot size and the Retail Discount, if any, for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Kannada newspaper [●] (Kannada being the regional language of Karnataka where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 416.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated July 26, 2011 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated October 23, 2012 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders, severally and not jointly, reserve the right not to proceed with the Fresh Issue and / or Offer for Sale, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that the Company or the Selling Shareholders decide not to proceed with the Offer at all, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON (FOR QIBs)	[●] ⁽²⁾
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	[●]

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary

formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, with respect to the Equity Shares being offered by such Selling Shareholder in the Offer for Sale.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be U.S. QIBs pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (ii) outside the United States only in offshore transactions in reliance on Regulation S under the U.S. Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales occur.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid File received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date, no later than 1.00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in the Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the the Selling Shareholders in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum Allotment as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of each Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by such Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by such Selling Shareholders in the Offer, to the extent that the delay is solely attributable to such Selling Shareholder.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, minimum Promoters' contribution and the Anchor Investor lock-in as provided in "Capital Structure" on page 76 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "Main Provisions of the Articles of Association" on page 416.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Initial Public Offering of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Shares) aggregating to ₹[●] comprising of a Fresh Issue of [●] Equity Shares aggregating to ₹2,000 million by our Company and an Offer for Sale of up to 6,179,000 Equity Shares aggregating to ₹[●] million, comprising an offer of up to 109,800 Equity Shares by AAJVIT, up to 4,729,200 Equity Shares by TPL, up to 400,000 Equity Shares by Azhar Dhanani, up to 270,000 Equity Shares by Kayum Dhanani, up to 270,000 Equity Shares by Sanya Dhanani and up to 400,000 Equity Shares by Sadiya Dhanani. The Offer includes an Employee Reservation Portion of up to 150,000 Equity Shares aggregating to ₹[●] million, for subscription by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid up Equity Share capital of our Company.

Our Company may consider a pre-offer placement of up to 2,574,002 Equity Shares comprising for an aggregate amount not exceeding ₹2,000 million at the discretion of the Company and the Selling Shareholders. The Pre-IPO Placement will be at a price to be decided by our Company and Selling Shareholders, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted will be reduced from the Fresh Issue, as applicable, subject to a minimum offer of [●]% of the post-Offer paid-up Equity Share capital being offered to the public.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation ⁽²⁾	Up to 150,000 Equity Shares	[●] Equity Shares or Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Approximately [●] % of the Offer.	Not more than 50% of the Net Offer size shall be available for allocation to QIBs. However, 5 % of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate ⁽⁴⁾	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares	Proportionate	Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated proportionately. For details see, "Offer Procedure – Part B –

Particulars	Eligible Employees	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
		shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above		Allotment Procedure and Basis of Allotment – Allotment to RIBs” on page 404
Mode of Bidding	ASBA only	ASBA only ⁽³⁾	ASBA only	ASBA only
Minimum Bid	[●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] so as to ensure that the Bid Amount does not exceed ₹500,000. ⁽⁴⁾	Such number of Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Company	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders that is			

Particulars	Eligible Employees	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Payment	specified in the ASBA Form at the time of submission of the ASBA Form ⁽⁵⁾			

*Assuming full subscription in the Offer

- (1) Our Company and the Selling Shareholders may, in consultation with the BRLMs allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Structure" on page 367.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.
- (3) Anchor Investors are not permitted to use the ASBA process.
- (4) Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion, post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, please see section entitled "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 404.

Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer. Under subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Retail Discount

The Retail Discount, if any, will be offered to Retail Individual Bidders at the time of making a bid. Retail Individual Bidders bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount does not exceed ₹200,000. Retail Individual Bidders must mention the Bid Amount while filling the Bid cum Application Form.

Employee Discount

The Employee Discount, if any, will be offered to the Eligible Employees bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Employee Discount) at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion are required to ensure that the Bid Amount (which will be less Employee Discount) does not exceed ₹500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) on a net basis only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount). Please refer to "Offer Procedure - Maximum and Minimum Bid Size" on page 390.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, (CIR/CFO/POLICYCELL/11/2015) dated November 10, 2015 and SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, notified by SEBI (the “General Information Document”) included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations to the extent applicable to a public issue but has not been updated to reflect the commercial considerations between the Company and the Selling Shareholders with respect to the Offer. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Offer Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received at or above the Offer Price net of Employee Discount. However, the value of Allotment to any Eligible Employee shall not exceed ₹500,000. Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 only in the event of an undersubscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.

Any unsubscribed portion in Employee Reservation Portion shall be added to the Net Offer. In case of under-subscription in the Net Offer category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Offer. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPI or FVCLs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

* Excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by Promoters, Promoter Group, the BRLMs, the Syndicate Members and persons related to the Promoters/Promoter Group/the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoters and Promoter Group and any persons related to our Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FIIs (including FIIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIIs can participate in the Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of a company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 49% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms, and (iii) such offshore derivatives instruments shall not be issued to or transferred to persons who are resident Indians or NRIs and to entities beneficially owned by resident Indian or NRIs.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- (b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000.
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- (d) Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 only in the event of an undersubscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.
- (e) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (f) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- (g) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

- (h) Eligible Employees can apply at Cut-off Price.
- (i) Bid by Eligible Employees can be made also in the “Net Offer to the Public” and such Bids shall not be treated as multiple Bids.
- (j) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (k) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the post-Offer share capital of the Company.
- (l) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see “Offer Procedure – Allotment Procedure and Basis of Allotment” on pages 404.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services, banking company cannot exceed 20% of bank’s paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the investee company’s outstanding equity shares or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
14. Ensure that the category and the investor status is indicated;
15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
16. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
17. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and
18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.
19. Ensure that the Demographic Details are updated, true and correct in all respects;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 (for Bids by Eligible Employees Bidding under the Employee Reservation Portion);
3. Do not Bid for a Bid Amount exceeding ₹500,000, net of Employee Discount (for Bids by Eligible Employee);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
10. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
11. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit more than five Bid cum Application Forms per ASBA Account;
14. Anchor Investors should not bid through the ASBA process; and
15. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company and the Selling Shareholders in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●] Public Issue – Escrow Account – R”
- (b) In case of Non-Resident Anchor Investors: “[●] Public Issue – Escrow Account – NR”

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of English national newspaper [●]; (ii) all editions of Hindi national newspaper [●]; and (iii) [●] edition of Kannada newspaper [●] (Kannada being the regional language of Karnataka, where the registered office of the Company is situated), each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid Closing Date. The advertisement, subject to the provisions of

Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name”*

shall be liable for action under Section 447. The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of the credit of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- other than Equity Shares issued pursuant to exercise of options granted under the ESOP 2015, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- it shall not have recourse to the proceeds from the offer which shall be held in escrow in its favour until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Undertakings by the Selling Shareholders

The statements and undertakings set out below, in relation to each Selling Shareholder, are statements which are specifically confirmed or undertaken by such Selling Shareholder. All other statements and/or undertakings in this DRHP in relation to any of the Selling Shareholders shall be statements made by our Company, even if the same relates to any of the Selling Shareholders. Each of the Selling Shareholders hereby severally and not jointly undertake and/or confirm the following:

- the Equity Shares offered by it have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations;
- it is the legal and beneficial owner of the Equity Shares offered by it, except to the extent, in the case of AAJVIT, that the beneficiaries of AAJVIT have a beneficial interest in the assets of AAJVIT, including the Equity Shares held by it, and that such Equity Shares are fully paid-up and shall be transferred in the Offer, free from liens, charges and encumbrances of any kind whatsoever;
- it shall not have recourse to the proceeds from the Offer which shall be held in escrow in its favour until the final listing and trading approvals from all the Stock Exchanges have been obtained;
- it shall reimburse the Company for expenses incurred in relation to the Offer on its behalf, to the extent of the Equity Shares offered by it, in the manner agreed to amongst the Selling Shareholders and the Company, and in accordance with applicable law;
- it shall take all such steps as may be required to ensure that the Equity Shares offered by it in the Offer are available for transfer in the Offer within the time specified under applicable law;
- to the extent of the Equity Shares offered by it, funds required for making refunds to unsuccessful applicants, to the extent applicable, as per the mode(s) disclosed in the DRHP, shall be made available to the Registrar to the Offer by it in a timely manner in accordance with applicable law; and
- it shall comply with all applicable laws, including but not limited to, the SEBI ICDR Regulations and the Companies Act, 2013, and the rules and regulations made thereunder, each as amended, in each case, in relation to the Offer.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue and component of Offer for Sale shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Each Selling Shareholder, along with our Company declares that all monies received out its component of the Offer for Sale shall be credited/transferred to a separate bank account pursuant to sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the

SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

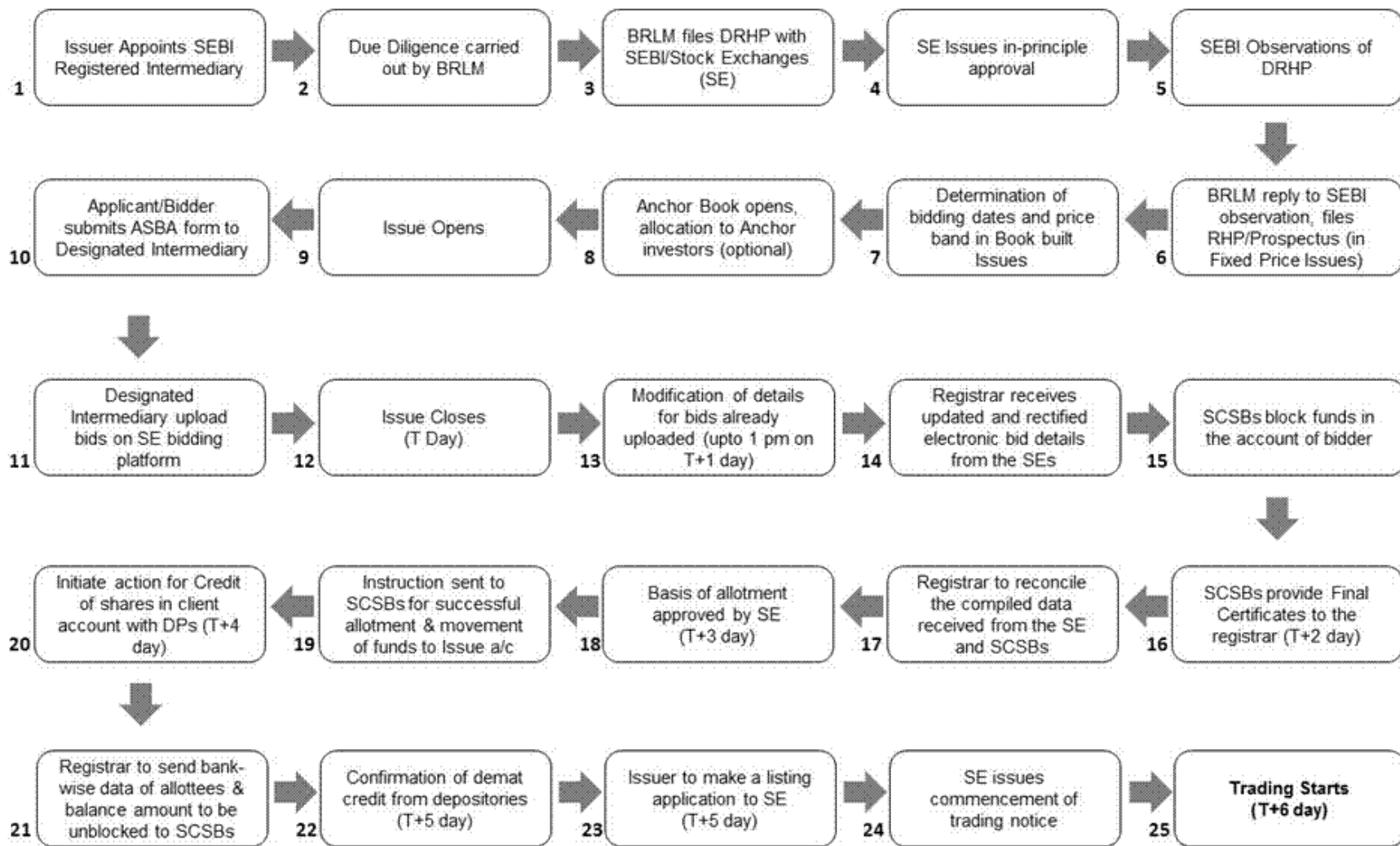
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Offer Date and Price
 - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder (“NIBs”) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No.	

LOGO TO, THE BOARD OF DIRECTORS XYZLIMITED	BOOK BUILT ISSUE ISIN :	Bid cum Application Form No.
---	---	--

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr / Ms. _____
		Address _____
		Tel. No (with STDcode) / Mobile _____
		2. PAN OF SOLE / FIRST BIDDER _____

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 3 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</small>	6. INVESTOR STATUS <input type="checkbox"/> Individual - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institution - FI <input type="checkbox"/> Mutual Fund - MF <input type="checkbox"/> Non-Resident Indian - NRI (Non-Repatriation bank) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Fund - AIF <input type="checkbox"/> Others (Please specify) - OTH
--	--

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")				5. CATEGORY		
Bid Options	No. of Equity Shares Bid (In Figures) <small>(Bid must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/-only) (In Figures)			Retail Individual Bidder	Non-Institutional Bidder
		Bid Price	Retail Discount	Net Price		
Option 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>	<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/>

7. PAYMENT DETAILS Amount paid (₹ in figures) _____ (₹ in words) _____	PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
--	---

ASBA Bank Ac No. _____ Bank Name & Branch _____	
--	--

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (A clear legible option do / Bid in Stock Exchange system)
	I/We authorize the SCSB to debit my account as per my order in the Application in the line: 1) _____ 2) _____ 3) _____	
Date : _____		

LOGO XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.
---	--	--

DPID / CIJD _____ Amount paid (₹ in figures) _____ Bank & Branch _____	PAN of Sole / First Bidder _____ Stamp & Signature of SCSB Branch _____
---	--

Received from Mr/Ms. _____ Telephone / Mobile _____ Email _____	
--	--

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA _____	Name of Sole / First Bidder _____ Acknowledgement Slip for Bidder Bid cum Application Form No.
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Amount Paid (₹)																			
	ASBA Bank Ac No. _____ Bank & Branch _____																		

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : _____ Contact Details: _____ CIN No _____	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS
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LOGO **TO, THE BOARD OF DIRECTORS XYZ LIMITED**

BOOK BUILT ISSUE

ISIN : _____

Bid cum Application Form No. _____

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	Address _____
		Email _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS
_____	NRI Non-Resident Indian(s) (Repatriation basis)
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	FII FII or Sub-account not a Corporate/Foreign Individual

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")				5. CATEGORY	
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			<input type="checkbox"/> Retail Individual Bidder
		Bid Price	Retail Discount	Net Price	<input type="checkbox"/> Non-Institutional Bidder
		₹ 2 1	3 2 1	₹ 2 1	<input type="checkbox"/> QIB
Option 1					<input type="checkbox"/> "Cut-off" (Please tick)
(OR) Option 2					
(OR) Option 3					

7. PAYMENT DETAILS	PAYMENT OPTION - FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) _____ (₹ in words) _____	

ASBA

Bank A/c No. _____

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE ORIGINAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("OIID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

IA. SIGNATURE OF SOLE / FIRST BIDDER	IB. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to debit A/c as necessary to make the Application in the late</small>	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	1) _____ 2) _____ 3) _____	

TEAR HERE

LOGO **XYZ LIMITED INITIAL PUBLIC ISSUE - NR**

Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No. _____

DPID / CLID _____ PAN of Sole / First Bidder _____

Amount paid (₹ in figures) _____	Bank & Branch _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)			Acknowledgement Slip for Bidder	
	ASBA Bank A/c No. _____				
Bank & Branch _____			Bid cum Application Form No. _____		

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (e) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted

Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders/Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).
- (c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum

application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.
- (b) Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by such Bidder does not exceed ₹500,000. However, Allotment to the Employees under the employee reservation portion may exceed ₹200,000 (which will be less employee discount) only in the event of an under-subscription in the employee reservation portion and such unsubscribed portion may be allotted on a proportionate basis to Employees Bidding in the employee reservation portion, for a value in excess of ₹200,000, subject to total Allotment to an Employee not exceeding ₹500,000 (which will be less the Employee Discount).
- (c) In case the Bid Amount exceeds ₹200,000 except Bids by Employees under the employee reservation portion due to revision of the Bid or any other reason, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (d) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (e) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.
- (f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the Offer size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
- ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- (c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by direct credit, RTGS or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

- (a) Bidders may submit the ASBA Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.

- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, or more than five lakh Rupees in case of Employees Bidding under the employee reservation portion, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 **INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case of revision of Bids by Employees under employee reservation portion, such Employees should ensure that the Bid Amount, subsequent to revision does not exceed ₹500,000. In the event of an under-subscription in the employee reservation portion, the unsubscribed portion may be allotted on a proportionate basis for a value in excess of ₹200,000, subject to total allotment to an Employee not exceeding ₹500,000. In case the Bid Amount exceeds ₹200,000, except Bids by Employees under the employee reservation portion, due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, except Bids by Employees under the employee reservation portion, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, except Bids by Employees under the employee reservation portion, the Bid may be considered for allocation under the Non-Institutional Category in

terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000, except for Bids by Employees Bidding in the employee reservation portion wherein the application amount payable should not exceed ₹500,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

- ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount (if applicable)**

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location (b) To the Designated Branches of the SCSBs

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs, NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finaliation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - i. the Bids accepted by the Designated Intermediary,
 - ii. the Bids uploaded by the Designated Intermediary, and
 - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs;
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (k) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- (o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- (p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (q) Bids not uploaded in the Stock Exchanges bidding system.
- (r) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (s) Where no confirmation is received from SCSB for blocking of funds;
- (t) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (u) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

- (v) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

- (e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a

proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”). The Allotment to the RIBs will then be made in the following manner:

- (a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:
 - i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

- (b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow

Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit

MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.
- (d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder

Term	Description
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2 nd and 4 th Saturday of a month and public holidays)

Term	Description
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band

Term	Description
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion

Term	Description
Non Institutional Bidders or NIBs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus

Term	Description
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	“Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the RBI and the relevant ministry or ministries of the Government of India.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued the Consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force and effect as on June 6, 2016.

Subject to certain conditions, the transfer of shares by way of sale between an Indian resident and a non-resident does not require the prior approval of the RBI or the relevant ministry or ministries of the Government of India, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy 2016 and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy 2016; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be U.S. QIBs pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (ii) outside the United States only in offshore transactions in reliance on Regulation S under the U.S. Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part A and Part B.

PART A – GENERAL ARTICLES

- I. The regulations contained in Table “F” in the First Schedule of the Act (as defined below), shall not apply to this Company, except so far as such regulations are reproduced or contained in or expressly made applicable by these Articles or the Act. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution, as prescribed by the Act, be such as are contained in these Articles.
- II. The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of any inconsistency, conflict or contradiction between Part A of the Articles on the one hand and Part B of the Articles on the other hand, Part B of the Articles shall prevail.
- III. In relation to CX Investor and Pace Investor, except for Articles 32.1.3, 32.1.6 and 40 (along with any terms defined in Article 31 and appearing in Articles 32.1.3, 32.1.6 and 40) of Part B of the Articles, Part B of the Articles shall cease to remain in effect and shall fall away without any further action by any person (including the Company or any of its Members) immediately on the commencement of trading of the equity shares of the Company on any Recognized Stock Exchange (as defined under Article 31.1) pursuant to the IPO (as defined under Article 31.2).
- IV. In relation to CX Investor and Pace Investor, notwithstanding anything contained in these Articles (including for the avoidance of doubt under (III) above), (i) Articles 32.1.3 and 32.1.6 (together with any terms defined in Article 31 and appearing in Articles 32.1.3 and 32.1.6) of Part B of the Articles shall cease to remain in effect and shall fall away without any further action by any person (including the Company or any of its Members) immediately upon the CX Investor and the Pace Investor collectively ceasing to hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital, and (ii) Article 40 (together with any terms defined in Article 31 and appearing in Article 40) of Part B of the Articles shall remain in effect for as long as a director nominated by the CX Investor is a member of the Board.
- V. In relation to MPL, Part B of the Articles shall cease to remain in effect and shall fall away without any further action by any party (including the Company or any of its Members) immediately on, the earlier of: (1) MPL and KD decide to terminate the MPL SPA (defined below) by mutual agreement; (2) upon MPL ceasing to hold Shares in the Company; (3) commencement of trading of Shares on the recognised stock exchanges.
- VI. In the event of any ambiguity or discrepancy between the provisions of the Restated Shareholders’ Agreement (as defined under Article 31.1) and these Articles or the MPL SPA (as defined under Article 31.1) and these Articles, it is intended that the provisions of the Restated Shareholders’ Agreement or the MPL SPA shall prevail and accordingly the Members shall exercise all voting and other rights and powers available to them to procure any amendment to these Articles, so as to give effect to the provisions of the Restated Shareholders’ Agreement or MPL SPA, as applicable.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to the subject or context:

- (a) “**Act**” means the Companies Act, 2013, or any statutory modification or re-enactment thereof, and the rules made thereunder, for the time being in force;
- (b) “**ADRs**” shall mean American Depository Receipts representing ADSs.
- (c) “**ADSs**” shall mean American Depository Shares, each of which represents a certain number of equity shares of the Company.

- (d) “**Annual General Meeting**” means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act;
- (e) “**Articles**” means these Articles of Association for the time being or as amended, altered, or modified from time to time in accordance with the provisions of these Articles and the Act;
- (f) “**Auditors**” means and includes those persons appointed as such for the time being, by the Company, to discharge the duties of auditors under the Act;
- (g) “**Board**” or “**Board of Directors**” means the Board of Directors of the Company or the Directors of the Company collectively;
- (h) “**Capital**” means the share capital for the time being raised or authorized to be raised for the purpose of the Company;
- (i) “**The Chairman**” means the Chairman of the Board of Directors for the time being of the Company;
- (j) “**Charge**” means an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage;
- (k) “**The Company**” or “**This Company**” means the Company named;
- (l) “**Debenture**” includes debenture-stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not;
- (m) “**Director**” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles;
- (n) “**Executor**” or “**Administrator**” means a person who has obtained probate or letter of administration, as the case may be from a court of competent jurisdiction and shall include holder of a succession certificate authorizing the holder thereof to negotiate or transfer the share or shares of the deceased Member and shall also include the holder of a certificate granted by the Administrator General under Section 31 of the Administrator Generals Act, 1963;
- (o) “**Extra-ordinary General Meeting**” means an Extra-ordinary General Meeting of the Members duly called and constituted in accordance with the provisions of the Act and any adjourned holding thereof;
- (p) “**Financial Year**” shall have the meaning assigned thereto by Section 2 (41) of the Act.
- (q) “**GDRs**” shall mean the registered Global Depository Receipts, representing GDSs.
- (r) “**GDSs**” shall mean the Global Depository Shares, each of which represents a certain number of equity shares of the Company.
- (s) “**in Writing**” and “**Written**” includes printing, lithography, electronic communications and facsimile and other modes of representing or reproducing words in a visible form;
- (t) “**Independent Director**” means a Director appointed in accordance with Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (u) “**Legal Representative**” means a person who in law represents the estate of a deceased Member;
- (v) “**Members**” means (i) the subscribers to the Memorandum of the Company who shall be deemed to have agreed to become Members of the Company, and on its registration shall be

entered as members in the Register of Members; and (ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the Register of Members;

- (w) **“Meeting”** or **“General Meeting”** means a general meeting of the Members, whether an Annual General Meeting or an Extra-ordinary General Meeting;
- (x) **“Memorandum of Association”** means the Memorandum of Association of the Company as amended, altered or modified from time to time;
- (y) **“Month”** means a calendar month;
- (z) **“Office”** means the Registered Office for the time being of the Company;
- (aa) **“Ordinary Resolution”** shall have the meaning assigned to it by Section 114 of the Act;
- (bb) **“Paid up”** includes the amount credited as paid up;
- (cc) **“Persons”** includes corporation;
- (dd) **“Postal Ballot”** includes voting by shareholders by postal or electronic mode instead of voting personally by being present for transaction businesses in a General Meeting of the Company;
- (ee) **“Proxy”** means an instrument whereby any person is authorized to attend a meeting and vote for a Member at the General Meeting or a poll;
- (ff) **“Rules”** means any rules created under the provisions of the Act;
- (gg) **“Securities”** means securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force;
- (hh) **“The Register of Members”** means the Register of Members to be kept pursuant to Section 88 of the Act;
- (ii) **“The Registrar”** means the Registrar of the Companies of the State in which the Registered Office of the Company is for the time being situated;
- (jj) **“The Company’s Regulations”** means the regulations for the time being for the management of the Company;
- (kk) **“Seal”** means the common seal for the time being of the Company;
- (ll) **“Secretary”** means a Company Secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed to perform the functions of a company secretary under the Act;
- (mm) **“Shares”** means share in the share capital of the Company and includes stock; and
- (nn) **“Special Resolution”** shall have the meaning assigned to it by Section 114 of the Act.

1.2 Interpretation and Construction

Unless the context of these Articles otherwise requires, the following rules of interpretation shall apply to these Articles:

- 1.2.1 Words or expressions contained in these Articles shall bear the same meaning as in the Act or Rules made under the Act or any statutory modification thereof in force on the date on which the Articles become binding on the Company.

1.2.2 The sub-headings hereto shall not affect the construction hereof.

1.2.3 Words importing the singular number include where the context admits or requires the plural number and vice versa, and words importing a gender shall include each of the masculine, feminine and neuter genders.

1.2.4 "Section" means a section of the Companies Act, 2013.

2. SHARE CAPITAL

2.1 Authorized Share Capital

The Authorized Share Capital of the Company is Rs.30,00,00,000 (Rupees Thirty Crores) divided into 6,00,00,000 (Six Crores) equity shares of Rs.5/- (Five) each with power to reclassify the unissued Share Capital, increase or reduce the Share Capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf.

2.2 Increase of Capital

The Company may, subject to these Articles, in General Meeting, from time to time by Ordinary Resolution, increase its capital by creation of new shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new shares shall be issued upon such terms and conditions with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of asset of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this article, the Directors shall comply with the provisions of Section 64 of the Act.

2.3 New Capital Same as Existing Capital

Except in so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

2.4 Redeemable Preference Shares

Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. An issue of further redeemable preference shares or the redemption of preference shares shall not be deemed to be an increase or, as the case may be, a reduction of share capital within the meaning of the Act.

2.5 Provisions to apply on issue of Redeemable Preference Shares

On the issue of redeemable preference shares under the provisions of Article 2.4 hereof, the following provisions shall take effect:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purposes of the redemption.
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account, before the shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits, which would otherwise have been available for dividend, be transferred to

a reserve fund, to be called “**the Capital Redemption Reserve Account**” a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

- (e) Subject to the provisions of Sections 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Board may think fit.
- (f) Whenever the Company shall redeem any redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

2.6 Reduction of Capital

The Company may (subject to the provisions of Section 66 and other applicable provisions, if any of the Act) and these Articles, from time to time by Special Resolution reduce (a) the share capital (b) any capital redemption reserve account or (c) any securities premium account in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

2.7 Consolidation, Division, Sub-division and Cancellation of Shares

2.7.1 Subject to the provisions of Section 61(1)(b) and (d) of the Act and these Articles, the Company in a General Meeting may from time to time by an Ordinary Resolution alter the conditions of its Memorandum as follows:

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) Sub-divide its shares or any of them into shares of smaller amount than fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on such reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (c) Cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

2.7.2 Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c), the Company shall within thirty days thereafter give notice thereof to the Registrar as required by Section 64 of the Act, specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.

2.8 Modification of Rights

2.8.1 Whenever the capital, by reason of the issue of the preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meeting shall *mutatis mutandis* apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

- 2.8.2 The rights conferred upon the holders of the shares (including preference shares if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated dealt with or varied by the creation of issue of further shares ranking *pari-passu* therewith.

3. SHARES AND CERTIFICATES

3.1.1 Dematerialization of Securities

The Company shall be entitled to take steps for dematerialization of Securities in accordance with all prevailing and applicable guidelines and subject to the Depositories Act, 1996 as may be amended from time to time or re-enacted or replaced.

3.1.2 Restriction on Allotment and Return of Allotment

The Board of Directors shall observe the restrictions to allotment of shares to the public contained in the Act and shall cause to be made the returns as to allotment provided for in Section 39 of the Act.

3.1.3 Further Issue of Shares

3.1.3.1 Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall be offered:

- (a) to persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:
 - (i) the offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer, within which the offer, if not accepted, shall be deemed to have been declined;
 - (ii) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub-clause (i) above shall contain a statement of this right;
 - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
- (b) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under law; or
- (c) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

Notwithstanding anything contained in sub-clause (a) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner whatsoever.

- (a) If a special resolution to that effect is passed by the Company in a general meeting, or

- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

Nothing in sub-clause (a) (ii) hereof shall be deemed:

- (a) To extend the time within which the offer should be accepted; or
- (b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

3.1.3.1 Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loans raised by the Company to convert such Debentures or loans into shares in the Company.

Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of the Debentures or the raising of the loans by a Special Resolution passed by the Company in a General Meeting.

3.1.3.1 The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Companies Act, 2013.

3.1.4 **Shares under control of Directors**

Subject to the provisions of these Articles and Section 62 and other applicable provisions of the Act, the Shares in the capital of the Company for the time being (including any Shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same to such person, in such proportion and on such terms and conditions either at premium, or at par, or subject to the Act, at a discount and at such time, as they think, fit with full power, subject to the sanction of the Company in General Meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of Sections 52, 53 and 54 of the Act, and such option being exercisable for such time and for such consideration as the Directors think fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

3.1 **Application of Premium received on Shares**

3.1.3.1 Where the Company issues shares at a premium whether for such or otherwise, a sum equal to the aggregate amount of the premium on these shares shall be transferred to an account, to be called “**The Securities Premium Account**” and the provisions of the Act, relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.

3.1.3.1 The securities premium account may, notwithstanding anything in Article 3.4.1 hereof be applied by the Company:

- (a) towards the issue of unissued shares of the Company, to the Members of the Company, as fully paid bonus shares;

- (b) in writing off the preliminary expenses of the Company;
- (c) in writing off the expenses of or the commission paid or discount allowed on any issue of shares or debentures of the Company;
- (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any Debentures of the Company; or
- (e) for the purchase of its own shares or other securities under Section 68 of the Act.

3.1 Sweat Equity Shares

3.1.3.1 The Company may issue shares at a discount only in the manner provided in Section 54 of the Act. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act and the Rules made there under of a class of shares already issued subject to the following conditions:

- (a) The issue of sweat equity shares is authorized by a Special Resolution passed by the Company in a General Meeting;
- (b) The resolution specifies the number of shares, their current market value, consideration if any, and the class or classes of directors or employees to whom such equity shares are to be issued; and
- (c) not less than one year has at the date of issue elapsed since the date on which the Company was entitled to commence business.

3.1.3.1 The Company may also issue shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in a General Meeting subject to the provisions of the Act and the rules and applicable guidelines made thereunder, by whatever name called.

3.1.3.1 The rights, limitations, restrictions and provisions as are for the time being applicable to Equity Shares shall be applicable to the sweat equity shares issued under Section 54 of the Act and the holders of such shares shall rank *pari passu* with other equity shareholders.

3.1 Installment of Shares to be Duly Paid

If by the conditions of any allotment of any shares the whole or any part of the amount or issued price thereof shall be payable by installments, every such installments shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his Legal Representatives and shall for the purposes of these Articles, be deemed to be payable on the date fixed for payment of interest and expenses of forfeiture and like and all the other relevant provisions of these Articles shall apply as if such installments were a call duly made and notified as hereby provided.

3.1 The Board may Issue Shares as Fully Paid-up

Subject to the provision of the Act and these Articles, the Board may allot and issue shares in the Capital of the Company as payment of any property sold or transferred or for services rendered to the Company in the conduct of its business or in satisfaction of any shares, which may be so issued as fully paid-up shares and if so issued, shall be deemed to be fully paid-up shares.

3.1 Acceptance of Shares

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.

3.1 Deposit and Call to be a Debt Payable

The money, if any, which the Board of Directors shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such share, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

3.1 Liability of Members

3.1.3.1 Every Member or his heirs, Executors or Administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall from time to time, in accordance with the Company's requisitions, require or fix for the payment thereof.

3.1.3.1 In accordance with Section 56 and other applicable provisions of the Act and the Rules, every Member or allottee of shares shall be entitled, without payment to receive one certificate for all the shares of the same class registered in his name. Every share certificate shall specify the name of the person in whose favour it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue against letter of acceptance or of renunciation or in cases of issue of bonus shares provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence. If any Member shall require additional certificates he shall pay for each additional certificate (not being in the marketable lot) such sum not exceeding Two (2) Rupees as the Directors shall determine. Every certificate is required to be issued under the seal of the Company and in accordance with the Act and in the manner and form prescribed under the Companies (Share Capital and Debenture) Rules, 2014, as amended. Printing of blank forms to be used for issue of share certificate shall be in books and documents relating to issue of Share Certificate shall be in accordance with the provisions of the aforesaid Rules. Such certificate of title to shares shall be completed and kept ready for delivery within two (2) months after the allotment and within one (1) month after the application for the registration of the transfer of any such shares.

3.1.3.1 Any two or more joint allottees or holders of shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any share which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 46 of the Act.

3.1 Share and Shares Certificate

A certificate may be renewed or a duplicate of a certificate may be issued if such certificate:

- i. is proved to have been lost or destroyed, or
- ii. has been defaced or mutilated or torn, is surrendered to the Company, or
- iii. has no further space on the back thereof for endorsement of transfer.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees 2 for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the Act and such rules or regulation or requirements of any stock exchange or rules made under Securities Contracts (Regulation) Act, 1956 or any other applicable act, or rules, including any statutory modification or re-enactment thereof, for the time being in force.

Any new share certificate issued under these Articles shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

The provision of this Article shall *mutatis mutandis* apply to the debentures of the Company.

3.1 The First Named of Joint Holders Deemed

If any share stands in the name of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notice and all or any other matter connected with the Company except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's regulations.

3.1 Company not bound to recognize any interest in share other than of registered holder

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right, thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons (but not exceeding four persons) or the survivor or survivors of them.

3.1 Trust Not Recognized

3.1.3.1 Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognize any *benami*, trust or equity or equitable, contingent, future or partial or other claim or claims or right to or interest such share in the part of any other person whether or not it shall have express or limited notice thereof.

3.1.3.1 Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor (except in case where they are fully paid) or in the name of a person of unsound mind or in the name of any firm or partnership.

3.1 Nominee of Share or Debenture holder

3.1.3.1 Every holder of Securities of the Company may, at any time nominate, in the manner prescribed under the Companies (Share Capital and Debenture) Rules, 2014, a Person to whom the Securities of the Company shall vest in the event of his death.

3.1.3.1 Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person to whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

3.1.3.1 Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of the Securities of the Company, or as the case may be, on the death of the joint holders become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner.

3.1.3.1 Where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint, in the prescribed manner any Person to become entitled to Securities of the Company, in the event of his death, during the minority.

3.1 Funds of Company not to be applied in purchase of shares of the Company

No funds of the Company shall, except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Section 66 of the Act and these Articles or in giving either directly or indirectly and

whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any share in the Company in its holding company.

3.1 ADRS/GDRS

The Company may, subject to the applicable provisions of the Act, compliance with all laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

3.1 LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate and delivery of a certificate of shares to one (1) of several joint holders shall be sufficient delivery to all such holders.

4 UNDERWRITING AND BROKERAGE

4.1 Commission may be Paid

Subject to the provisions of Section 40 of the Act, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or securities of the Company, but so that the commission shall not exceed the maximum rates laid down in the Act and the Rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.

4.1 Brokerage

The Company may on any issue of shares or debentures or on deposits pay such brokerage as may be reasonable and lawful.

5 DEBENTURES

5.1 Debentures with voting rights not to be issued

5.1.3.1 Subject to the provisions of Section 71 of the Act, the Company shall not issue any Debentures carrying voting rights. The Company may issue Debentures with an option to convert such Debentures into Shares, either wholly or partly, provided that such issue of Debentures is approved by a Special Resolution passed in a General Meeting of the Company.

5.1.3.1 All Charges created by the Company (as mentioned in Section 77 of the Act) shall be void against the Liquidator or any other creditors unless registered as provided in Section 77 of the Act.

5.1.3.1 A contract with the Company to take up and pay for any Debentures of the Company may be enforced by a decree for specific performance.

5.1.3.1 Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 56 of the Act), within six (6) months after the allotment of its debentures

and within one month from the date of receipt by the Company of the instrument of transfer of Debentures, have completed and delivered the certificate of all Debentures allotted or transferred.

5.1.3.1 The company shall comply with the provisions of Section 71 of the Act, as regards supply of copies of Debenture Trust Deed and inspection thereof.

5.1.3.1 The Company shall comply with the provisions of Sections 77 to 87 (inclusive) of the Act as regards registration of charges.

6 CALLS

6.1 Directors may make Call

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time by a resolution passed at a meeting of a Board (and not by circular resolution), make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the shares whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.

6.1 Notice of Calls

Not less than thirty days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

6.1 When call deemed to have been made

A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

6.1 Directors may extend Time

The Board of Directors may from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time to call on any of the Members the Board of Directors may deem fairly entitled to such extension, but no Member shall be entitled to such extension as of right except as a matter of grace and favour.

6.1 Amount payable at Fixed Time or by Installments to be treated as Calls

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

6.1 When Interest on Call or Installment Payable

If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen per cent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

6.1 Evidence in Actions by Company against Shareholders

On the trial or hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Members in respect of his shares, the money is sought to be recovered and entered on the register of Member as the holder or as one of the holders at or subsequent to the date at which they money sought to be recovered that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his Legal Representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, not that a quorum of Directors was present at the Board at which any call was made nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

6.1 Payment of Anticipation of Calls may carry Interest

The Board of Director may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the moneys so paid up in advance or so much thereof, from time to time exceeds the amount of the calls then made upon its shares on account of which such advances are made, the Board of Directors may pay or allow interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, fifteen percent per annum as the Member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such Members three months' notice in writing. Money so paid in advance of the amount of calls shall not confer a right to participate in profit or dividend. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

The provision of this Article shall *mutatis mutandis* apply to calls on debentures of the Company.

6.1 Company to have Lien on Shares

The Company shall have a first and paramount lien upon all shares/ debentures (other than fully paid up shares/ debentures registered in the name of each Member whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares/debentures and no equitable interests in any share shall be created except upon the footing and condition that this Article is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of shares, provided that the Board of Directors may, at any time, declare any share/debenture to be wholly or in part exempt from the provision of this Article.

6.1 Enforcing Lien by Sale

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same provided that no sale shall be made:

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their Members to execute a transfer thereof on behalf of and in the name of such Members.
- (c) The purchase shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

6.1 Application of Proceeds of Sale

- 6.1.3.1 The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable.

6.1.3.1 The residue, if any, after adjusting costs and expenses, if any, incurred shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable existed on the shares before the sale).

7 FORFEITURE OF SHARES

7.1 If Money Payable on Share not Paid Notice to be Given

If any Member fails to pay the whole or any part of any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

7.1 Sum Payable on Allotment to be Deemed a Call

For the purposes of the provisions of these presents relating to forfeiture of shares the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

7.1 Form of Notice

The notice shall name a day (not being less than one month from the day of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding eighteen per cent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the on-payment at or before the time and at the place appointed, shares in respect of which the call was made or installment is payable will be liable to be forfeited.

7.1 In Default of Payment Shares to be Forfeited

If the requirements of any such notice as aforesaid are not complied with any shares or shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due to respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

7.1 Notice of Forfeiture to Member

When any share shall have been so forfeited notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

7.1 Forfeited Share to be Property of the Company

Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

7.1 Member still liable to pay Money

Any Member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

7.1 Effect of Forfeiture

The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in all claims and demand against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

7.1 Power to Annul Forfeiture

The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

7.1 Declaration of Forfeiture

7.1.3.1 A duly verified declaration in writing that the declarant is a Director the Managing Director or the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

7.1.3.1 The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

7.1.3.1 The person to whom such share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the share.

7.1.3.1 Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends interests or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

7.1.3.1 Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.

7.1 Provisions of these Articles as to Forfeiture to Apply in case of Non-Payment of Any Sum

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

7.1 Cancellation of Share Certificate in respect of Forfeited Share

Upon sale, re-allotment or other disposal, under the provisions of these Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

7.1 Surrender of Shares

The Directors may, subject to the provisions of the Act, accept a surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

8 TRANSFER AND TRANSMISSION OF SHARES

8.1 No Transfer to Minor

The Board shall not issue or register a transfer of any shares for a minor (except in case when they are fully paid) or insolvent or person of unsound mind.

8.2 Form of Transfer

The instrument of transfer of any share shall be in writing in the prescribed form in accordance with the requirements of Section 56 of the Act and the Rules made thereunder.

8.3 Application for transfer

8.3.1 An application for registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act. Where the application is made by the transferor and relates to partly paid-up shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two (2) weeks from the receipt of the notice.

8.3.2 For the purpose of Article 8.3.1 above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

8.4 Execution of Transfer

The instrument of transfer of any share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be attested. The transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

8.5 Transfer by Legal Representatives

A transfer of share in the Company of a deceased Member thereof made by his Legal Representative shall, although the Legal Representative is not himself a Member be as valid as if he had been a Member at the time of execution of the instrument of transfer.

8.6 Register of Members when Closed

Subject to Section 91 of the Act, the Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of Debenture Holder at such time or time and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty five in each year as it may seem expedient to the Board.

8.7 Directors may refuse to register Transfer

Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of any other law for the time being in force, the Board may at any time in their own absolute and uncontrolled discretion decline to register or acknowledge any transfer of any share giving reasons therefor and in particular may so decline in any case in which the Company has a lien upon the shares desired to be transferred or any call or installment regarding any of them remain unpaid or unless the transferee is not approved by the Directors and such refusal shall not be affected by the fact that, the proposed transferee is already a Member, the registration of transfer shall be conclusive evidence of the approval of the Directors of the transferee.

8.8 Directors may refuse Application for Split or Consolidation of Certificate(s)

Subject to the power of the Directors stated in Article 8.7 and the provisions of this Article, transfer of Shares/Debentures, in whatever lot should not be refused. However, the Company may refuse to split a Share Certificate/Debenture Certificate into several scripts of very small denominations or to consider a proposal for transfer of Shares/Debentures comprised in a Share Certificate/Debenture Certificate to

several parties, involving such splitting if on the face of its such splitting/transfer appears to be unreasonable or without a genuine need or a marketable lot.

8.9 Notice of Refusal to be given to Transferor and Transferee

If the Company refused to register the transfer of any shares or debentures or transmission of any right therein, the Company shall within one month from the date of which the instrument of transfer or intimation of transmission was delivered with the Company send notice of refusal to the transferee and the transferor or to the person giving the intimation of the transmission as the case may be giving reasons for such refusal and thereupon the provisions of Section 58 of the Act shall apply.

8.10 Death of One or More Joint Holders of Shares

In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him with any other person.

8.11 Titles to Shares of Deceased Member

The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such Members and the Company shall not be bound to recognize such Executors or Administrators or Legal Representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 8.17 shares standing in the name of a deceased Member, as a Member.

8.12 Transmission Clause

Subject to the provisions of these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by the transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles or his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require either be registered as Member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as Members in respect of such shares, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does, so he shall not be free from any liability in respect of such shares. This clause is herein referred to as “**The Transmission Clause**”.

8.13 Transmission of Securities by Nominee

8.13.1 Any person who becomes a nominee by virtue of the provisions of Section 109-A of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either:

- (a) to be registered himself as holder of the share or debenture, as the case may be; or
- (b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made.

8.13.2 If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

8.13.3 All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice of transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

8.13.4 A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a Member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by Membership in relation to meeting of the Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

8.14 Person entitled may receive Dividend without being registered as Member

A person entitled to a share transmission shall subject to the right of the Directors to retain such dividends or money as is herein after provided be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share.

8.15 No fee on Transfer of Transmission

No fee shall be charged for registration to transfer, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

8.16 Transfer to be presented with Evidence of Title

Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board may, from time to time, prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

8.17 Company not liable for Discharge of a Notice prohibiting Registration of a Transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.

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10. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

10.1 Share may be Converted into Stock

The Company may, by Ordinary Resolution, in a General Meeting (a) convert any paid up share into stock; and (b) reconvert any stock into paid-up shares of any denomination.

10.2 Transfer of Stock

The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might, before the conversion, have been transferred or as near thereto as circumstances admit, provided that the Board may, from time to time, fix the minimum amount of a stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

10.3 Right of Stock Holders

The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

10.4 Regulations Applicable to Stock and Share Warrant

Such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the words "Share" and "Share-holder" in these regulations shall include "Stock" and "Stock-holder" respectively.

11. BORROWING POWERS

11.1 Power of Borrow

Subject to the provisions of Sections 73, 179 and 180 and other applicable provisions of the Act and of these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company from any source, provided that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

11.2 Payment or Repayment of Money Borrowed

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit and in particular in pursuance of a resolution passed at a meeting of the Board by the issue of bonds, debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being and the debentures and the debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

11.3 Terms of Issue of Debenture

Any debenture, stock or other securities may be issued at a discount, premium or otherwise and may be issued on conditions that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at General Meeting, appointment of Directors and otherwise, debenture with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

11.4 Mortgage of Uncalled Capital

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security executed.

12. MEETING OF MEMBERS

12.1 Annual General Meeting and the Persons Entitled to Attend

12.1.1 The Company shall in each year hold, in addition to any other Meeting, a General Meeting as its Annual Meeting in accordance with the provisions of Section 96 of the Act and shall specify the meeting as such in the notice calling it. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. In the case where the Registrar, has given an extension of time for holding any Annual General Meeting, of the Company and that of the next, provided that if the Registrar shall have for special reason, extended the time within which any Annual General Meeting shall be held such Annual General Meeting may be held within the additional time.

12.1.2 Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being.

12.1.3 Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

12.2 Report Statement and Registers to be laid before the Annual General Meeting

At every General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies and the Register of Directors, Shareholdings which latter Register shall remain open and accessible during the continuance of the meeting.

12.3 Extra-ordinary General Meeting

All General meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.

12.4 Requisitionists' Meeting

12.4.1 Subject to the provisions of Section 111 of the Act, the Directors shall on the requisition in writing of such number of Members as hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:

- (a) give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) circulate to Members entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that meeting.

12.4.2 The number of Members necessary for a requisition under Article 12.4.1 hereof shall be such number of Members as represent not less than one-tenth of such paid-up share capital of the Company as on that date carries the right of voting.

12.4.3 Notice of any such resolution shall be given and any such statement shall be circulated to Members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each Member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner

permitted by the Act, for giving him notice of meeting of the Company. The copy of the resolutions shall be served or notice of the effect of the resolution shall be given, as the case may be, in the same manner and so far as practicable, at the same time as notice of the meeting and where it is not practicable for it to be served or given at the time, it shall be served or given as soon as practicable thereafter.

12.4.4 The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

- (a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company (i) in the case of requisition, requiring notice of resolution, not less than six weeks before the meeting; and (ii) in the case of any other requisition, not less than two weeks before the meeting;
- (b) there is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto, provided that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

12.4.5 The Company shall also not be bound under this Article to circulate any statement if, on the application either of the Company or of any other person who claims to be aggrieved is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

12.4.6 Notwithstanding anything in these Articles, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission, in giving it, to one or more Members.

12.5 Extra-ordinary General Meeting by Board and by Requisition

12.5.1 The Directors may, whenever they think fit, convene an Extra-ordinary General Meeting and they shall on requisition of the Members as hereinafter provided, forthwith proceed to convene Extra-ordinary General Meeting of the Company.

12.5.2 If at any time there are not within India sufficient Directors capable of acting to form a quorum or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a general meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call an Extra-ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

12.6 Contents of Requisition and number of Requisitionists Required

12.6.1 In case of requisition the following provisions shall have effect:

- (a) The requisition shall set out the matter for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.
- (b) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (c) The number of Members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as at that date carries the right of voting in regard to that matter.
- (d) Where two or more distinct matters are specified in the requisition, the provisions of Article 12.6 shall apply separately in regard to such matter and the requisition shall

accordingly be valid only in respect of those matters in regard to which the conditions specified in that Article is fulfilled.

- (e) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called:
 - (i) by the requisitionist themselves; or
 - (ii) by such of requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub-clause (c) of Article 12.6.1 whichever is less, provided that for the purpose of this sub-clause, the Board shall in the case of a meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114 of the Act.

- 12.6.2 A meeting called under sub-clause (c) of Article 12.6.1 by requisitionists or any of them:
 - (a) shall be called in the same manner as nearly as possible, as that in which meeting is to be called by the Board; but
 - (b) shall not be held after the expiration of three months from the date of the deposit of the requisition, provided that nothing in sub-clause (b) of this Article 12.6.2 shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.
- 12.6.3 Where two or more persons hold any shares in the Company jointly a requisition or a notice calling a meeting signed by one or some only of them shall for the purpose of this Article, have same force and effect as if it has been signed by all of them.
- 12.6.4 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
- 12.6.5 The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

12.7 Length of Notice of Meeting

- 12.7.1 A General Meeting of the Company may be called by giving not less than twenty-one days' notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted).
- 12.7.2 A General Meeting may be called after giving shorter notice than that specified in Article 12.7.1 hereof, if consent is accorded thereto:
 - (a) in the case of Annual General Meeting by all the Members entitled to vote there at; and
 - (b) in the case of any other meeting, by Members of the Company holding not less than ninety-five per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting, provided that where any Members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purpose of this clause in respect of the former resolution or resolutions and not in respect of the later.

12.8 Contents and Manner of Services of Notice

- 12.8.1 Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

- 12.8.2 Subject to the provisions of the Act, notice of every General Meeting shall be given:
- (a) to every Member of the Company in any manner authorized by Section 20 of the Act;
 - (b) to the persons entitled to a share in consequence of the death or insolvency of a Member, be sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or assigned of the insolvent or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
 - (c) to the Auditor or Auditors for the time being of the Company in any manner authorized by Section 20 of the Act in the case of Members of the Company.
- 12.8.3 Any Member of a Company entitled to attend and vote at a meeting of Company shall be entitled to appoint another person (whether Member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting, provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

12.9 Special and Ordinary Business and Explanatory Statement

- 12.9.1 In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:
- (a) the consideration of the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditor;
 - (b) the declaration of dividend;
 - (c) the appointment of Directors in the place of those retiring; and
 - (d) the appointment of and the fixing of the remuneration of the Auditors.
- 12.9.2 In the case of any other meeting, all business shall be deemed special.
- 12.9.3 Where any items of business to be transacted at the meeting of Company are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director or manager, if any or key managerial personnel or their respective relatives where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager or key managerial personnel or their respective relatives, if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company.
- 12.9.4 Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

12.10 Omission to give Notice not to Invalidate Proceedings

The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member of other person to whom it should be given, shall not invalidate the proceedings of any such meeting.

12.11 Notice of Business

No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

12.12 Quorum

- 12.12.1 Five members entitled to vote and present in person shall be quorum for General Meeting. No business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act. The President

of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is presented in accordance with Section 187A of the Act.

12.12.2 If within sixty minutes from the time appointed for holding a meeting of the Company a quorum is not present, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present with one hour from the time appointed for holding the meeting, the member present shall be quorum and may transact the business for which the meeting was called.

12.13 Resolutions passed at Adjourned Meeting

Where a resolution is passed at an adjourned meeting of the Company, the resolution for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

12.14 Chairman of General Meeting

The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting or if there be no such Chairman or if any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or shall decline to take the Chair, the Vice-Chairman, if any, shall be entitled to take the Chair. If the Vice-Chairman is also not present or is unwilling to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the Members present shall elect one of the Members to be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provision. If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of the meeting.

12.15 Business Confined to Election of Chairman Whilst Chair Vacant

No business shall be discussed at any general meeting except the election of a Chairman whilst the Chair is vacant.

12.16 Chairman may Adjourn Meeting

- (a) The Chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting.

12.17 How Question to be Decided at Meetings

Every question submitted to a general meeting shall be decided in the first instance by show of hands unless the poll is demanded as provided in these Articles.

12.18 Chairman's Declaration of Result of Voting on Show of Hands

A declaration by the Chairman of the meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof, of the number or proportion of votes cast in favour of or against such resolution.

12.19 Demand of poll

Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present person or by proxy and holding shares in the Company which confer a power to vote on the resolution or on which an

aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

12.20 Time of Taking of Poll

A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

12.21 Appointment of Scrutineers

Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

12.22 Demand for Poll not to prevent Transaction of Other Business

The demand for a poll shall not prevent transaction of other business except on the question of the Chairman and of an adjournment other than the question on which the poll has been demanded.

12.23 Special Notice

Where, by any provision contained in the Act or these Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by those presents not less than seven days before the meeting.

13. VOTES OF MEMBERS

13.1 Member Paying Money in Advance not to Entitled to Vote in Respect Thereof

A Member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

13.2 Restriction on Exercise of Voting Rights of Members who have not paid Calls

No Member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

13.3 Number of Votes to which Member Entitled

Subject to the provisions of Article 13.1, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorized) have one vote and on a poll, when present in person (including a body corporate by a duly authorized representative) or by an agent duly authorized under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of paid-up equity share capital of the Company, provided however, if any preference share-holder be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions before the meeting which directly affect the rights attached to his preference shares.

A Member of not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.

13.4 Votes of Members of Unsound Mind

A Member of unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll vote by proxy.

13.5 Votes of Joint Members

If there be joint registered holders of any shares one such persons may vote at any meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such shares, as if he were solely, entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the holders shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the register in respect of such shares. Several Executors or Administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

13.6 Representation of Body Corporate

13.6.1 In accordance with Section 113 of the Act, a body corporate (whether a company within the meaning of the Act or not) may, if it is a Member of the creditor of the Company (including a holder of debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other Governing Body, to act its representative at any meeting of the Company or any class of Members of the Company or at any meeting of the creditors of the Company or debenture holders of the Company.

13.6.2 A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Members, creditor or holder of debentures of the Company. The production of a copy of the resolution referred above, certified by Director or the Secretary of such body corporate before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote thereat.

13.6.3 Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of Members of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President or as the case may be the Governor could exercise as a Member of the Company.

13.7 Votes in respect of Deceased or Insolvent Members

Any person entitled under the transmission Article to transfer any share may vote any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote, he shall satisfy the Directors of the rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

13.8 Voting in Person or by Proxy

Subject to the provisions of these Articles, vote may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 113 of the Act.

13.9 Rights of Members to use Votes Differently

On a poll taken at a meeting of the Company a Member entitled to more than one vote or his proxy or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

13.10 Proxies

13.10.1 Any Member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself provided always that a proxy so appointed shall not have any right whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies.

13.10.2 An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and adjournment thereof or it may appoint a proxy for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

13.10.3 No proxy shall be entitled to vote by a show of hands.

13.10.4 The instrument appointing a proxy and the Power of Attorney or Authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or Authority, shall be deposited at the Registered Office of the Company forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

13.10.5 Every instrument of proxy whether for a specified meeting or otherwise shall, as far as circumstances admit, be in any of the forms set out in Section 105(6) of the Act and the Companies (Management and Administration) Rules, 2014.

13.10.6 Every Member entitled to vote at a General Meeting of the Company according to the provisions of these Articles on any resolution to be moved thereof shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the General Meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention to inspect is given to the Company.

13.10.7 A vote given in accordance with the terms of instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of any Power of Attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not have been revoked.

13.11 Time for Objection to Vote

No objection shall be made to the qualification of any vote or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes and such objection made in due time shall be referred to the Chairman of the meeting.

13.12 Chairman of any Meeting to be the Judge of Validity of Vote

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

13.13 Custody of Instrument

If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

13.14 Votes by Postal Ballot

Notwithstanding anything contained in the provisions of the Act, and the rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.

13.15 Electronic voting

The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, or any other law, if applicable to the Company.

14. DIRECTORS

14.1 Number of Directors

14.1.1 Until, otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 and other applicable provisions of the Act, the number of Directors shall not be less than three (3) and not more than fifteen (15) and the first Directors of the Company shall be:

- (a) Sajid R. Dhanani
- (b) Suchitra Dhanani

14.1.2 The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by law from time to time.

14.2 Director/s Not Liable to Retire

Subject to the provisions of Section 152 of the Act, the Company shall appoint one-third of the total number of Director or Directors not liable to retire by rotation.

14.3 Debenture Directors

Any Trust Deed for securing debentures or debenture-stocks, may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debentures-stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures or debenture-stocks, from time to time, to remove an re-appoint any Director so appointed. The Director appointed under Article is herein referred to as “**Debenture Director**” and the term Debenture Director means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

14.4 Limit on Number of Retiring Directors

The provisions of Articles 14.6, 14.7 and 14.8 are subject to the provisions of Section 152 of the Act and number of such Directors appointed under Article 14.7 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

14.5 Appointment of Alternate Director

Subject to Section 161 of the Act, the Board may appoint an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called “**the Original Director**”) to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office and when the Original Director returns to the State in which the meetings of the Board are ordinarily held if the term of office of the Original Director is determined before he returns to as aforesaid. Any provision in the Act or in these Articles for automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and the Alternate Director.

14.6 Director may fill Vacancies

Subject to these Articles, the Directors shall also have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for reelection.

14.7 Additional Directors

The Directors shall also have power to at any time and from time to time appoint any other person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall hold his office only up to the date of the next Annual General Meeting but shall be eligible for election at such meeting.

14.8 Qualification Shares

A Director need not hold any qualification shares.

14.9 Remuneration of Directors

14.9.1 The remuneration of a Director for his service shall be such sum as may be fixed by the Board of Directors subject to a ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board or a Committee thereof attended by him. The Director subject to the sanction of the Central Government (if any required) may be paid such further remuneration as the Company in General Meeting shall, from time to time, determined and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.

14.9.2 Subject to the provisions of the Act, a Director who is either in the whole time employment of the Company or a Managing Director may be paid remuneration as provided in Sections 197 of the Act and Schedule V of the Act either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

14.9.3 Subject to the provisions of the Act, a Director who is neither in the Whole-time employment of the Company nor a Managing Director may be paid remuneration as provided in Sections 197 of the Act and Schedule V of the Act either:

- (a) by way of a monthly, quarterly or annual payment with the approval of the Central Government; or
- (b) by way of commission if the Company by Special Resolution authorized such payment. A Director may receive remuneration by way of a fee for each meeting of the Board or a committee thereof attended by him as prescribed by Central Government.

14.9.4 Independent Directors shall be paid in the manner as provided in Section 149 and Section 197(5) of the Act.

14.10 Extra remuneration to Directors for Special Work

Subject to the provisions of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as Member of any committee formed by the Directors or in relation to signing Share Certificates) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

14.11 Travelling Expenses incurred by Directors on Company's business

The Board of Directors may, subject to the limitations provided by the Act, allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence for the purpose of attending a meeting such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fees for attending such meeting as above specified.

14.12 Director may act notwithstanding Vacancy

The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles, for a meeting of the Board of Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.

14.13 Board resolution Necessary for Certain Contracts

14.13.1 Except with the consent of the Board of Directors of the Company, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to:

- (a) the sale, purchase or supply of goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.

14.13.2 No Member of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

14.13.3 Nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

14.13.4 The terms “office of profit” and “arm’s length basis” shall have the meaning ascribed to them under Section 188 of the Act.

14.13.5 The term ‘related party’ shall have the same meaning as ascribed to it under the Act.

14.14 Disclosure to the Members of Directors’ Interest in Contract in Appointing Manager, Managing Director or Whole-time Director

The provisions of Section 190 of the Act shall be complied with when the Company:

- (a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is, whether directly or indirectly, concerned or interested; or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid.

14.15 Disqualification of Director

A person shall not be capable of being appointed Director of the Company if:

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudged an insolvent and his application is pending;
- (d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not been elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;
- (f) an order disqualifying him for appointment as Director has been passed by a court or tribunal in pursuance of Section 164 of the Act and is in force;
- (g) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five years; or
- (h) he has not complied with Section 152(3) of the Act.

14.16 Vacation of Office by Directors

14.16.1 Subject to the provisions of Sections 167 and 188 of the Act, the office of a Director shall become vacant if:

- (a) he incurs any of the disqualifications specified in Article 14.15;
- (b) he absents himself from all the meetings of the Board of Directors held during a period of 12 months, with or without obtaining leave of absence from the Board;
- (c) he (whether by himself or by any person for his benefits or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 185 of the Act;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;
- (e) he becomes disqualified by an order of the court or the tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months;
- (g) he is removed by an Ordinary Resolution of the Company before the expiry of his period of office;
- (h) if, by notice in writing to the Company, he resigns his office; or
- (i) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

14.17 Removal of Directors

- 14.17.1 The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the tribunal in pursuance of Section 242 of the Act before the expiry of his period of office.
- 14.17.2 Special Notice as provided by Articles hereof or Section 169 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- 14.17.3 On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.
- 14.17.4 Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and request their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it, to do so (a) in the notice of the resolution given to the Members of the Company state the fact of the representation having been made and (b) send a copy of the representations or every Member of the Company to whom notice of the meeting is sent (before or after the representation by the Company) and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting, provided that copies of the representations need not be sent or read out at meeting, if on the application either of the Company or of any other person who claims to be aggrieved the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- 14.17.5 A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 14.6 or Section 161 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under this Article 14.17. A Director so appointed shall hold office until the date up to which his predecessors would have held office if he had not been removed as aforesaid.
- 14.17.6 If the vacancy is not filled under Article 14.17.5 hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 14.12 or Section 161 of the Act and all the provisions of the Article and section shall apply accordingly.
- 14.17.7 A Director who was removed from office under this Article shall not be reappointed as Director by the Board of Directors.
- 14.17.8 Nothing contained in this Article shall be taken:
- (a) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director; or
 - (b) as derogating from any power to remove a Director which may exist apart from this Article.

14.18 Disclosure of Interest by Director

- 14.18.1 Every Director of the Company who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors in the manner provided in Section 184 of the Act.
- (a) In the case of proposed contract or the arrangement, the disclosure required to be made by a Director under Article 14.18.1 shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the director was not at the date of that meeting concerned or

interested in the proposed contract or arrangement at the first meeting of the Board held after he be so concerned or interested.

- (b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (a) For the purpose of Articles 14.18.1 and 14.18.2 a general notice given to the Board by a Director to the effect that he is a Director or a Member of a specified body corporate or is a Member of a specified firm and is to be regarded as interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
- (b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in which it would otherwise expires.
- (c) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Directors concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where and one or more of the Director of the Company together holds or hold not more than two percent of the paid up share capital in the other company.

15. ROTATION AND APPOINTMENT OF DIRECTORS

15.1 Directors may be Directors of the Companies Promoted by the Company

If a Director of the Company is appointed a Director of any company promoted by the Company or in which it may become interested as a vendor, shareholder or otherwise, such Director shall not be accountable for any benefits received as Director or Shareholder of such Company except in so far as Section 197 (14) or Section 188, of the Act may be applicable.

15.2 Rotation of Directors

Not less than two thirds of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement of Directors by rotation and (b) Directors be appointed by the Company in General Meeting.

15.3 Retirement of Directors

Subject to the provisions of Section 152 of the Act and Articles 14.3, 14.4 and 14.10 at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors and CX Investor Director (as defined below), subject to Article 16.1, Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles, a “**Retiring Director**” means a Director retiring by rotation.

15.4 Ascertainment of Directors Retiring by Rotation and Filling of Vacancies

Subject to Section 152 of the Act, the Directors to retire by rotation under Article 15.3 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves, be determined by lot.

15.5 Eligibility for Re-election

A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the meeting at which he retires.

15.6 Company to Fill Vacancies

Subject to Sections 152 and 169 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.

15.7 Provision in Default of Appointment

15.7.1 If the place of retiring Directors is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

15.7.2 If at the adjourned meeting also, the place of the retiring Director is not filled up and the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:

- (a) at the meeting or the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
- (b) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed;
- (c) he is not qualified or is disqualified for appointment; or
- (d) a resolution whether special or ordinary is required for his appointment or reappointment by virtue of any provisions of the Act.

15.8 Company may Increase or Reduce Number of Directors or Remove any Director

Subject to the provisions of Section 149 and 152 of the Act, the Company may, by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualification.

15.9 Appointment of Directors

15.9.1 No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a Single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

15.9.2 A resolution moved in contravention of Article 15.9.1 hereof shall be void, whether or not objection was taken at the time of it being, so moved, provided where a resolution so moved is passed, no provisions for the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.

15.9.3 For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

15.10 Notice of Candidature for office of Director except in Certain Cases

15.10.1 No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has at least fourteen days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such Member to propose him a Director for that office as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such Member if the person succeeds in getting elected as a Director.

15.10.2 The Company shall inform its Members of the candidature of the person for the office of Director or the intention of a Member to propose such person as a candidature for that office by serving individual notice on the Members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notice upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the

registered office of the Company is located of which one is published in the English language and the other in the regional language of the place.

15.10.3 Every person (other than a Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 160 of the Act, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.

15.10.4 A person other than:

- (a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
- (b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 149 of the Act appointed as a Director, reappointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

15.11 Disclosure by Directors of their Holdings of Shares and Debentures

Every Director shall, in accordance with the provisions of Section 184 of the Act and the Companies (Meeting of Board and its Powers) Rules, 2014, disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules. Any such notice shall be given in writing and if it is not given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board next after it is given.

16. MANAGING DIRECTOR, WHOLE-TIME DIRECTOR

16.1 Board may appoint Managing Directors or Whole-time Directors

Subject to the provision of the Act and these Articles, the Directors shall have power to appoint from time to time one or more of their body to be Managing Director or Managing Director or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

16.2 Provisions they will be subject to

Subject to the provisions of the Act and these Articles, the Managing Director or Whole-time Director shall not while he continues to hold that office, be subject to retirement by rotation under Article 15.3 but he shall be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be Managing Director or Whole-time Director if he chooses to hold office of Director for any cause provided that if at any time the number of Directors (including Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 15.3 to the extent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

16.3 Remuneration of Managing or Whole-time Director(s)

The remuneration of the Managing Director or Whole-time Director shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits or by any other mode not expressly prohibited by the Act.

16.4 Powers and Duties of Managing and/or Whole-time Director(s)

Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) or Whole-time Director(s) appointed under Article 16.1 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors with such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such periods and upon such conditions and subject to the such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Director in that behalf and may from time to time revoke withdrawn, alter or vary all or any of such powers.

17. PROCEEDINGS OF THE BOARD OF DIRECTORS

17.1 Meeting of the Directors

The Directors may meet together as a Board for the dispatch of business from time to time and meeting of the Board of Directors shall be held at least once in every three (3) calendar months and at least four (4) such meetings shall be held in every year in such a manner and not more than one hundred and twenty (120) days shall intervene between two consecutive meetings of the Board. The provision of this Article shall not be deemed to have been contravened merely by reason of that fact that the meeting of the Board which has been called in compliance with the terms of this Article could not be held for want of a quorum. The participation of directors in a meeting of the Board may be either in person or through video conferring or audio visual means or teleconferencing, as may be prescribed by the Act and the Rules made thereunder.

17.2 Notice of Meeting

Notice of every meeting of the Board of Directors shall be given in writing or by electronic means to every Director for the time being in India and at his usual address in India to every other Director. At least seven days' notice in writing shall be given to Directors specifying the time and place of the meeting. Subject to the provisions of Section 173(3) of the Act, a meeting may be called at shorter notice.

17.3 When Meeting to be Convened

Subject to the provisions of Section 173 and other applicable provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, a Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director.

17.4 Quorum

17.4.1 Subject to Section 174 of the Act and these Articles, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of remaining who are not interested) present at the meeting being not less than two shall be the quorum during such time. The presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

17.4.2 For the purpose of Article 17.4.1:

- (a) **“Total strength”** means total strength of the Board of Directors of the Company determined in pursuance of the Act, after deducing there from number of the Directors, if any, whose places may be vacant at the time; and

- (b) “**Interested Directors**” means any Director whose presence cannot by reason of Section 183 or any other provisions of the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

17.5 Procedure when Meeting Adjourned for Want of Quorum

Subject to these Articles, if a meeting of the Board could not be held for want of quorum within sixty minutes of the specified time in the notice calling for the Board meeting, then the meeting shall automatically stand adjourned till the day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

17.6 Chairman

The Directors from among their number may elect a Chairman of the Board of Directors. If at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one of their numbers to be the Chairman of such meeting.

17.7 Questions at the Board Meeting How Decided

Subject to these Articles, questions arising at any meeting of the Board shall be decided by the majority of votes.

17.8 Powers of Board Meeting

A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or exercisable by the Board of Directors generally.

17.9 Directors May Appoint Committee

The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Act and of these Articles, delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, by every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

17.10 Meetings of the Committee to be Governed

The meetings and proceedings of any such Committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. Quorum for the Committee meetings shall be two.

17.11 Circular Resolution

17.11.1 A resolution passed by circular without a meeting of the Board or a Committee of the Board shall subject to the provisions of Article 17.11.2 hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held.

17.11.2 A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the

case may be) and to all other Directors or Members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or Members of the Committee and has been approved by such of the Directors or Members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

17.12 Acts of Board of Committee valid notwithstanding defect in Appointment

All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing contained here shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be in valid or to have terminated.

18. POWER OF THE BOARD

18.1 General Powers of Management Vested in Directors

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company and do all such acts and things as are not by the Act or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting. Subject nevertheless to any regulation of these Articles or the provisions of the Act or any other Act and to such regulation being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made, provided that the Board of Directors shall not except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
- (b) remit or give time for the payment of any debt due by a Director;
- (c) invest, otherwise than in trust securities, the amount of compensation received by the as a result of any merger or amalgamation;
- (d) borrow money, where moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves; or
- (e) contribute to charitable and other funds any amounts the aggregate of which will, in any financial year, exceed five percent of its average net profits as determined in accordance with the provisions of the Act during the three financial years immediately preceding.
 - (i) Provided that in respect of the matter referred to in sub-clauses (c) such consent shall be obtained by a resolution of the Company which shall specify the total amount up to which moneys may be borrowed by the Board under sub-clause (c);
 - (ii) Provide further that the expression "temporary loans" in sub-clause (d) above shall mean loans repayable on demand or within six (6) months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

18.2 Certain powers to be exercised by the Board only at Meetings

- 18.2.1 Without derogating from the powers vested in the Board of Directors under the Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board:

- (a) the power to make calls on shareholders in respect of moneys unpaid on their shares;
- (b) the power to authorize buy-back of securities under Section 68 of the Act;
- (c) the power to issue Securities, including Debentures, whether in or outside India;
- (d) the power to borrow moneys;
- (e) the power to invest the funds of the Company;
- (f) the power to grant loans or give guarantee or provide security in respect of loans;
- (g) the power to approve financial statements and the Board's report;
- (h) the power to diversify the business of the Company;
- (i) the power to approve amalgamation, merger or reconstruction;
- (j) the power to take over a company or acquire a controlling or substantial stake in another company; and
- (k) any other matter which may be prescribed under the Companies (Meetings of the Board and its Powers) Rules 2014.

Provided that the Board may, by resolution passed at a meeting, delegate to any committee of Directors, the Managing Director or any other principal officer of the Company, the powers specified in sub-clauses (d), (e) and (f) of Article 18.2.1 to the extent specified below.

- 18.2.2 Every resolution delegating the power referred to in sub-clause (c) of Article 18.2.1 shall specify the total amount outstanding at any one time, up to which moneys may be borrowed by the delegate.
- 18.2.3 Every resolution delegating the power referred to in sub-clause (d) of Article 18.2.1 shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- 18.2.4 Every resolution delegating the power referred to in sub-clause (e) of Article 18.2.1 shall specify the total amount up to which loans may be made by the delegate, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
- 18.2.5 The powers under Article 18.2.1 shall be exercised by the Board in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of Section 180 of the Act.

18.3 Certain Powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power:

- 18.3.1 To pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company.
- 18.3.2 To pay and charge to the Capital Account of the Company any commission or interest, lawfully payable thereout under the provisions of Section 40(6) of the Act.
- 18.3.3 Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit in any such purchase or other acquisition, accept such title as the Director may believe of may be advised to be reasonably satisfactory.
- 18.3.4 At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- 18.3.5 To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 18.3.6 To accept from any Member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- 18.3.7 To appoint any person to accept and hold in trust for the Company property belonging to the Company or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 18.3.8 To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officer or otherwise concerning the affairs of the Company and also the compound and allow time for payment on satisfaction of any debts due and of any claim or demands by or against the Company and to refer any difference to arbitration and observe the terms of any awards made therein either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein.
- 18.3.9 To act on behalf of the Company in all matters relating to bankruptcy, insolvency, winding up and liquidation of companies.
- 18.3.10 To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company.
- 18.3.11 Subject to the provisions of Sections 179(1) and 185 and other applicable provisions of the Act and these Articles, to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investment. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 18.3.12 To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon.
- 18.3.13 To open bank accounts and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipt, acceptances, endorsement, cheques, dividend warrants, release, contracts and documents and to give the necessary authority for such purpose.
- 18.3.14 To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 18.3.15 To provide for the welfare of Directors of Ex-Directors or employees or ex-employees of the Company and the wives, widows and families of the dependents or connections of such persons by building or contributing to the building of houses, dwellings or *chawls* or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time, subscribing or contributing to provident and other associations, institutions and recreation, hospitals, dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provisions of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reasons of locality of operation or the public and general utility or otherwise.

- 18.3.16 Before recommending any dividend, to set aside, out of the profits of the Company, such sums as they may think proper for depreciation or the depreciation fund or to as insurance fund or as reserve fund or sinking fund or any special or other fund or funds or account of accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture-stock or for special dividends or for equalizing dividends for repairing, improving, extending and maintaining any part of the property of the Company and such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended and to divide the General Reserve or Reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund and/or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund in the business of the Company or in purchase or repayment of redeemable preference shares, debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- 18.3.17 To appoint and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laboureres, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to acquire security in such instances and to such amounts as they may think fit and also from time to time provide for the management and transactions of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.
- 18.3.18 From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be Members of such Local Boards or managers or agencies and to fix their remuneration.
- 18.3.19 Subject to Section 179 of the Act, from time to time and at any time, to delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their powers to make calls or to make loans or borrow moneys and to authorize the Members for the time being of such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation.
- 18.3.20 At any time and from time to time by Power of Attorney or Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make class and excluding also, except in their limits authorized by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointments may (if the Board thinks fit) be made in favour of the Members of any Local Board established as aforesaid or in favour of any company or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the

- protection of convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- 18.3.21 Subject to Sections 188 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and thing in the name and on behalf of the Company as they may consider expedient.
- 18.3.22 From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.
- 18.3.23 To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.
- 18.3.24 To purchase, take on lease for any term or terms of years or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- 18.3.25 To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co-jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance affected in pursuance of this power.
- 18.3.26 To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical knowhow.
- 18.3.27 To sell from time to time any articles, materials, machinery, plants stores and other articles and things belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and bye-products.
- 18.3.28 From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company or by erecting new or additional building and to expend such sum of money for the purpose aforesaid or any them as may be thought necessary or expedient.
- 18.3.29 To undertake on behalf of the Company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire the free hold simple of all or any of the hands of the Company for the time being held under lease or for an estate less than free hold estate.
- 18.3.30 To improve, manage, develop, exchange, lease, sell, resell and repurchase, dispose of, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- 18.3.31 To let, sell or otherwise dispose of, subject to the provisions of Section 180 of the Act and of the other Articles, and property of the Company, either absolutely to conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment of satisfaction for the same in cash or otherwise as it thinks fit.

19. MINUTES

19.1 Minutes to be Made

- 19.1.1 The Company shall cause minutes of all proceedings of General Meetings of shareholders and creditors and every resolution by Postal Ballot and of all proceedings of every meeting of the Board of Directors or of every committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.
- 19.1.2 Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:
- (a) in the case of minutes of proceedings of a meeting of Board or of a committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting;
 - (b) in the case of minutes of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman, within that period by a Director duly authorized by the Board for the purpose.
- 19.1.3 In no case minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- 19.1.4 The minutes of each meeting shall contain a fair and correct summary of the proceedings thereof.
- 19.1.5 All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- 19.1.6 In the case of a meeting of the Board of Directors or a committee of the Board the minutes shall contain:
- (a) the names of the Directors present at the meeting;
 - (b) in the case of each resolution passed at meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- 19.1.7 Nothing contained in Articles 19.1.1 to 19.1.6 hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
- (a) is or could reasonably be regarded as defamatory of any person;
 - (b) is irrelevant or immaterial to the proceeding; or
 - (c) is detrimental to the interest of the Company.
- 19.1.8 The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in Section 19.1.7.

19.2 Minutes to be Evidence of the Proceedings

The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or of every committee kept in accordance with the provisions of Section 118 of the Act shall, subject to Section 175 of the Act, be evidence of the proceedings recorded therein.

19.3 Presumptions

Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place subject to Section 175 of the Act and in particular all appointments of Directors, key managerial personnel, auditors or company secretary in practice made at the meeting shall be deemed to be valid.

20. THE SECRETARY

Subject to the provisions of Section 203 of the Act, the Directors may from time to time appoint and at their discretion, remove any individual as Secretary to perform any functions, which by the Act are to

be performed by the Secretary and to execute any other duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

21. THE SEAL

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Aforesaid Clause has been deleted pursuant to the special resolution passed by the shareholders in their meeting held on 15-12-2016

22. DIVIDEND

22.1 Division of Profits

22.1.1 Subject to the rights of persons, if any entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any shares in the Company, dividends may be declared and paid according to the amounts of the shares.

22.1.2 No amount paid or credited as paid on share in advance of calls shall be treated for the purpose of this regulation as paid on the shares.

22.2 Company in General Meeting may Declare Dividends

The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 123 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors but the Company may declare a smaller dividend in General Meeting.

22.3 Dividend out of Profits Only

No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both, subject to the provisions of Section 123 of the Act.

22.4 Interim Dividend

Subject to the provisions of Section 123(3) of the Act, the Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

22.5 Debts May be Deducted

The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

22.6 Company May Retain Dividends

The Board of Directors may retain the dividend payable upon shares in respect of which any person is under the transmission Article entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become Member or shall duly transfer the same.

22.7 Capital Paid-up in Advance at Interest not to earn Dividend

Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

22.8 Dividends in Proportion to Amount Paid-up

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms, providing that it shall rank for dividends as from a particular date, such share shall rank for dividend accordingly.

22.9 No Member to Receive Dividend Whilst Indebted to the Company and Company's Right of Reimbursement Thereof

Subject to the applicable provisions of the Act, no Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

22.10 Effect of Transfer of Shares

Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer.

22.11 Dividend to Joint Holders

Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of shares.

22.12 Dividend How Remitted

The dividend payable in cash may be paid by cheque or warrant sent through post direct to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders, to the registered address of that one of the joint holders which is first named on the Register of Members or to such person and to such address as the holders or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

22.13 Notice of Dividend

Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of share in the manner herein provided.

22.14 Reserves

The Directors may before recommending any dividend in any Financial Year, set aside out of the profits of the Company such sums as it deems proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for meeting contingencies or for any other purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

22.15 Dividend to be paid within Thirty Days

The Company shall pay the dividend or send the warrant in respect thereof to shareholders entitled to the payment of dividend, within thirty (30) days from the date of the declaration unless:

- (a) Where the dividend could not be paid by reason of the operation of any law;
- (b) Where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with and this has been communicated to the shareholder;
- (c) Where there is a dispute regarding the right to receive the dividend;
- (d) Where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
- (e) Where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

22.16 Unclaimed Dividend

22.16.1 If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of [●]”.

22.16.2 Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investor Education and Protection Fund”.

22.16.3 No unpaid or unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law.

22.17 Set-off Calls Against Dividend

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

22.18 Dividend in Cash

No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing duly paid up bonus shares or paying up any amount for the time being unpaid on any shares held by Members of the Company.

22.19 Dividend, Right Shares and Bonus Shares to be held in Abeyance

Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding any of this contained in any other provision of the Act:

- (a) Transfer the dividend in relation to such shares to the special account referred to in Section 124 unless the Company is authorized by the registered holder of such share in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) Keep in abeyance in relation to such shares any offer of right shares under clause (a) of sub-section (1) of Section 62 and any issue of fully paid-up bonus shares in pursuance of the first proviso to sub-section (5) of Section 123.

23. CAPITALISATION

23.1 The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that if is desirable to capitalise any part of the amount for the time being standing to the credit of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in Article 23.2 among the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

23.2 The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 23.3 either in or towards:

- (a) paying up any amount for the time being unpaid on any shares held by such Members respectively;
- (b) paying up in full, unissued shares of the Company to be allocated and distributed, credited as fully paid up to and amongst Members in the proportions aforesaid, or

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).

23.3 A securities premium account as per Section 52 of the Act and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

23.4 The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

23.5 Fractional Certificate

23.5.1 Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares; and
- (b) generally do all acts and things required to give effect thereto.

23.5.2 The Board shall have full power:

- (a) to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also; and
- (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts remaining unpaid on their existing shares.

23.5.3 Any agreement made under such authority shall be effective and binding on all such Members.

23.5.4 That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settled any question or difficulties that may arise in regard to any issue including distribution of new equity Shares and fractional certificates as they think fit.

24. ACCOUNTS

24.1 Books to be Kept

The Company shall prepare and keep at its Office proper books of account, other relevant books and papers and financial statements for every financial year which would give a true and fair view of the state of affairs of the Company, including that of its branch office or offices, if any and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting and in respect of:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company; and
- (d) such particulars relating to utilization of material or labour or to other items of cost as may be prescribed by Section 128 of the Act;

Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven (7) days of the decision file with the Registrar a notice in writing giving the full address of that other place. The Company may also keep such books of account or other relevant papers in electronic mode in accordance with the provisions of the Act.

24.2 Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of this Article if proper books of account relating to the transactions effected at the branch office are kept at that branch office and proper summarized returns, made up to date at intervals of not more than three (3) months, are sent by the branch office to the Company at its

Office or the other place referred to in Article 24.1. The books of account and other books and papers shall be open to inspection by any Director during business hours.

24.3 The Company shall preserve in good order the books of account relating to a period of not less than eight (8) years preceding the current year.

24.4 Inspection by Members

24.4.1 Subject to the provisions of Sections 207 and 208 of the Act, the Board of Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and works of the Company or any of them shall be open to the inspection of Members not being Directors.

24.4.2 Subject to the provisions of Sections 207 and 208 of the Act, no Member (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.

24.5 Statements of Accounts to be furnished to General Meeting

24.5.1 In accordance with Sections 129, 133 and 134 of the Act, along with the financial statements laid before the Members, there shall be laid a 'Board's report' which shall include:

- (a) the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;
- (b) number of meetings of the Board;
- (c) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
- (d) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
- (e) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;
- (f) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - (i) by the auditor in his report; and
 - (ii) by the company secretary in practice in his secretarial audit report;
- (g) particulars of loans, guarantees or investments under Section 186 of the Act;
- (h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;
 - (i) the state of the company's affairs;
 - (j) the amounts, if any, which it proposes to carry to any reserves;
 - (k) the amount, if any, which it recommends should be paid by way of Dividends;
 - (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
- (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
- (o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
- (p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and
- (q) such other matters as may be prescribed under the law, from time to time.

24.6 Right of Members to Copies of Balance Sheet and Auditor's Report

- 24.6.1 A copy of the financial statements, including consolidated financial statements, if any, the Auditor's Report and every other document required by law to be annexed or attached as the case may be, to the financial statements, which are to be laid before a Company in a General Meeting shall, not less than twenty-one (21) days before the date of the meeting, be sent to every Member of the Company, to every trustee for the holders of any debentures issued by the Company and to all persons other than such Members or trustees, being persons so entitled.
- 24.6.2 In the case of a Company whose shares are listed on a recognized stock exchange, if the copies of the documents aforesaid are made available for inspection at its registered office during working hours for a period of twenty-one (21) days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, is sent to every Member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty one days before the date of the meeting.

25. AUDIT

25.1 Accounts to be Audited

Once at least in every year the accounts of the Company shall be examined, balance and audited and the correctness of the Profit and loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

25.2 Appointment of Auditors

- 25.2.1 Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 139 to 147 of the Act and as specified under law.
- 25.2.2 The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that meeting until the conclusion of the next Annual General Meeting and shall within seven (7) days of the appointment give intimation thereof to the Auditor so appointed.
- 25.2.3 At any Annual General Meeting a Retiring Auditor, by whatsoever authority appointed, shall be re-appointed unless:
- (a) he is not qualified for re-appointment;
 - (b) he has given to the Company notice in writing of his unwillingness to be reappointed; or
 - (c) a Special Resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed.
- 25.2.4 The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act. None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.
- 25.2.5 Where at an Annual General Meeting, no Auditors are appointed or re-appointed the Central Government may appoint a person to fill the vacancy.
- 25.2.6 The Company shall within seven (7) days of the Central Government's power under Article 25.2.5 becoming exercisable give notice of that fact to that Government.
- 25.2.7 The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only to be filled by the Company in General Meeting.
- 25.2.8 A person, other than a Retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company, not less than fourteen days

before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to Retiring Auditor and shall give notice thereof to the Members in accordance with Section 115 of the Act and all the other provisions of Section 140 of the Act shall apply in the matter. The provisions of his sub-clause shall also apply to a resolution that Retiring Auditor shall not be re-appointed.

25.3 Accounts when Audited and Approved to be Conclusive except as to Errors Discovered with Three Months

Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected and thenceforth shall be conclusive.

26. DOCUMENTS AND NOTICES

26.1 To Whom Documents Must be Served or Given

Document or notice of every meeting shall be served or given on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, provided that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company and statement of materials facts referred to in Article 12.9.3 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.

26.2 Members Bound by Documents or Notices Served on or Given to Previous Holder

Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share be bounded by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derived his title to such share.

26.3 Service of Documents

A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office or by means of such electronic or other mode as may be prescribed under the Act.

26.4 Authentication of Documents and Proceedings

Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director or the Secretary or other authorized officer of the Company and need not be under the Common Seal of the Company.

27. REGISTER AND DOCUMENTS

27.1 Registers and Documents to be Maintained by the Company

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- (a) Register of investments made by the Company but not held in its own name as required by Section 187(3) of the Act;
- (b) Register of Charges together with copies of instruments creating the Charge, as required by Section 85 of the Act;
- (c) Register of Shares or Securities bought back by the Company, if applicable, as required under Section 68(9) of the Act;
- (d) Register and Index of Members, Debenture-holders and any other Security holders, as required by Sections 88 of the Act;
- (e) Foreign Register, if so thought fit, as required by Section 88 of the Act;

- (f) Register of contracts and arrangements in which Directors or key managerial personnel are interested, as required by Section 189 of the Act;
- (g) Register of Directors and key managerial personnel including holdings by them of securities in the Company, or its holding, subsidiary, subsidiary of Company's holding company or associate companies, as required by Section 170 of the Act;
- (h) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meetings of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 118 of the Act;
- (i) Copies of Annual Returns prepared under Section 92 of the Act, as required under Section 94 of the Act;
- (j) Register of loans, guarantees or securities given to other companies or acquisitions, as required by Section 186 of the Act;
- (k) Register of renewed and duplicate certificates and required under Rule 6(3) of the Companies (Share Capital and Debentures) Rules, 2014;
- (l) Register of sweat equity Shares, as required under Rule 8(14) of the Companies (Share Capital and Debentures) Rules, 2014; and
- (m) Register of employee stock options, as required under Rule 10(a) of the Companies (Share Capital and Debentures) Rules, 2014.

27.2 Inspection of Registers

The registers and returns mentioned in sub-clauses (b), (d), (e) and (i) of the foregoing Article and the minutes of all proceedings of the Board and General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods, not being less in the aggregate than two hours in each day, as the Board determines for inspection of any Member without charge. In the event such Member conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed such limit as may be prescribed under the Act, the Rules or other applicable provisions of law.

28. WINDING UP

28.1 Distribution of Assets

If the Company shall be wound up and the assets available for distributing among the Members as such shall be insufficient to repay the whole of the paid up capital, subject to these Articles, the provisions of the Act and the Rules, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of winding up, on the Shares held by them respectively and if in the winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon preferential or special terms and conditions.

28.2 Distribution in Specie or Kind

28.2.1 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Act, divide amongst the Members, *in specie* or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

28.2.2 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out between the members or different classes of members.

28.2.3 The liquidator may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no members shall be compelled to accept any Shares or Securities whereon there is any liability.

28.2.4 If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be determination were a Special Resolution passed pursuant to Section 319 of the Act.

28.2.5 In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

28.3 Right of Shareholders in case of Sale

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Act may, subject to the provisions of the Act, in like manner as aforesaid determine that any shares or other consideration receivable by the Liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential right conferred by the said sanction.

28.4 Directors and Others' Right to Indemnity

Subject to the provisions of the Act, every Director or officer or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, charges, losses and damages which any such person may incur or become liable to by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such, if any, as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court.

28.5 Director, Officer not responsible for Acts of Others

Subject to the provisions of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

29. SECRECY CLAUSE

29.1 Secrecy Clause

Every Director, Manager, Auditor, Treasurer, Trustee, Member of a committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter thereto and shall, by such declaration pledge himself not to reveal and in matter which may come to his knowledge in the discharge of his duties, except when

required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of provisions in these Articles.

29.2 No Member to Enter the Premises of the Company without Permission

No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of trade secret, history of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

PART B

In case of any inconsistency, conflict or contradiction between Part A of the Articles on the one hand and Part B of the Articles on the other hand, Part B of the Articles shall prevail. In relation to CX Investor and Pace Investor, except for Articles 32.1.3, 32.1.6 and 40 (along with any terms defined in Article 31 and appearing in Articles 32.1.3, 32.1.6 and 40) Part B of the Articles shall cease to remain in effect and shall fall away without any further action by any party (including the Company or any of its Members) immediately on, the earlier of: (1) the commencement of trading of the Equity Shares of the Company on any Recognized Stock Exchange (as defined below) pursuant to the IPO (as defined below); or (2) upon the CX Investor and the Pace Investor collectively ceasing to hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital. It is clarified that (i) Articles 32.1.3 and 32.1.6 (together with any terms defined in Article 31 and appearing in Articles 32.1.3 and 32.1.6) shall cease to apply upon the CX Investor and the Pace Investor collectively ceasing to hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital, and Article 40 (together with any terms defined in Article 31 and appearing in Article 40) of Part B of the Articles shall remain in effect for as long as a director nominated by the CX Investor is a member of the Board. In the event of any ambiguity or discrepancy between the provisions of the Restated Shareholders' Agreement (as defined below) and these Articles, it is intended that the provisions of the Restated Shareholders' Agreement shall prevail and accordingly the members shall exercise all voting and other rights and powers available to them to procure any amendment to these Articles, so as to give effect to the provisions of the Restated Shareholders' Agreement. In relation to MPL, Part B of the Articles shall cease to remain in effect and shall fall away without any further action by any party (including the Company or any of its Members) immediately on, the earlier of: (1) MPL and KD decide to terminate the MPL SPA (defined below) by mutual agreement; (2) upon MPL ceasing to hold Shares in the Company; (3) commencement of trading of Shares on the recognised stock exchanges.

General Clause

30. Part B of the Articles are in addition to the rights and obligations of the Parties (as defined under the Restated Shareholders' Agreement or the MPL SPA, respectively) under the Restated Shareholders' Agreement and the MPL SPA entered into among the Parties, and the non-inclusion of any provision of the Restated Shareholders' Agreement or the MPL SPA in these Articles shall not prejudice or affect the enforceability of the Restated Shareholders' Agreement or the MPL SPA, and in case of any conflict between these Articles and the Restated Shareholder's Agreement or the Articles and the MPL SPA, the Restated Shareholders' Agreement or the MPL SPA, as applicable, will prevail.

31. DEFINITIONS AND INTERPRETATION

31.1 Definitions

In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

- (a) "AAJV Investor" means AAJV Investment Trust, a private trust established under the Indian Trusts Act, 1882, having its place of business at 9 Mathura Road, Jangpura B, New Delhi 110 014;
- (b) "AAJV SPA" means the share purchase agreement dated as of May 14, 2015 among the Company, Abdul Gani Dhanani and the AAJV Investor;
- (c) "AAJV SSA" means the share subscription agreement dated as of March 26, 2013 among the Company, Sayaji Hotels, KD and the AAJV Investor;
- (d) "Act" or "Companies Act" shall mean the Companies Act, 2013 and the rules and regulations framed thereunder to the extent notified and amended, modified or supplemented from time to time or the Companies Act, 1956 (to the extent applicable) and all future modifications, amendments, enactments and substituting legislations;
- (e) "Affiliate" means, with respect to any Person, any other Person, directly or indirectly, Controlling, Controlled by or under common Control with, such Person, and in respect of a natural Person, such Person's Relatives;
- (f) "Annual Budget" means the annual budget of the Company and any Subsidiaries, as applicable, determined every Financial Year;

- (g) “**Board**” shall mean the board of directors of the Company;
- (h) “**Business**” means, collectively, in the food, beverage and related services business of the Company, including *inter-alia*, the operation and maintenance of a chain of casual dining restaurants under the brand name “Barbeque Nation” and licensing the brand-name “Barbeque Nation” for the restaurant being operated by Sayaji Hotels at Wakad, Pune, Maharashtra. Such definition shall include any further investments made by the Company under the same format or any brand or format extension in the food services provided by the Company and any other investments by the Company in its supply chain or any related activities);
- (i) “**Business Day**” means any day other than a Saturday, a Sunday or any day on which banking institutions in Mauritius, New Delhi, Mumbai or Bengaluru are authorised or required by Law to close;
- (j) “**Business Information**” means all confidential information (including but not limited to trade secrets, know-how, secret or confidential operations or processes, information relating to future projects, business development or planning and commercial relationships) relating to the Company and/or the Business;
- (k) “**CX Investor**” means Tamara Private Limited, a company incorporated under the laws of Mauritius with its registered office at c/o CIM Fund Services Limited, 3rd floor, Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius;
- (l) “**CX SPSA**” means the share purchase and subscription agreement dated as of March 26, 2013 among the Company, Sayaji Hotels, Blue Deebaj Chemicals LLC, KD, the Other Warrant Holders and the CX Investor;
- (m) “**Claims**” means all actions, suits, proceedings or arbitrations, whether civil, criminal, administrative or investigative, pending or threatened before any Governmental Authority;
- (n) “**Competitor**” means (a) any Person who is engaged in a business which is similar to the Business; or (b) any holding company in Control of another company, which is engaged in a business which is similar to the Business; (c) any subsidiary of a holding company where the holding company is engaged in a business which is similar to the Business; or (d) any financial investor which currently holds more than 50% (fifty percent) equity stake in a company which is engaged in a business in India or outside India, which is similar to the Business;
- (o) “**Consent**” means any approval, consent, licence, no-objection, registration, ratification, permission, waiver, authorisation or permit;
- (p) “**Constituent Documents**” means, with respect to any Person, the organisational documents of such Person, including *inter-alia* the corporate charter, bye-laws, certificate of incorporation, articles of incorporation, memorandum of association, articles of association and partnership deed (as applicable);
- (q) “**Control**” (including the correlative terms “Controlling”, “Controlled by” and “under common Control with”) means the power to direct management, including the right to appoint a majority of the directors and control management or policy decisions, including by virtue of shareholding or management rights or shareholders agreements or voting agreements;
- (r) “**Director(s)**” means the member(s) of the Board;
- (s) “**Effective Date**” means May 18, 2015, which the date of transfer of the Shares by Blue Deebaj Chemical LLC to the Pace Investor pursuant to the Pace SPA I ;
- (t) “**Encumbrance**” means any mortgage, charge, pledge, lien, trust, claim, assignment, hypothecation, right of other persons, security interest, beneficial interest, title defect, title retention, voting interest agreement, interest, option, commitment, easement, encumbrance, restriction or limitation of any nature (including on transfer, use, voting, non-disposal, or exercise of any other attribute of ownership) or any other security agreement or arrangement, or any agreement, written or oral, whether conditional or otherwise, voluntary or by operation

of Law, to create any of the foregoing and includes any right granted by a transaction which in legal terms is not the granting of security but which has the economic or financial effect similar to the granting of security;

- (u) “**Escrow Agent**” means Citibank N.A., a national banking association duly constituted in accordance with the laws of the United States of America, and carrying on the business of banking in India as a scheduled commercial bank, and having an office at Plot C-61, Bandra-Kurla Complex, G-Block, Bandra (East), Mumbai 400 051 and acting for the purposes of this Agreement through its branch office in India at Mumbai;
- (v) “**Escrow Shares**” means the relevant number of Shares, free and clear of all Encumbrances, that have been delivered to the Escrow Agent by Sayaji Hotels pursuant to the Escrow Agreement;
- (w) “**Execution Date**” means May 14, 2015.
- (x) “**Fair Market Value**” means the fair value of the Shares as determined in accordance with an internationally accepted valuation formula on arm’s length basis, acceptable to the Board, by one of PriceWaterhouseCoopers, Ernst & Young, KPMG, or Deloitte Haskins & Sells, appointed with the mutual consent of the Investors and the Company;
- (y) “**Financial Year**” means each period of twelve (12) months commencing on April 1 and ending on March 31 of the succeeding calendar year;
- (z) “**First SHA Date**” means the effective date of the First Shareholders’ Agreement, i.e., April 12, 2013;
- (aa) “**First Shareholders’ Agreement**” means the shareholders’ agreement dated March 26, 2013 among the CX Investor, the AAJV Investor, KD, Blue Deebaj Chemicals LLC, the Other Warrant Holders (as defined therein) and the other shareholders (as defined therein);
- (bb) “**Fully Diluted Basis**” means, with respect to any entity, assuming the exercise of all Rights in such entity;
- (cc) “**Indemnifying Party**” means, the Promoter or the Seller Indemnifying Parties, as the context may require;
- (dd) “**Indian GAAP**” means the generally accepted accounting principles and practices as in effect in India, from time to time, consistently applied throughout the specified period;
- (ee) “**Investors**” means, collectively, the CX Investor, the Pace Investor and the AAJV Investor;
- (ff) “**General Meeting**” shall mean a meeting, whether ordinary or otherwise, of the Shareholders of the Company;
- (gg) “**Governmental Authority**” means (a) any nation, state, city or other legal jurisdiction, (b) any federal, state, local, municipal, foreign or other government or political sub-division thereof, (c) any governmental or quasi-governmental authority or private body exercising any regulatory, taxing or other governmental or quasi-governmental authority, (d) any body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to the government and any instrumentality, sub-division, court, administrative agency, commission, official or other authority thereof, and (e) any Taxation authority or other authority competent to impose, collect, assess or enforce any liability to Tax whether in India or elsewhere;
- (hh) “**KD**” means Mr. Kayum Dhanani, an Indian citizen and person resident in India, permanently residing at Sy No 62, Site No. 13, 6th Cross, N.S. Palya, BTM Layout, Bangalore 560 076, Karnataka, India;
- (ii) “**Key Managerial Personnel**” means the Chief Executive Officer, the Chief Financial Officer and the Chief Operations Officer of the Company;

- (jj) “**Law**” means any law, rule, regulation, guideline, policy, notification, circular, press note, directive, Order or other pronouncement, having the effect of law, by any Governmental Authority, securities exchange or other self-regulating body, any common or customary law, constitution, code, ordinance, statute or other legislative measure or treaty;
- (kk) “**Losses**” means all fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, losses, damages, disbursements, court costs and other expenses (including interest, penalties and reasonable attorneys’ fees and litigation expenses), suffered or incurred in connection with Claims or third party claims);
- (ll) “**MPL**” means Menu Private Limited, a company organised under the laws of Mauritius and having its office address at 22 Saint Georges Street, Port Louis, Mauritius
- (mm) “**MPL SPA**” means the share sale and purchase agreement executed among KD, MPL and our Company dated August 3, 2017, including the annexures, appendices and exhibits.
- (nn) “**NBFC**” means a company incorporated under the Act and registered with the Reserve Bank of India as a non-banking financial company under applicable Law;
- (oo) “**Non-Compete Undertaking**” mean a letter dated August 9, 2017 from the Promoters.
- (pp) “**Order**” means any judgment, order, writ, injunction, legally binding agreement with a Governmental Authority, stipulation, decree, determination, declaration or award;
- (qq) “**Other Shareholders**” means Azhar Yusuf Dhanani, Zuber Yusuf Dhanani, Sanya Sajid Dhanani, Zoya Sajid Dhanani, Sadiya Raoof Dhanani and Saba Raoof Dhanani;
- (rr) “**Pace Investor**” means Pace Private Limited, a company incorporated under the laws of Mauritius with its registered office at 22 Saint Georges, Port Louis, Mauritius;
- (ss) “**Pace SPA I**” means the share purchase agreement dated May 14, 2015 entered into between the Company, Blue Deebaj Chemicals LLC and the Pace Investor;
- (tt) “**Pace SPA II**” means the share purchase agreement dated May 14, 2015 entered into between the Company, Sana Dhanani, Nasrin Dhanani, Abdul Gani Dhanani and the Pace Investor;
- (uu) “**Party**” or “**Parties**” means, either individually or collectively, the Company, the Principal Shareholders and the Investors;
- (vv) “**Permits**” means all franchises, approvals, permits, licences, certifications, qualifications, authorisations, orders and other rights from, and filings with, any Governmental Authority and any securities exchange or other self-regulatory or industry association or authority;
- (ww) “**Permitted Transferee**” means any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), investment manager or advisor special purpose or other vehicle being a member of the CX Investor, the Pace Investor or the AAJV Investor;
- (xx) “**Person**” means any natural person, firm, general, limited or limited liability partnership, association, corporation, company, limited liability company, joint stock company, trust, joint venture, business trust or other entity or unincorporated organization;
- (yy) “**Preference Pay-Out**” means, collectively, the AAJV Preference Pay-Out and the CX Preference Pay-Out;
- (zz) “**Principal Shareholders**” means, collectively, SHKSL, KD and the Other Shareholders;
- (aaa) “**Promoters**” means, collectively, Sayaji Hotels, SHKSL, KD, Raoof Dhanani and Suchitra Dhanani;
- (bbb) “**Recognized Stock Exchange**” means the National Stock Exchange of India Limited and the BSE Limited;

- (ccc) “**Relative**” of an individual means his/her spouse, son, daughter, brother, sister, mother and father and a Hindu undivided family of which such individual is a member;
- (ddd) “**Representatives**” means, in relation to a Party, the directors, officers, employees, agents and advisors of such Party;
- (eee) “**Restated Shareholders’ Agreement**” means the restated shareholders’ agreement among the Parties, dated May 14, 2015, including the annexures, appendices and exhibits hereto, as amended pursuant to the Waiver cum Termination Agreement;
- (fff) “**Rights**” shall mean, with respect to any Person, securities or obligations convertible into or exercisable or exchangeable for, or giving any other Person any right to subscribe for or acquire, or any options, calls, warrants, performance awards, units, dividend equivalent awards, deferred rights, “phantom” stock or other equity or equity-based rights or commitments relating to, or any stock appreciation right or other instrument the value of which is determined in whole or in part by reference to the market price of or value for or which has the right to vote with, shares or other voting securities or equity interests of such first Person;
- (ggg) “**Sayaji Hotels**” means Sayaji Hotels Limited, a company incorporated under the laws of India with its registered office at Sayaji Hotels, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajigunj, Vadodara 390 005, Gujarat, India;
- (hhh) “**SHKSL**” means Sayaji Housekeeping Services Limited, a company incorporated under the laws of India and having its registered office at Survey No. 62, Site No. 13, 6th cross, N.S.Palya, BTM Layout, Bengaluru 560 076, Karnataka, India
- (iii) “**Sayaji Shareholders**” means the persons listed in Annexure 2 of the Restated Shareholders’ Agreement;
- (jjj) “**Scheduled Bank**” means a bank which is included in the Second Schedule to the Reserve Bank of India Act, 1934;
- (kkk) “**SEBI**” means the Securities Exchange Board of India;
- (lll) “**SEBI ICDR Regulations**” means Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended;
- (mmm) “**Securities**” shall include the Shares and any other instrument/ security of the Company that is convertible into Shares;
- (nnn) “**Selling Shareholders**” means CX Investor, AAJV Investor, SHKSL, Sadiya Dhanani, Sanya Dhanani and Azar Dhanani.
- (ooo) “**Share**” means an equity share with a face value of Rs. 5 issued by the Company;
- (ppp) “**Shareholder(s)**” means a Person who holds Shares and who is or becomes a party to the Agreement in accordance with the terms hereof;
- (qqq) “**Share Capital**” means the total outstanding, issued, subscribed and fully paid up equity share capital of the Company on a Fully Diluted Basis;
- (rrr) “**Subsidiaries**” of any Person means any other Persons (a) more than 50% of whose outstanding shares or securities representing the right to vote for the election of directors or other managing authority of such other Persons are owned or Controlled, directly or indirectly, by such first Person or (b) more than 50% of whose ownership interest representing the right to make the decisions for such other Persons is, at the relevant time, owned or Controlled, directly or indirectly, by such first Person;
- (sss) “**Taxation**” or “**Tax**” means all forms of tax, royalty, duty, rate, levy, cess or other similar imposition whenever and by whatever authority in any country imposed, but not limited to any tax , including advance tax, self-assessment tax, withholding tax, minimum alternate tax,

income-tax payable in a representative capacity, any education cess and surcharge thereto under the Income Tax Act, 1961, wealth tax, inheritance tax, development tax, value added tax, fringe benefit tax, customs duty, excise duty, sales tax, service tax, stamp duty and any interest, penalty or fine in connection with any such taxation; and any reference to Taxation shall include amounts which represent or are equivalent to or are deemed to be Taxation;

- (ttt) **“Transaction Documents”** means the Restated Shareholders’ Agreement, the First Shareholders’ Agreement, the CX SPSA, the AAJV SSA, the AAJV SPA, the Pace SPA I, the Pace SPA II, the Escrow Agreement and any other ancillary documents, instruments, opinions, deeds and certificates required to be executed and delivered by or on behalf of any Party pursuant to the Restated Shareholders’ Agreement; and
- (uuu) **“Transfer”** means to sell, transfer, assign, pledge or otherwise alienate, Encumber or dispose of, in any way, any securities including any Share, or any rights relating to such Share, and **“Transferred”** and **“Transferable”** shall be construed accordingly.
- (vvv) **“Waiver cum Termination Agreement”** means the Waiver cum Termination agreement dated August 5, 2017 executed between SHKSL, KD, Other Shareholders, CX Investor, Pace Investor, AAJV Investor, Sayaji Hotels (as confirming party) and our Company for waiving and amending certain rights as set out in the Restated Shareholders’ Agreement.

31.2 Terms Defined Elsewhere in these Articles

The following terms are defined elsewhere in these Articles:

Term	Reference
“AAJV Preference Pay-Out”	Article 37.1.1
“Adjourned General Meeting”	Article 33.2
“Agenda”	Article 32.2.4
“CX Investor Directors”	Article 32.1.1 (a)
“CX Investor Observer”	Article 32.1.2
“CX Preference Pay-Out”	Article 37.1.1
“Competing Entity”	Article 47.6.1
“Consultant”	Article 39.2
“Dispute”	Article 46.2
“Drag Notice”	Article 36.3.1
“Drag Notice Period”	Article 36.3.2
“Escrow Agreement”	Article 36.2.2
“Event of Default”	Article 42.1
“First Adjourned Board Meeting”	Article 32.2.7
“IPO”	Article 36.1.1
“IPO Investor Indemnified Party”	Article 36.1.6
“Indemnified Parties”	Article 41.1.1
“Independent Director”	Article 32.1.1 (c)
“Investment Bank”	Article 36.1.1(d)
“Investor IPO”	Article 36.2.1
“Investor Competing Entity Representatives”	Article 47.6.1
“Investors’ Pre-emption Shares”	Article 35.2.3
“Issuance Notice”	Article 35.2.2
“Issuance Price”	Article 35.2.2
“Liquidation Event”	Article 37.2.2
“Liquidity Transaction”	Article 37.1.1
“New Securities”	Article 35.2.1
“Non-Subscribing Investor”	Article 35.2.6
“Original General Meeting”	Article 33.2
“Part Purchaser”	Article 35.7.8
“Pace SPA II Sale Shares”	Article 35.9
“Pace SPA II Sellers”	Article 35.9
“Principal Shareholders”	Article 47.9

“Principal Shareholders’ Representative”	Article 47.9
“Principal Shareholders’ ROFO Notice Period”	Article 35.7.4
“Principal Shareholders’ Right of First Offer”	Article 35.7.3
“Principal Shareholders’ Right of First Offer Notice”	Article 35.7.3
“Principal Shareholders’ Right of First Offer Shares”	Article 35.7.3
“Promoter Directors”	Article 32.1.1 (a)
“Proposed Purchase Price”	Article 35.4.2(a), 35.5.1, 35.7.3
“Qualified IPO”	Article 36.1.1
“Qualified IPO Date”	Article 36.1.1
“Remote Participation”	Article 32.2.2
“Reserved Matters”	Article 34.1
“Right of First Offer”	Article 35.5.1
“Right of First Offer Notice”	Article 35.5.1
“Right of First Offer Notice Period”	Article 35.5.2
“Right of First Offer Shares”	Article 35.5.1
“Second Adjourned Board Meeting”	Article 32.2.7
“Secondary Offering”	Article 36.1.2
“Seller Indemnifying Parties”	Article 41.1.2
“Tag Notice”	Article 35.6.1
“Tagged-Along Shares”	Article 35.6.2
“Ten Per Cent Right of First Offer”	Article 35.4.2(a)
“Ten Per Cent Right of First Offer Notice”	Article 35.4.2(a)
“Ten Per Cent Right of First Offer Notice Period”	Article 35.4.2(b)
“Ten Per Cent Right of First Offer Shares”	Article 35.4.2(a)
“Third Party Purchaser”	Article 35.4.2(a), 35.5.1, 35.7.2
“Third Party Undertaking”	Article 36.1.5

31.3 Interpretation and Construction

Unless the context of these Articles otherwise requires, the following rules of interpretation shall apply to these Articles:

- 31.3.1 References to one gender include all genders. The singular shall include the plural, and the plural shall include the singular;
- 31.3.2 The term “Article” refers to the specified Article of these Articles;
- 31.3.3 The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to these Articles or specified Articles of these Articles, as the case may be;
- 31.3.4 The words “include”, “including,” “are inclusive of” and similar expressions are not expressions of limitation and shall be construed as if followed by the words “without limitation”;
- 31.3.5 The words “determines”, “determined” or “discretion” mean a determination made in the sole and absolute discretion of the Person making the determination; the words “to the satisfaction of” or to any Person’s “satisfaction” mean a determination made in such Person’s sole and absolute discretion;
- 31.3.6 The phrase “directly or indirectly” means directly or indirectly through one or more intermediate Persons or through contractual or other arrangements, and “direct or indirect” has the corresponding meaning;
- 31.3.7 References to any Person shall also include such Person’s successors in interest and permitted assigns or heirs, executors, administrators and successors, as the case may be, under any agreement, instrument, contract or other document;

- 31.3.8 References to a number of days shall mean such number of calendar days unless Business Days are specified. When any number of days is prescribed in these Articles, such number of days shall be calculated exclusive of the first day and inclusive of the last day;
- 31.3.9 Time is of the essence in the performance of the Parties' respective obligations under these Articles and the Transaction Documents;
- 31.3.10 References to statutes or statutory provisions include such statutes or statutory provisions and any orders, regulations, instruments or other subordinate legislation made under them as amended, supplemented, extended, consolidated, re-enacted or replaced from time to time;
- 31.3.11 Any undertaking by any of the Parties not to do any act or thing shall be deemed to include an undertaking not to permit or suffer or assist the doing of that act or thing (to the extent that such action is under the Control or influence of such Party);
- 31.3.12 References to these Articles or any other document shall, where appropriate, be construed as references to these Articles or such other document as amended, restated, varied, supplemented, novated and/or replaced in any manner from time to time;
- 31.3.13 The headings of particular provisions of these Articles are inserted for convenience only and shall not be construed as a part of these Articles or serve as a limitation on or expansion of the scope of interpretation of any term or provision of these Articles;
- 31.3.14 References to "writing" and "written" include any mode of reproducing words in a legible and non-transitory form including electronic communications and facsimile; and
- 31.3.15 Unless otherwise specified, whenever any payment is to be made or any action is required to be taken under these Articles on a day other than a Business Day, such payment shall be made or action shall be taken on the next Business Day.

32. BOARD OF DIRECTORS

32.1 Composition of the Board

- 32.1.1 As of the Execution Date, the Board shall consist of up to five (5) Directors, including one CX Investor Director (as defined below). Each of the Promoters and the CX Investor (collectively with the Pace Investor) shall be entitled to appoint directors in proportion to their Shareholding. For the purposes of this Article, the Shareholding of the CX Investor and the Pace Investor shall be considered collectively. The Board shall be reconstituted to consist of up to eight (8) individuals, who shall be appointed in the following manner:
- (a) three (3) Directors nominated by the Promoters (the "**Promoter Directors**") one (1) of whom shall at all times be KD;
 - (b) two (2) Directors nominated by the CX Investor (the "**CX Investor Directors**");
 - (c) three (3) Directors who shall be independent Directors acceptable to the CX Investor and the Promoters (each an "**Independent Director**"); and
 - (d) Notwithstanding anything contained in this Section 32.1.1, the composition of the Board and the board of directors of the subsidiaries of the Company shall be in compliance with applicable Law, including the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for a public listed company.

The Promoter Directors, one CX Investor Director and one Independent Director nominated in accordance with sub-clauses (a), (b) and (c) of Article 32.1.1 above have been appointed and hold office as of the Execution Date. The second CX Investor Director nominated in accordance with sub-clause (b) of Article 32.1.1 above shall be appointed on or prior to the Effective Date. Two Independent Directors shall be appointed within one hundred and eighty (180) days (or such other date as mutually agreed between the CX Investor and the Promoters) of the Effective Date.

- 32.1.2 In addition to the CX Investor's right to appoint a Director under sub-clause (b) of Article 32.1.1 and Article 32.1.3, the CX Investor shall be entitled to nominate a Person ("**CX Investor Observer**") to attend meetings of the Board in a non-voting, observer capacity. The CX Investor Observer shall be entitled to attend every meeting of the Board. The Company shall provide to the CX Investor Observer, concurrently with the Board, all notices, agenda, minutes and other papers in the same manner and to the same extent as circulated to the Directors. The Company and the Promoters shall ensure that the CX Investor Observer shall be entitled to speak at the meetings of the Board but shall not be entitled to vote thereat.
- 32.1.3 The Parties have acknowledged and agreed that so long as the CX Investor and the Pace Investor collectively hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital, the CX Investor shall have the right to:
- (a) nominate one (1) person as the CX Investor Director who shall be elected as non-executive Director and who will be liable to retire by rotation, provided that the Principal Shareholders and the Pace Investor agree to vote in favour of any resolution for the re-appointment of the CX Investor Director to the Board;
 - (b) remove from office any person so nominated in terms of sub-section (a) above; and
 - (c) nominate another person (including an alternate Director) in his place.
1. Provided that the CX Investor Director shall not be considered Independent Directors for the purposes of Article 32.1.
 2. Further provided that the appointment of any director nominated by the CX Investor shall be subject to approval by the shareholders of the Company subsequent to listing of the Shares in accordance with applicable laws. The Principal Shareholders and the Pace Investor agree to vote in favour of any resolution for approval of the right of the CX Investor to nominate a director or for the appointment of a director nominated by the CX Investor to the Board. Upon the collective shareholding of the CX Investor and Pace Investor falling below 2,172,282 Shares, as adjusted for any consolidation of the share capital of the Company, the nominee director shall tender his resignation as a nominee director at the next ensuing board meeting, and may be re-appointed by the Board and Shareholders, in compliance with applicable Law.
- 32.1.4 Subject to Article 32.1.1, Shareholders that have a right to nominate a Director shall each have a right to fill in any casual vacancy caused in the office of the Directors nominated by them, by reason of his/her resignation, death, removal or otherwise. All nominations made by such Shareholders shall be in writing.
- 32.1.5 Subject to Article 32.1.1 in relation to the appointment of the second CX Investor Director on or prior to the Effective Date, the appointment of the CX Investor Directors or the CX Investor Directors' alternate shall take place as the first item of business at the Board meeting immediately following the receipt by the Company of such nomination.
- 32.1.6 In addition to the foregoing rights under Articles 32.1.1 and 32.1.2, the CX Investor shall have a right to nominate and maintain one (1) member on each of the Committees and sub-committees of the Board, so long as the CX Investor and the Pace Investor collectively hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital. For the avoidance of doubt, it is clarified that Articles 32.1.1 and 32.1.2 shall not survive pursuant to the listing of the Equity Shares.
- 32.1.7 The Company shall, and the Promoters shall cause the Company to, promptly make all such filings with Governmental Authorities that may be required under any Law (including the filing of Form DIR-12 and making changes to its register of directors) to give effect to the provisions set forth in this Article 32.1.
- 32.1.8 The Company has obtained obtain directors' and officers' liability insurance for all the Directors, including the CX Investor Directors and any alternate Director nominated by the CX Investor, for an amount that is customary for companies engaged in a similar Business as the Company and as approved by the Board.

- 32.1.9 Subject to applicable Law, the Company shall indemnify, defend and hold harmless each Director, or alternate Director, who was or is made a party, or is threatened to be made a party, to any Claim (including any action brought by or in the name of the Company), by reason of the fact that such Director or alternate is or was a Director, or otherwise relating to any action taken or omitted to be taken in such person's capacity as a Director, against all or any Claims and Losses; provided, however, that such indemnification shall not apply in respect of any Claim or Loss to the extent it is finally judicially determined to have resulted from the gross negligence, wilful misconduct or bad faith acts or omissions of such Director or alternate.
- 32.1.10 Subject to applicable Law, the provisions of this Article 32.1 shall apply mutatis mutandis to the board of directors of each of the Company's Subsidiaries .

32.2 Meetings of the Board

- 32.2.1 Subject to the provisions of section 173 of the Act, the Board shall meet at least four (4) times every year, in such a manner that not more than one-hundred and twenty (120) calendar days intervene between two consecutive meetings of the Board, at Bangalore, New Delhi, or a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairperson of the Board.
- 32.2.2 Subject to applicable Law: (a) any of the Directors, or a Committee thereof, may participate in a Board meeting by way of video conference or other audio visual means ("**Remote Participation**") which are capable of recording and recognizing the participation of the Directors and of recording and storing proceedings of such Board meetings along with date and time; and (b) a Board meeting held by Remote Participation shall be valid so long as a quorum in accordance with this Article 32.2 is present. The scheduled venue of a Board meeting, which shall be in India shall be deemed to be the place of such meeting and all recordings of the proceedings at such meeting shall be deemed to be made at such place.
- 32.2.3 Written notice of at least seven (7) Business Days of every meeting of the Board shall be given to every Director and every alternate Director (while acting as a Director) at their usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice with consent of all the Directors, including the CX Investor Directors.
- 32.2.4 The notice of each Board meeting shall include (a) the time for the proposed meeting; (b) the venue for the proposed meeting; and (c) an agenda specifying in reasonable detail the business proposed to be transacted at the meeting ("**Agenda**"). Unless waived in writing by all Directors, any item not included in the Agenda shall not be considered or voted upon at that meeting of the Board.
- 32.2.5 Any discussions at Board meetings (including the participation in such discussions of the CX Investor Observer) shall be appropriately recorded in the statutory registers of the Company. Subject to Article 34, all resolutions and decisions of the Board shall be taken by majority vote of the Directors present or represented at the meeting. The chairperson of the Board shall not have a casting vote.
- 32.2.6 Subject to the provisions of the Act, the quorum for a Board meeting shall be such minimum number of Directors as required under the Act, of which at least one (1) shall be a Promoter Director (unless waived in writing by the Promoter Directors) and one (1) shall be a CX Investor Director (unless waived in writing by the CX Investor Directors), present throughout the meeting.
- 32.2.7 If the quorum for a Board meeting is not present due to the absence of a Promoter Director or a CX Investor Director on the specified date and within sixty (60) minutes of the specified time indicated in the notice calling the Board meeting, such meeting will be adjourned to such date and place as the Promoters and the CX Investor agree, provided that if the Promoters and the CX Investor are unable to agree upon a place and date for such adjourned meeting that is less than ten (10) Business Days from the date of the original meeting, such adjourned meeting shall be held at the same place and time as the original meeting on the tenth (10th) Business Day immediately following the date of the original meeting ("**First Adjourned Board Meeting**"). If at such First Adjourned Board Meeting, the quorum for a Board meeting

as specified in Article 32.2.6 is not present within thirty (30) minutes of the time specified for the First Adjourned Board Meeting then, such meeting will be adjourned to such date and place as the Promoters and the CX Investor agree, provided that if the Promoters and the CX Investor are unable to agree upon a place and date for such adjourned meeting that is less than ten (10) Business Days from the date of the First Adjourned Board Meeting, such adjourned meeting shall be held at the same place and time as the First Adjourned Board Meeting on the tenth (10th) Business Day immediately following the date of the First Board Adjourned Meeting (“**Second Adjourned Board Meeting**”). If at such Second Adjourned Board Meeting, the quorum for a Board meeting as specified in Article 32.2.6 is not present within thirty (30) minutes of the time specified for the Second Adjourned Board Meeting, the Directors present at such Second Adjourned Board Meeting shall constitute the requisite quorum, subject to the provisions of the Act.

32.2.8 In the event the Agenda for any such Second Adjourned Board Meeting includes any Reserved Matters, no such Reserved Matter shall be deemed approved at any such Second Adjourned Board Meeting, unless the CX Investor Directors have communicated their approval of such matter in writing to the Board prior to the commencement of such Second Adjourned Board Meeting provided that a failure by the CX Investor Directors to communicate their approval or disapproval with respect to such Reserved Matters prior to the commencement of such Second Adjourned Board Meeting shall be deemed consent of the relevant Reserved Matters. Notwithstanding anything contained herein, the Parties agree that any item not included in the Agenda for a Board meeting shall not be included in any Agenda for a First Adjourned Board Meeting or a Second Adjourned Board Meeting.

32.3 Circular Resolutions

Subject to the provisions of these Articles and Law, the Board shall be entitled to pass circular resolutions in relation to such matters as it deems necessary and as permitted under the Act. For the avoidance of doubts, it is hereby clarified that the provisions of these Articles and the Restated Shareholders’ Agreement including those relating to Reserved Matters for resolutions of the Board will apply to circular resolutions as well.

33. GENERAL MEETINGS

33.1 Subject to provisions of the Act, the quorum for a General Meeting shall be five (5) Shareholders present in person, which shall include at least one (1) representative of the CX Investor (unless waived in writing by the CX Investor) and at least one (1) representative of the Pace Investor (unless waived in writing by the Pace Investor), who shall be present throughout the General Meeting. A corporate shareholder represented by a duly authorised representative shall be deemed to be present in person for purposes of this Article 33.1. For the purposes of these Articles, it is clarified that the presence of one of the CX Investor or the Pace Investor or their respective authorized representatives throughout a General Meeting would be sufficient for the purposes of quorum for a General Meeting until such time that the entire shareholding of the CX Investor and the Pace Investor are owned and controlled by the same Persons and/or their Affiliates.

33.2 If the quorum for a General Meeting is not satisfied due to the absence of the CX Investor’s representative and/or the absence of the Pace Investor’s representative on the specified date and within sixty (60) minutes of the specified time indicated in the notice calling the General Meeting (“**Original General Meeting**”), such meeting shall be automatically adjourned for a period of at least twenty one (21) days (“**Adjourned General Meeting**”). The Adjourned General Meeting shall thereafter be held at the same place and time as the Original General Meeting. If at such Adjourned General Meeting, the CX Investor’s representative or proxy and/or the Pace Investor’s representative or proxy is not present within one hour of the time specified for the Adjourned General Meeting, the shareholders present thereat shall constitute the requisite quorum, subject to the provisions of the Act, provided, however, that the agenda for any such Adjourned General Meeting does not include any Reserved Matters and that no Reserved Matter will be discussed, resolved, taken-up, tabled, put to vote or voted upon at such Adjourned General Meeting. If such agenda does include a Reserved Matter, the quorum for such adjourned meeting shall also include at least one (1) representative of the CX Investor (unless the prior consent of the CX Investor with respect to the Reserved Matter is obtained, in writing) and at least one (1) representative of the Pace Investor (unless the prior consent of the Pace Investor with respect to the Reserved Matter is obtained, in writing).

34. RESERVED MATTERS

34.1 The Parties have agreed that the following actions, decisions and resolutions (“**Reserved Matters**”) in relation to (a) the Company shall not be (i) taken or adopted by the Board (including any Committee thereof) without the prior written approval of the CX Investor Directors; and (ii) taken or adopted by the Shareholders at a General Meeting without the prior written approval of a representative of the CX Investor and the Pace Investor, and (b) any Subsidiary, shall not be taken or adopted by the board of directors or the shareholders of the relevant Subsidiary without the prior written approval of each of the CX Investor and the Pace Investor, unless otherwise expressly stated under these Articles. For the purposes of these Articles, it is clarified that until such time that the entire shareholding of the CX Investor and the Pace Investor are owned and controlled by the same Persons and/or their Affiliates, any request for approval of a Reserved Matter at a General Meeting or in relation to any Subsidiary may be addressed to the board of directors of the CX Investor and the Pace Investor jointly, in the same letter:

- 34.1.1 Acquisition of or investment in any shares or any substantial assets, business, business organisation or division of any other Person, creation of any legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs or consolidations or the creation of any new Subsidiaries.
- 34.1.2 Sale, transfer, licence, or other disposal of all or substantial assets of the Company, any Subsidiary and any of their respective joint ventures, or any restructuring or reorganisation that has a similar effect.
- 34.1.3 Any change in the capital structure of the Company or any Subsidiary, including the issued, subscribed or paid up equity or preference share capital, reorganisation of the share capital, including redemption, reclassification, retirement or repurchase of any shares or other securities, splits, capital or other restructuring or consolidation or reduction in capital.
- 34.1.4 Issuance of equity or equity-linked securities, including the issuance of convertible debentures or warrants by the Company or any Subsidiary, other than those issued by the Company or any Subsidiary pursuant to an employee or management equity option plan of the Company or any Subsidiary approved in accordance with Article 34.1.10.
- 34.1.5 Dissolution, winding-up, liquidation of the Company or any Subsidiary or any restructuring or reorganisation that has a similar effect.
- 34.1.6 Listing or delisting of any securities of the Company or any Subsidiary on any stock exchange, or the taking of steps towards or appointments of any advisers in connection with a potential sale or flotation of securities of the Company or any Subsidiary on any stock exchange, other than in connection with a Qualified IPO or an Investor IPO.
- 34.1.7 Commencement of any new line of business which is unrelated to the Business or making of any investment (other than short-term deposits with banking institutions and investments in securities in the ordinary course of business).
- 34.1.8 Declaration or payment of any dividends or other distributions by the Company or any Subsidiary.
- 34.1.9 Any amendment, supplement, modification or restatement of the Constituent Documents of the Company or any Subsidiary in any manner.
- 34.1.10 Creation or adoption any new or additional equity option plan, or any change or modification or amendment to any equity option plans of the Company or any Subsidiary.
- 34.1.11 The prosecution or settlement of legal actions or Claims where the aggregate amount of all Claims so prosecuted or settled would exceed Rs. 20,000,000 (Rupees Twenty Million only) in any Financial Year.
- 34.1.12 Entry into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations or liabilities on the Company or any of its Subsidiaries to pay an

amount equal to or exceeding Rs. 10,000,000 (Rupees Ten Million only) except in the ordinary course of business.

- 34.1.13 Any proposal to engage in any activity relating to the real estate business, whether or not in the ordinary course of business;
- 34.1.14 Disposal of, licensing of or creation of any third party rights in relation to, any intellectual property owned or used by the Company or any Subsidiary including brand-names, copyright, domain names or trademarks owned or used by the Company or any Subsidiary except in the ordinary course of business or any marketing / business promotion activities.
- 34.1.15 Entry in to any agreement, arrangement or transaction by the Company to licence the brand name “Barbeque-Nation” to any Person except for (i) renewal on the same terms on which the consent has been granted to the Promoters in respect of the Barbeque Nation restaurant operated from within the hotel premises of Sayaji Hotels in Wakad, Pune, and (ii) any grant of a licence in respect of the use of the brand name “Barbeque Nation” solely for the purposes of marketing and advertising of the Business, provided that each of the CX Investor and the Pace Investor is informed in writing of the grant of such a licence within one (1) Business Day of it being granted.
- 34.1.16 Making of any loan to any shareholder, Director or officer of the Company or any Subsidiary or providing any surety or security arrangement in respect of any such loan (save and except any loan to an employee, which is in accordance with Company’s or any Subsidiary’s existing human resources policy).
- 34.1.17 Entry in to any agreement, arrangement or transaction by the Company or any Subsidiary with any Affiliate, Relative or related party of the Principal Shareholders, or any other shareholder of the Company or any Subsidiary, other than continuing affiliated contracts.
- 34.1.18 Approval of any matter that requires a special resolution of the shareholders of the Company or any Subsidiary, under the Act.
- 34.1.19 Appointment, change or termination of a statutory auditor and/or internal auditor; any material change to the accounting or Tax policy including the Financial Year for the preparation of accounts, provided that any such change would be subject to compliance with Indian GAAP.
- 34.1.20 Changing the registered office of the Company or any of its Subsidiaries.
- 34.1.21 Nomination, removal or replacement of any of the Independent Directors and any of the CX Investor Directors.
- 34.1.22 Delegation of authority or any of the powers of the Board (or of the board of directors of any Subsidiary) in relation to the Reserved Matters to any individual or Committee or amending the authority or power already delegated to an individual or a Committee.
- 34.1.23 Sale, transfer, assignment, mortgage, pledge, hypothecation, grant of security interest in, creation of any Encumbrance, or otherwise disposal of, any assets or securities of the Company or any of its Subsidiaries, whose fair market value of exceeds Rs. 50,000,000 (Rupees Fifty Million only) in a single transaction, or Rs. 100,000,000 (Rupees One Hundred Million only) on an aggregate basis, in any calendar year.
- 34.1.24 Providing or agreeing to provide, a guarantee, indemnity or other agreement to secure, or incur financial or other obligations with respect to, any other Person’s obligations in excess of Rs. 20,000,000 (Rupees Twenty Million only), other than in the ordinary course of business.
- 34.1.25 Incurrence or assumption of any form of indebtedness in excess of the levels agreed in the Annual Budget.
- 34.1.26 Approving, altering or revising the Annual Budget for any Financial Year; approving any material deviation from the Annual Budget or taking any action inconsistent with the Annual Budget then in effect.

34.1.27 The authorization or entry into any agreement or commitment with respect to any of the foregoing.

35. FURTHER ISSUE AND TRANSFER OF SHARES

35.1 General

Any issue or Transfer of Shares shall be subject to, and must be in compliance with, the provisions of this Article 35.

35.2 Pre-emptive Rights

35.2.1 The CX Investor, the Pace Investor and the AAJV Investor shall severally (and not jointly) have the right to subscribe for any fresh issue of Shares or preference or equity-related or convertible or exchangeable securities (the “**New Securities**”) issued by the Company, except any Shares issued pursuant to a Qualified IPO, in proportion to its then existing percentage of shareholding in the Company on a Fully Diluted Basis, as well as the right to purchase its pro rata share of any New Securities not purchased by the other shareholders of the Company.

35.2.2 The Company shall in writing separately notify the CX Investor, the Pace Investor and the AAJV Investor (the “**Issuance Notice**”) of the terms of the proposed issuance, including the proposed issuance price (the “**Issuance Price**”), the date of closing of the proposed issuance and the number of New Securities that are proposed to be issued.

35.2.3 Within sixty (60) days from the date of receipt of the Issuance Notice, the CX Investor, the Pace Investor and the AAJV Investor may agree to subscribe for or refuse to subscribe for all or part of the New Securities, proportionate to their then existing percentage of shareholding in the Company on a Fully Diluted Basis, at the Issuance Price and shall each notify the Company in writing of its intention and the number of New Securities for which each of the CX Investor, the Pace Investor and the AAJV Investor proposes to subscribe (the “**Investors’ Pre-emption Shares**”).

35.2.4 If each of the CX Investor, the Pace Investor and the AAJV Investor exercises its option to subscribe for the Investors’ Pre-emption Shares, the CX Investor, the Pace Investor and the AAJV Investor shall pay for and subscribe for such Investors’ Pre-emption Shares at the Issuance Price on the terms and conditions set out in the Issuance Notice, it being clarified that each of the Investors shall be provided with a further period of at least twenty one (21) days for making the payment for the subscription of Investors’ Pre-emption Shares, and the Company shall issue and allot the Investors’ Pre-emption Shares to each of the Investors on the Business Day immediately following the receipt of the consideration, separately from each of the Investors, as set out herein.

35.2.5 If any New Securities remain unsubscribed by other shareholders, then the provisions of this Article 35.2 in relation to the issue of the Issuance Notice by the Company and the response by the Investors shall reapply, provided that the Company shall issue a notice to the Investors within ten (10) Business Days of the date on which it receives a response from the other shareholders or any notification from the Persons to whom the New Securities were first offered, as the case may be.

35.2.6 If either of the CX Investor, the Pace Investor or the AAJV Investor does not subscribe for its entitlement of the Investors’ Pre-emption Shares (such non-subscribing Investor, a “**Non-Subscribing Investor**”), then the other Investor who is subscribing to its entitlement of the Investors’ Pre-emption Shares shall be entitled to subscribe for the entitlement of the Investors’ Pre-emption Shares of such Non-Subscribing Investor.

35.2.7 If each Investor does not exercise its option to subscribe for any of the Investors’ Pre-emption Shares, the Company may offer, issue and allot all or part of the Investors’ Pre-emption Shares to the other shareholders of the Company who have elected to subscribe to their entitlement of the New Securities or to a third party subscriber at the Issuance Price and on same terms and conditions, as mentioned in the Issuance Notice within one hundred and twenty (120) days of the date of the Issuance Notice. If the Company does not issue all or part of the New Securities within one hundred and twenty (120) days of the date of the Issuance

Notice, as set out in this Article 35.2, the Company's right to issue and allot any New Securities shall lapse and the provisions of this Article 35.2 shall once again apply to the New Securities.

- 35.2.8 The Parties acknowledge and agree that the rights of the Investors under this Article 35.2 are without prejudice to the requirement of prior written approval of the CX Investor and the Pace Investor (severally and not jointly) under Article 34.1 in respect of any issuance of equity or equity-linked securities by the Company.

35.3 Anti-Dilution; No More Favourable Rights

- 35.3.1 Subject to applicable Law, if at any time after the Effective Date, the Company proposes to issue any Shares to any Person other than the Investors at a per Share price that is less than the price paid by the CX Investor under the CX SPSA and/or the Pace Investor under the Pace SPA I or Pace SPA II and/or the AAJV Investor under the AAJV SSA, each Investor shall be entitled to receive such number of additional Shares, determined in accordance with the mechanism for anti-dilution protection specified in Annexure 3 to the Restated Shareholders' Agreement, from the Principal Shareholders and/or the Company, at the lowest price per Share permissible under applicable Law. The Company and the Principal Shareholders shall promptly perform all acts, including capitalising reserves, for issuance of any such additional Shares as may be necessary for providing the anti-dilution protection to each Investor specified under this Article 35.3.1.
- 35.3.2 It is hereby agreed among the Parties that the Company and the Promoters shall not directly or indirectly grant any Person, including any existing or future shareholder of the Company any rights that are more favourable than the rights granted to the CX Investor and/or the Pace Investor, unless otherwise agreed to by each of the CX Investor and the Pace Investor.

35.4 Restrictions on Transfer of Shares by the Principal Shareholders

- 35.4.1 Each Principal Shareholder jointly and severally undertakes that it shall not, without the prior written consent of each of the CX Investor and the Pace Investor, Transfer to any other Person all or any part of the Shares held by it that would result in the Transfer of more than 10% of the Share Capital held by the Principal Shareholders collectively on the First SHA Date. Any Transfer of up to 5% of the Share Capital held by the Principal Shareholders collectively on the First SHA Date shall not require the consent of the CX Investor and the Pace Investor. Any Transfer of more than 5% but up to 10% of the Share Capital held by the Principal Shareholders collectively on the First SHA Date shall be subject to Article 35.4.2 below and Article 35.6 (*Tag-Along Right*). The Parties agree that the Principal Shareholders may at any time without the prior consent of the Investors, freely Transfer any of the Shares held by them to any of their Affiliates, provided that such Affiliate has executed a deed of adherence substantially in the form set out in Annexure 4 of the Restated Shareholders' Agreement.

35.4.2 Ten Per Cent Right of First Offer

- (a) If a Principal Shareholder desires to Transfer any of its Shares or interest in the Company aggregating to more than 5% but up to 10% of the Share Capital held by the Principal Shareholders collectively on the First SHA Date to any Person (a "**Third Party Purchaser**") such Principal Shareholder shall be required to first offer such Shares proportionately to the CX Investor and the Pace Investor (the "**Ten Per Cent Right of First Offer**") through a written notice (the "**Ten Per Cent Right of First Offer Notice**") setting forth the terms of the proposed Transfer, including the purchase price per Share proposed for such Transfer (the "**Proposed Purchase Price**"), and the number of Shares which each of the CX Investor and the Pace Investor is entitled to purchase (the "**Ten Per Cent Right of First Offer Shares**").
- (b) The CX Investor and/or the Pace Investor shall deliver a written notice to the relevant Principal Shareholder specifying either (i) its acceptance to purchase all the Ten Per Cent Right of First Offer Shares, as each of the CX Investor and/or the Pace Investor may decide in its sole discretion, or (ii) its refusal to purchase all the Ten Per Cent Right of First Offer Shares, within fifteen (15) days of being notified (the "**Ten Per**

Cent Right of First Offer Notice Period”) by such Principal Shareholder. The Parties agree that the CX Investor or the Pace Investor may, at its sole discretion, assign its rights to purchase the Ten Per Cent Right of First Offer Shares to each other, and one of the CX Investor or the Pace Investor may offer to purchase all the Ten Per Cent Right of First Offer Shares. If the CX Investor and/or the Pace Investor exercises its Ten Per Cent Right of First Offer within the Ten Per Cent Right of First Offer Notice Period, the relevant Principal Shareholder shall Transfer the Ten Per Cent Right of First Offer Shares, to the CX Investor and/or the Pace Investor within thirty (30) days of the expiry of the Ten Per Cent Right of First Offer Notice Period upon receipt of the aggregate Proposed Purchase Price in relation to the Ten Per Cent Right of First Offer Shares in immediately available funds, irrespective of whether the Principal Shareholder receives any offer which is higher than the Proposed Purchase Price from any other Third Party Purchaser during such thirty (30) day period.

- (c) In the event the CX Investor and the Pace Investor is unable or unwilling to purchase the Ten Per Cent Right of First Offer Shares or does not respond within the Ten Per Cent Right of First Offer Notice Period, the relevant Principal Shareholder shall be entitled to Transfer the Ten Per Cent Right of First Offer Shares to the Third Party Purchaser at a price equal to or higher than the Proposed Purchase Price and otherwise on the same terms as set out in the Ten Per Cent Right of First Offer Notice within a period of ninety (90) days from the expiry of the Ten Per Cent Right of First Offer Notice Period. In the event that the Principal Shareholder has not Transferred the Ten Per Cent Right of First Offer Shares to the Third Party Purchaser within a period of ninety (90) days from the expiry of the Ten Per Cent Right of First Offer Notice Period, then the provisions of this Article 35.4.2 shall reapply and the Principal Shareholder would be required to issue a Ten Per Cent Right of First Offer Notice to the CX Investor and the Pace Investor. Each of the CX Investor and the Pace Investor shall be entitled, in its sole discretion, to exercise its rights under Article 35.6 in respect of any proposed Transfer to the Third Party Purchaser.

35.4.3 Notwithstanding Article 34.1 or Article 35.4.1, the Parties hereby agree that the Principal Shareholders shall be permitted to pledge the Shares held by them to secure a loan provided to the Company in relation to its Business from a Scheduled Bank or an NBFC with minimum asset size of Rs. 5 billion, after giving at least thirty (30) days written notice to the CX Investor and the Pace Investor, and providing the CX Investor and the Pace Investor with the terms and conditions of such loan, provided, however that any such Shares proposed to be pledged by Sayaji Hotels shall not, at any time, include the Escrow Shares.

35.4.4 Any pledge or creation of any other Encumbrance over the Shares of the Principal Shareholders for any purpose other than to secure a loan provided to the Company in relation to its Business shall require the prior written approval of the CX Investor and the Pace Investor, provided that any Encumbrance created over the Shares of the Principal Shareholders, pursuant to regulation 36 of the SEBI ICDR Regulations, in relation to a Qualified IPO shall not be subject to the provisions of this Section.

35.5 Sale of Shares by the Principal Shareholders and the CX Investor’s Right of First Offer

35.5.1 Subject to Article 35.4, if a Principal Shareholder desires to Transfer any of its Shares or interest in the Company to any Person (a “**Third Party Purchaser**”) such Principal Shareholder shall be required to first offer such Shares proportionately to the CX Investor and the Pace Investor (the “**Right of First Offer**”) through a written notice (the “**Right of First Offer Notice**”) setting forth the terms of the proposed Transfer, including the purchase price per Share proposed for such Transfer (the “**Proposed Purchase Price**”), and the number of Shares which the CX Investor and the Pace Investor is entitled to purchase (the “**Right of First Offer Shares**”).

35.5.2 The CX Investor and/or the Pace Investor shall deliver a written notice to the relevant Principal Shareholder specifying either (a) its acceptance to purchase all the Right of First Offer Shares, as each of the CX Investor and the Pace Investor may decide in its sole discretion, or (b) its refusal to purchase all the Right of First Offer Shares, within forty five

(45) days of being notified (the “**Right of First Offer Notice Period**”) by such Principal Shareholder. The Parties agree that the CX Investor or the Pace Investor may, in its sole discretion, assign its rights to purchase the Right of First Offer Shares to each other, and one of the CX Investor or Pace Investor may offer to purchase all the Right of First Offer Shares offered to each Investor by the Principal Shareholders.

- 35.5.3 If the CX Investor and/or the Pace Investor exercises its Right of First Offer within the Right of First Offer Notice Period, the relevant Principal Shareholder shall Transfer the Right of First Offer Shares, to the CX Investor and/or the Pace Investor, as applicable, within thirty (30) days of the expiry of the Right of First Offer Notice Period upon receipt of the aggregate Proposed Purchase Price in relation to the Right of First Offer Shares in immediately available funds, irrespective of whether the Principal Shareholder receives any offer which is higher than the Proposed Purchase Price from any other Third Party Purchaser during such thirty (30) day period.
- 35.5.4 In the event the CX Investor and the Pace Investor is unable or unwilling to purchase the Right of First Offer Shares or does not respond within the Right of First Offer Notice Period, the relevant Principal Shareholder shall be entitled to Transfer the Right of First Offer Shares to the Third Party Purchaser at a price equal to or higher than the Proposed Purchase Price and otherwise on the same terms as set out in the Right of First Offer Notice within a period of ninety (90) days from the expiry of the Right of First Offer Notice Period. In the event that the Principal Shareholder has not Transferred the Right of First Offer Shares to the Third Party Purchaser within a period of ninety (90) days from the expiry of the Right of First Offer Notice Period, then the provisions of this Article 35.5 shall reapply and the Principal Shareholder would be required to issue a Right of First Offer Notice to the CX Investor and the Pace Investor. Each of the CX Investor and the Pace Investor shall be entitled, in its sole discretion, to exercise its rights under Article 35.6 in respect of any proposed Transfer to the Third Party Purchaser.

35.6 Tag-Along Right

- 35.6.1 In the event that the CX Investor and/or the Pace Investor is unable or unwilling to purchase the Right of First Offer Shares or does not respond within the Right of First Offer Notice Period, each of the CX Investor, the Pace Investor and AAJV Investor shall have the right, but not the obligation, exercisable upon delivery of a written notice to such Principal Shareholder, with a copy to the Company (the “**Tag Notice**”), within thirty (30) days of the expiry of the Right of First Offer Notice Period, to participate in such proposed Transfer of Shares by the Principal Shareholder by requiring the Principal Shareholder to procure that the Third Party Purchaser purchases from each of the CX Investor, the Pace Investor and the AAJV Investor, at the sole discretion of each Investor, a maximum of such number of Shares (or any other Securities on a Fully Diluted Basis) then held by the Investors at the same price and upon the same terms and conditions on which the Principal Shareholder proposes to transfer its Shares to the Third Party Purchaser as is determined by the following formula: $(A/(A+B))*S$, where:
- (a) **A** is the number of Shares held by the Investors immediately prior to such proposed Transfer of Shares to the Third Party Purchaser, if on the date of such proposed Transfer, the Principal Shareholders have Transferred more than 5% of the Share Capital held by them on the First SHA Date;
 - (b) **B** is the number of Shares held by the Principal Shareholders less the number of Shares that represent the difference between the Shares held by the Principal Shareholders immediately prior to such proposed Transfer and 5% less than the number of Shares held by them on the First SHA Date or the number of shares held by the Principal Shareholders, and if as a consequence of such proposed Transfer, the Principal Shareholders will transfer more than 5% of the Share Capital held by them on the First SHA Date, as applicable; and
 - (c) **S** is the number of Shares proposed to be Transferred by such Principal Shareholder.
- 35.6.2 The Tag Notice shall (a) specify the number of Shares (subject to the maximum entitlement of the Investors specified in Article 35.6.1) which each Investor intends to Transfer to the Third

Party Purchaser (collectively the “**Tagged-Along Shares**”) and (b) confirm that on the date of Transfer of the Tagged-Along Shares to the Third Party Purchaser, each Investor shall be the legal owner of the Tagged-Along Shares, free and clear of any Encumbrances. A failure by an Investor to issue a Tag Notice within the period specified in Article 35.6.1 shall constitute a decision by such Investor not to exercise its tag along right as provided herein. However, if the Principal Shareholder fails to consummate the Transfer of such Shares to the Third Party Purchaser in accordance with these Articles within ninety (90) days of the expiration of the Right of First Offer Notice Period, the rights of the Investors under this Article 35.6 shall revive in relation to such Transfer. Any failure by each Investor to deliver a Tag Notice within the prescribed period shall not affect such Investor’s tag along right in any subsequent Transfer by such Principal Shareholder.

- 35.6.3 The Principal Shareholder shall forthwith but not later than thirty (30) days of receiving the Tag Notice, take all necessary steps required to be taken by it to Transfer the Shares of the Investors along with its own Shares in accordance with Article 35.6.1 to the Third Party Purchaser. The Principal Shareholder shall not be entitled to Transfer any of its Shares to the Third Party Purchaser unless and until the Principal Shareholder has arranged for the Transfer of the Tagged-Along Shares to the Third Party Purchaser at the same price and upon the same terms and conditions on which the Principal Shareholder proposes to Transfer its Shares to the Third Party Purchaser, including, for the avoidance of doubt, the cash equivalent of any cash or non-cash component of the consideration received by the Principal Shareholder in excess of the price per Share. Any Transfer by the Principal Shareholder in violation of this Article 35.6, if purported to be made, shall be void *ab initio* and the Company shall ensure that its depository participant does not register any such Transfer of Shares.
- 35.6.4 Each Investor shall effect its participation in the proposed Transfer by promptly delivering to the Principal Shareholder, with a notice to the Company, for transfer to the Third Party Purchaser, signed instruction slips with respect to the Tagged Along Shares. Each Investor shall represent to the Third Party Purchaser that it is legal owner of the Tagged-Along Shares, free and clear of any Encumbrances, and execute all necessary documents required under applicable Law in connection with the Transfer of the Tagged-Along Shares to the Third Party Purchaser. The Investors shall not be required to give any other representation, warranty or indemnity whatsoever in connection with the Transfer of their Shares pursuant to this Article 35.6.
- 35.6.5 Without prejudice to Article 35.4, if, as a result of a proposed Transfer of Shares by the Principal Shareholder to a Third Party Purchaser, the combined shareholding of the Principal Shareholders in the Company will fall below 51% of the Share Capital, including any Transfer by any Principal Shareholder where the Principal Shareholders’ combined shareholding is already below 51% of the Share Capital, each Investor’s right under Article 35.6.1 to participate in such Transfer of Shares by the Principal Shareholder shall be with respect to all of the Shares (or any other securities on a Fully Diluted Basis) then held by such Investor.
- 35.6.6 Nothing contained in this Article 35.6 shall apply to any Transfer of up to 5% of the Share Capital held by the Principal Shareholders collectively on the First SHA Date.

35.7 Transfer of Shares by the Investors and Principal Shareholder’ Right of First Offer

- 35.7.1 Subject to this Article 35.7, each Investor may at any time without the prior consent of the Principal Shareholders, Transfer any of the Shares held by it to any Person, including any of its Affiliates or Permitted Transferees, provided that such Person is not a Competitor and has executed a deed of adherence substantially in the form set out in Annexure 4 of the Restated Shareholders’ Agreement. However, in the event that the Investors have been unable to exit from the Company within a period of five (5) years from the First SHA Date, such restriction on Transfer of Shares by the Investors to Competitors shall lapse and the Investors shall be entitled to Transfer their Shares to any third party subject to compliance with this Article 35.7.
- 35.7.2 Provided that, if each Investor Transfers the Shares held by it to any Person (a “**Third Party Purchaser**”), other than its Affiliates at any time prior to the Company being listed on a Recognized Stock Exchange, such Person shall be entitled to all the rights of such Investor under these Articles.

- 35.7.3 In the event an Investor desires to Transfer any of its Shares to a Third Party Purchaser, such Investor shall be required to first offer such Shares to the Principal Shareholders (the “**Principal Shareholders’ Right of First Offer**”) through a written notice (the “**Principal Shareholders’ Right of First Offer Notice**”) setting forth the terms of the proposed Transfer, including the purchase price per Share proposed for such Transfer (the “**Proposed Purchase Price**”), and the number of Shares which the Investor is desirous of selling (the “**Principal Shareholders’ Right of First Offer Shares**”).
- 35.7.4 The Principal Shareholders shall deliver a written notice to such Investor specifying either (a) their acceptance to purchase all the Principal Shareholders’ Right of First Offer Shares, or (b) their refusal to purchase all the Principal Shareholders’ Right of First Offer Shares, within forty five (45) days of being notified (the “**Principal Shareholders’ ROFO Notice Period**”) by such Investor.
- 35.7.5 If the Principal Shareholders exercise their Right of First Offer within the Principal Shareholders’ ROFO Notice Period, the Investors shall Transfer the Principal Shareholders’ Right of First Offer Shares to the Principal Shareholders within thirty (30) days of the expiry of the Principal Shareholders’ ROFO Notice Period upon receipt of the aggregate Proposed Purchase Price in relation to the Principal Shareholders’ Right of First Offer Shares in immediately available funds, irrespective of whether the Investors receive any offer which is higher than the Proposed Purchase Price from any Third Party Purchaser during such thirty (30) day period.
- 35.7.6 In the event the Principal Shareholders are unable or unwilling to purchase the Principal Shareholders’ Right of First Offer Shares or do not respond within the Principal Shareholders’ ROFO Notice Period, each Investor shall be entitled to Transfer the Principal Shareholders’ Right of First Offer Shares to the Third Party Purchaser at a price equal to or higher than the Proposed Purchase Price and otherwise on the same terms as set out in the Principal Shareholders’ Right of First Offer Notice.
- 35.7.7 In the event the Investors have not Transferred the Principal Shareholders’ Right of First Offer Shares to the Third Party Purchaser within a period of ninety (90) days after the expiry of the Principal Shareholders’ ROFO Notice Period, then the provisions of this Article 35.7 shall re-apply and the Investor will be required to first offer such Shares to the Principal Shareholders.
- 35.7.8 If each Investor Transfers a part of its Shares to any Person (other than to its Affiliates or Permitted Transferees) (such Person, a “**Part Purchaser**”), such Investor and the Part Purchaser shall be deemed to be one (1) shareholder whenever applicable and shall act together in the exercise of their rights under these Articles provided that such Investor and the Part Purchaser shall be entitled to exercise to rights on a joint basis (without duplication) only if the CX Investor, the Pace Investor and Part Purchaser collectively hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital. Such Investor shall remain a Party to these Articles and shall be jointly with the Part Purchaser be treated as one (1) shareholder group in respect of the Shares Transferred to the Part Purchaser unless, such Investor at its sole discretion, decides to allow the Part Purchaser to be substituted in place of such Investor as a party to the Restated Shareholders’ Agreement in which case, all the rights and obligations of such Investor under the Restated Shareholders’ Agreement and these Articles would be exercised by the Part Purchaser.

35.8 Other Transfer Provisions

- 35.8.1 Any stamp duty or transfer Taxes or fees payable on the Transfer of any Shares in accordance with these Articles including pursuant to Articles 35 and 36 shall be borne and paid by the transferee (for the avoidance of doubt it is hereby clarified that transfer Taxes, wherever referred in these Articles, shall not include any income Tax payable by the transferor pursuant to the Transfer of the Shares).
- 35.8.2 The Company, and the Principal Shareholders shall render all assistance and co-operation to each Investor to complete any Transfer in excess of 5% of the Share Capital, in accordance with these Articles, including Transfers pursuant to Articles 35 and 36, including making available requisite information for any due diligence by the Third Party Purchaser (including

accounting, Taxation and legal due diligence) requisite financial statements of the Company for preparation of the valuation certificate and providing/facilitating the application of Governmental Approvals required to complete such Transfer.

- 35.8.3 At the closing of any Transfer pursuant to these Articles including Transfers pursuant to Articles 35 and 36, the transferor shall deliver instructions to its depository participant of the Transferor instructing the depository participant to Transfer such number of Shares as agreed to the transferee, which Shares shall be free and clear of any Encumbrance. At such closing, all parties to such transaction shall execute such additional documents as may be necessary or appropriate to effect the transfer of their respective Shares.
- 35.8.4 Any transferee purchasing Shares shall deliver to the transferor at such closing (or on such later date or dates as may be provided in the relevant notices governing such Transfer with respect to payment of consideration by the proposed transferee) payment in full of their respective portion of the Transfer consideration in accordance with the terms set forth in the relevant notices governing such Transfer.
- 35.8.5 None of the Parties shall enter into any agreement or arrangements in respect of any rights attached to their Shares which is or may result in a breach of any of the Transaction Documents.
- 35.8.6 Each of the Principal Shareholders undertake and covenant to each Investor that they shall procure that each of the Principal Shareholders shall exercise all rights and powers available to it to procure that the Directors or the Company's share transfer committee shall approve all Transfers of Shares that are in accordance with the terms of these Articles.

35.9 Transfer or Issue of Shares to the Pace Investor

The Parties agree that notwithstanding anything contained in these Articles, including Articles 34 and 35, in the event that the Pace Investor is unable to purchase all the sale shares under the Pace SPA II (the "**Pace SPA II Sale Shares**") on or prior to August 15, 2015, for any reason whatsoever, including due to any of the sellers under the Pace SPA II (the "**Pace SPA II Sellers**") being unable to obtain the required approvals from Governmental Authorities, including the approval of the Reserve Bank of India for the transfer of all the Pace SPA II Sale Shares from the Pace SPA II Sellers to the Pace Investor, the Principal Shareholders agree, undertake and covenant, jointly and severally, to transfer such number of Shares as is equal to the Pace SPA II Sale Shares to the Pace Investor at a price of Rs. 620 per Share (as agreed under the Pace SPA II), on or prior to August 31, 2015. In the event that the Principal Shareholders are unable to transfer such number of Shares as is equal to the Pace SPA II Sale Shares to the Pace Investor on or prior to August 31, 2015, the Company agrees, undertakes and covenants to issue such number of fresh equity shares of the Company to the Pace Investor as is equal to the Pace SPA II Sale Shares at a price of Rs. 620 per equity share (as agreed under the Pace SPA II) on or prior to September 15, 2015, and the Principal Shareholders agree, undertake and covenant to procure that the Company issues such number of fresh equity shares of the Company to the Pace Investor as is equal to the Pace SPA II Sale Shares on or prior to September 15, 2015. Provided that if the minimum price per Share payable by the Pace Investor under applicable Law to the Principal Shareholders or the Company is higher than Rs. 620, then the Pace Investor, at its option, shall be entitled to procure the sale or subscription of such Shares at such minimum price payable under applicable Law or in favour of a person resident in India nominated by it at a consideration of Rs. 620 per Share.

36. LISTING OF SHARES

36.1 Qualified IPO

- 36.1.1 The Company and the Promoters have undertaken to use their best efforts to conduct an underwritten initial public offering (including an offer for sale, if any) of Shares ("**IPO**") on or before March 31, 2018, or such other date as may be communicated in writing by each of the CX Investor and the Pace Investor in its sole discretion (the "**Qualified IPO Date**"), that satisfies all the following conditions (a "**Qualified IPO**"):

- (a) the issue price at which Shares are issued or transferred in such an IPO shall be based on a valuation of the Company such that the CX Investor receives an amount when aggregated with all the dividend which has accrued and been paid to the CX Investor, will yield to the CX Investor an aggregate rate of interest on each Share of 8% per annum compounded on an annual basis for the period from the First SHA Date to the date on which the Shares are listed and traded on the Recognized Stock Exchanges. Provided that the CX Investor shall at its sole discretion, have the right to waive this condition, either wholly or in part, by way of a written notice to the Company;
 - (b) the Shares issued or transferred in such an IPO are duly listed/quoted on a Recognized Stock Exchange;
 - (c) the IPO consists of an offer of such number of securities of the Company as are required under applicable Law;
 - (d) the IPO is managed and underwritten by reputable investment banking firms of recognized high standing in the markets in which such Shares are to be offered and which is acceptable to the CX Investor and the Pace Investor (the “**Investment Bank**”); and
 - (e) the IPO complies with all requirements under applicable Law.
- 36.1.2 Notwithstanding anything contained in Article 36.1.1 above, but subject to any applicable Law, the CX Investor, the Pace Investor and the AAJV Investor shall have the right to cause the Company to sell, as part of the Qualified IPO, up to 100% of its Shares on the same terms and conditions as the fresh issue of any Shares offered to the public by the Company (a “**Secondary Offering**”). The Company and the Promoters shall undertake such steps, as may be required under applicable Law and provide all reasonable assistance in order to complete the Secondary Offering.
- The Parties agree that in the event of an under subscription in the Qualified IPO that includes a Secondary Offering, pursuant to applicable Law, after meeting the minimum subscription requirement of 90% of the primary issuance in the Qualified IPO, the balance subscription in the Qualified IPO will be met through Shares offered by the Investors and the Promoters in the Secondary Offering on a pro rata basis to their respective shareholding.
- 36.1.3 If the Shares of the Investors are not sufficient in number for the purpose of conducting a Qualified IPO as required by applicable Law, rules of the Recognized Stock Exchange(s), or as advised by the Investment Bank(s), Promoters shall offer such number of its Shares for sale in the Qualified IPO, or the Company shall issue such new Shares as would be sufficient for the purpose of conducting the Qualified IPO.
- 36.1.4 Subject to applicable Law, the Company and the Promoters shall ensure that none of the Investors will be considered a promoter or part of the promoter group of the Company, as such terms are defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, for any reason whatsoever or be required to undertake any obligation relating to disclosure in the offering documents or any agreement in any offering and, subject to applicable Law, the Shares held by the CX Investor, the Pace Investor and the AAJV Investor will not be subject to any lock-in restriction.
- 36.1.5 Subject to applicable Law, the Company and the Promoters agree that the CX Investor, the Pace Investor and the AAJV Investor, shall not, in connection with an IPO or upon listing or sale of the Shares held by the CX Investor, the Pace Investor and the AAJV Investor, be required to give any representations, warranties or indemnities to any underwriter, broker, Recognized Stock Exchange, any Governmental Authority or any other Person other than in relation to clear title of its Shares if the CX Investor, the Pace Investor or the AAJV Investor is participating in an offer for sale in the Qualified IPO. In the event that the CX Investor, the Pace Investor or the AAJV Investor is required under Law to give any representation, warranty, indemnity or covenant with respect to the Company, the Promoters, the promoter group, the group companies or their respective affiliates and associates or any of their respective businesses, financial statements, management, operations or other information

related to such entities (collectively, “**Third Party Undertaking**”), the Promoters shall be liable to secure, reimburse, indemnify, defend and hold harmless the CX Investor, the Pace Investor and the AAJV Investor on demand for and against any and all Claims and Losses arising out of, in relation to or resulting from such Third Party Undertaking.

- 36.1.6 The Promoters undertakes to indemnify the CX Investor, the Pace Investor, the AAJV Investor and their respective Affiliates both in India and elsewhere, as well as their respective directors, partners and officers (the “**IPO Investor Indemnified Party**”) from and against any Claims and Losses, to which such IPO Investor Indemnified Party may become subject under any applicable Law, arising directly out of any wilful and untrue statement or omission of a material fact about the Principal Shareholders contained in the draft red herring prospectus, the red herring prospectus or the prospectus (including any international wrap) in relation to a proposed IPO, which is attributable to any information provided by the Promoters.
- 36.1.7 Other than as may be required by applicable Law, in the IPO the CX Investor, the Pace Investor or the AAJV Investor shall not be required to provide its Shares for being locked-in or restricting Transfer thereof in any manner whatsoever, including for the purposes of any promoter contribution.
- 36.1.8 The Parties agree that the fees and expenses relating to the IPO, other than the listing fees which shall be borne solely by the Company, shall be shared by the Company and the Selling Shareholders, as mutually agreed, in accordance with applicable Law.
- 36.1.9 At the time of an IPO, these Articles shall be amended to such extent as may be required under applicable Law or by the Recognized Stock Exchange.
- 36.1.10 In addition, the Promoters shall ensure a clear market for a Qualified IPO, during which time, the Company, its Subsidiaries, any Shareholder and/or any Sayaji Shareholder shall not, undertake any IPO, follow on offering, rights issue, qualified institutional placement or any other issuance of securities before any stock exchange in India or outside India. Such clear market period shall be for a period of twelve (12) months following the listing and trading of the Shares pursuant to a Qualified IPO or an Investor IPO, as the case may be.

36.2 Offer for Sale

- 36.2.1 If the Company is unable to complete a Qualified IPO by the Qualified IPO Date or such other later date as may be agreed among the Parties, then without prejudice to their other rights under these Articles or the Shareholders’ Agreement, the Investors shall have the right to cause an IPO (the “**Investor IPO**”) and require Sayaji Hotels to join the Investors in completing the Investor IPO by way of an offer for sale of the Shares on a Recognized Stock Exchange by contributing along with the Investors, such number of Shares held by the Promoters as may be required for such purpose.
- 36.2.2 In order to ensure that the minimum issue size required under applicable Law is offered to the public in the event of an Investor IPO, Sayaji Hotels and the Investors have agreed that the Escrow Shares will be held in escrow with the Escrow Agent on and from the First SHA Date until their release in accordance with Article 36.2.3 below and more specifically in accordance with the escrow agreement dated April 10, 2013 between the AAJV Investor, the Company, Sayaji Hotels and the Escrow Agent (the “**Escrow Agreement**”) whereby Sayaji Hotels has placed in escrow the Escrow Shares. The AAJV Investor, the Company and Sayaji Hotels undertakes, agree and covenant that any time after the Effective Date and upon obtaining necessary Governmental Approvals, each of the CX Investor and the Pace Investor may, at its option, require the parties to the Escrow Agreement to amend the Escrow Agreement and facilitate the inclusion of the CX Investor and/or the Pace Investor as a party to the Escrow Agreement and the Company and Sayaji Hotels undertakes to amend the terms of the Escrow Agreement to facilitate the inclusion of the CX Investor and/or the Pace Investor as a party to the Escrow Agreement. Upon such inclusion, the CX Investor and/or the Pace Investor shall have the benefit of all the rights that the AAJV Investor may have under the Escrow Agreement.

36.2.3 The understanding of Parties in relation to the aforementioned escrow arrangement is as follows:

- (a) Sayaji Hotels shall ensure that the number of Escrow Shares shall together with the Shares offered by the Investors be equivalent to the minimum number of shares required under applicable Law to undertake an Investor IPO;
- (b) Promptly, and in any event within fifteen (15) days of the issue of any further Shares to the shareholders of the Company, Sayaji Hotels shall deliver to the Escrow Agent additional Shares such that the aggregate number of Escrow Shares deposited with the Escrow Agent at all times represent 17.57% of the Share Capital. Subsequent to the closing of the Pace SPA II, the Parties agree to amend the Escrow Agreement and reduce the aggregate number of Escrow Shares deposited with the Escrow Agent that, as of the Execution Date, represents 17.57% of the Share Capital to 15.53% of the Share Capital.
- (c) The Investors shall also have the right to facilitate the sale of such number of the Escrow Shares as are required for undertaking the Investor IPO without any further consent or action from Sayaji Hotels subject to compliance with this Article 36.2.3. In addition, Sayaji Hotels shall execute and submit a power of attorney and submit proof of clear title to the Escrow Shares, to the escrow agent in order to enable the escrow agent to offer the Escrow Shares in the Investor IPO;
- (d) All rights, title and interest (including without limitation, the right to dividends and exercise of voting rights at general meetings of the Company) in the Escrow Shares shall (subject to the provisions of the Depositories Act, 1996) continue to vest in Sayaji Hotels, except upon a sale of the Escrow Shares or part thereof (as the case may be) in an offer for sale as part of an Investor IPO;
- (e) In the event that in an Investor IPO, the Escrow Shares are not required to meet the minimum issue size, then all (and not less than all) the Escrow Shares shall be released by the Escrow Agent in favour of Sayaji Hotels.
- (e) Except in case of the release of the Escrow Shares in accordance with this Article 36.2.3 or pursuant to Article 36.3, the Escrow Shares shall not be released in favour of any Person(s) other than Sayaji Hotels.

36.2.4 The Principal Shareholders agree, undertake and covenant to procure that if the Investors issue a notice to the Board for causing the Investor IPO, the Board shall forthwith form a sub-committee to deal with and decide on all matters relating to such Investor IPO and such sub-committee shall also have the power to direct the Company in a manner as it deems fit to ensure that the documentation and regulatory requirements to successfully initiate and complete the Investor IPO are duly complied with. The sub-committee shall comprise three (3) Directors, with one (1) Director representing the Promoters, one (1) Director representing the Investors and one (1) Independent Director. The sub-committee shall be advised by a merchant banker of international repute, appointed by Board.

36.2.5 Each Promoter agrees, undertakes and covenants to sign and execute all documents required to be signed by it to complete the Investor IPO, including the offering document, upon advice of the Board or the sub-committee. If the Promoters fail to sign all requisite documents within thirty (30) days of the Board's advice, the Investors shall be entitled to exercise their right specified in Article 36.3.

36.3 Drag Rights

36.3.1 In the event that the Promoters fail to execute any document required to be signed to complete the Investor IPO, including the offering document, within thirty (30) days of the Board's advice, then without prejudice to the other rights of the Investors, the Investors shall be entitled to serve a notice to the Promoters and the Company, informing them of the intention of the Investors to sell the Escrow Shares along with all the CX Investor Shares, the Pace Investor Shares and the AAJV Investor Shares to a third party purchaser (the "**Drag Notice**").

- 36.3.2 Upon receipt of the Drag Notice, each Promoter may, at its sole discretion, deliver a written notice to each of the Investors specifying either (a) acceptance to purchase all the Investors' Shares (through a third party, an Affiliate or by itself), or (b) its refusal to purchase all the Investors' Shares, within fifteen (15) days of being notified (the "**Drag Notice Period**") by the Investors.
- 36.3.3 If the Promoters exercise its right to purchase the Investors' Shares, each Investor shall Transfer its Shares to the Promoters (or a Person nominated by the Promoters, in such proportion as indicated by the Promoters) within fifteen (15) days of the expiry of the Drag Notice Period.
- 36.3.4 In the event the Promoters are unable or unwilling to purchase the Investors' Shares or do not respond within the Drag Notice Period, the Investors' shall, at their own discretion, be entitled to Transfer the Investors' Shares and the Escrow Shares to a third party purchaser. Further, each Promoter shall contribute such additional number of Shares held by it to facilitate any such acquisition of Shares by the third party purchaser.
- 36.3.5 Each Promoter shall use its best efforts to facilitate and assist in any sale as contemplated under this Article 36.3 and shall provide and shall ensure that the Key Managerial Personnel of the Company provide all support including transition support, as required by the third party purchaser.

36.4 Registration Rights

- 36.4.1 Upon completion of a Qualified IPO or simultaneous with the completion of a Qualified IPO, if Company proposes to list any of its Shares or other securities in one or more stock exchanges outside India, then on the CX Investor's and/or the Pace Investor's request, the Company shall take all steps, do all such things, execute all such writings and make all regulatory applications and filings as may be required under applicable Law to undertake a "sponsored ADR/GDR issue", in accordance with the Depository Receipts Scheme 2014, dated October 21, 2014, issued by the Ministry of Finance, Government of India, and facilitate the unrestricted sale and distribution of the Shares held by the CX Investor and/or the Pace Investor on such stock exchanges, such that the CX Investor's shares and/or the Pace Investor's shares are freely transferrable on such stock exchanges. The CX Investor and/or the Pace Investor shall be entitled to demand that all or part of the shares held by it in the Company be converted into American Depository Receipts or Global Depository Receipts, unless prohibited under applicable Law. The Company and the Principal Shareholders shall execute a registration rights agreement in favour of the CX Investor and/or the Pace Investor that is customary in the market in which the securities of the Company are being listed within 30 (thirty) days of receiving a request to do so from the CX Investor and/or the Pace Investor.
- 36.4.2 If the Shares are listed or proposed to be listed on one or more stock exchanges in the United States of America, then the CX Investor and/or the Pace Investor shall also be entitled to demand that the Company register all or part of the Shares held by it in the Company with the appropriate and necessary Governmental Authority as required in connection with such offering to ensure unlimited transferability of such American Depository Receipts, Global Depository Receipts or Shares and to effect a public offering of such American Depository Receipts, Global Depository Receipts or Shares, unless prohibited under Law. Such demand registration shall be carried out by the Company upon request of the CX Investor and/or the Pace Investor.
- 36.4.3 The Company will appoint merchant bankers, prepare a prospectus and provide all assistance for such an offering. The price and other terms of such offering shall be decided in consultation with the CX Investor and/or the Pace Investor. All fees and expenses required to be borne by the CX Investor and/or the Pace Investor in connection with such demand registration, as prescribed under the Depository Receipts Scheme 2014, dated October 21, 2014, issued by the Ministry of Finance, Government of India shall be borne by the CX Investor and/or the Pace Investor. Any other expenses relating to the demand registration and the offering shall be borne by the Company.

- 36.4.4 In the event of an offering in the United States of America, the CX Investor and/or the Pace Investor will be entitled to unlimited piggyback rights (to register the American Depositary Receipts, Global Depositary Receipts or Shares and to make an offer for sale simultaneously) in all primary offerings and all other secondary offerings of the Company's American Depositary Receipts, Global Depositary Receipts or Shares. If applicable Law requires that the Company extend the piggyback rights to all shareholders of the Company, then the Company shall increase the size of the potential offering such that the CX Investor and/or the Pace Investor will be able to participate to the extent desired by the CX Investor and/or the Pace Investor. The Company will, subject to applicable Law, pay the expenses of the CX Investor and/or the Pace Investor in all piggyback registrations (including the fees and expenses of one legal counsel/firm of legal counsels for the CX Investor and/or the Pace Investor, but excluding underwriters' discounts and selling commissions).
- 36.4.5 The right to convert to American Depositary Receipts/Global Depositary Receipts shall be offered *pari-passu* to all categories of shareholders of the Company. The Company undertakes not to grant other registration or secondary offering rights, other than rights that are *pari-passu* to the rights of the CX Investor and the Pace Investor.

37. LIQUIDITY PREFERENCE AND SPECIAL RIGHTS

37.1 Liquidity Preference

- 37.1.1 After the end of thirty six (36) months from the First SHA Date, subject to the rights of the CX Investor under Article 34, in the event that the Board resolves to undertake any sale or transfer of Securities or sale, transfer or disposal of assets of the Company, or undertake any merger, demerger, restructuring or reorganisation that has a similar effect ("**Liquidity Transaction**"), (a) the CX Investor shall be entitled to be repaid (i) an amount equal to the aggregate amounts paid by the CX Investor for the subscription and purchase of the Shares under the CX SPSA plus all declared but unpaid dividends and (ii) an amount when aggregated with all the dividend which has accrued and been paid to the CX Investor, will yield to the CX Investor an aggregate rate of interest on each Share of 8% per annum compounded on an annual basis for the period from the First SHA Date to the date on which the Board approves any Liquidity Transaction (collectively, "**CX Preference Pay-Out**"); and (b) the AAJV Investor shall be entitled to be repaid (i) an amount equal to the aggregate amounts paid by the AAJV Investor for the subscription of the Shares under the AAJV SSA and the purchase of the Shares under the AAJV SPA plus all declared but unpaid dividends and (ii) an amount when aggregated with all the dividend which has accrued and been paid to the AAJV Investor, will yield to the AAJV Investor an aggregate rate of interest on each Share of 8% per annum compounded on an annual basis for the period from the First SHA Date to the date on which the Board approves any Liquidity Transaction (collectively, "**AAJV Preference Pay-Out**") prior to any distribution to the Principal Shareholders.
- 37.1.2 In addition, to the extent that there are assets available for distribution after payment of the Preference Pay-Out and after other Shareholders of the Company have received their pro rata share of dividends, all shareholders (including the Investors) will be entitled to receive a pro rata share in any such remaining assets and the Company shall forthwith distribute all such remaining assets to all shareholders (including the Investors).

37.2 Special Rights

- 37.2.1 In the event that there is a Liquidation Event or if the Sayaji Shareholders hold less than 50% of the share capital of Sayaji Hotels or if Control of Sayaji Hotels is acquired by a Person who is not an Affiliate or Relative of the Sayaji Shareholders, then KD shall make best efforts to purchase all the Shares held by Sayaji Hotels in the Company. In the event that KD is unable to purchase all the Shares held by Sayaji Hotels in the Company, then the CX Investor, the Pace Investor and AAJV Investor may at its option (a) Transfer all of the Shares held by it, to KD and the Other Shareholders and KD and the Other Shareholders (either jointly or severally) shall have the obligation to purchase from each Investor all of such Investor's Shares, at the Fair Market Value of the Investor's Shares; or (b) acquire Control of the Company by way of the CX Investor and/or the Pace Investor, at its option, subscribing to such number of Shares, at Fair Market Value such that the CX Investor and/or the Pace

Investor, upon subscribing to such additional Shares, would collectively hold 51% of the Share Capital and/or the Principal Shareholders and other Shareholders of the Company transferring and KD procuring that the Principal Shareholders and other Shareholders of the Company transfer such number of Shares to the CX Investor and/or the Pace Investor at Fair Market Value such that the CX Investor and/or the Pace Investor, upon acquiring such additional Shares, would collectively hold 51% of the Share Capital.

37.2.2 For the purpose of this Article 37.2, “**Liquidation Event**” shall mean (a) the liquidation, winding up or dissolution of Sayaji Hotels, either through a members’ or creditors’ voluntary winding-up process or a court directed winding-up process; or (b) the taking of any step by any person for the liquidation, winding up or dissolution of Sayaji Hotels or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets or revenues; (c) any merger or amalgamation of Sayaji Hotels into another company such that (i) the Sayaji Shareholders hold less than 50% of the share capital of Sayaji Hotels or the resultant merged entity, as the case may be; or (ii) Control of Sayaji Hotels is acquired by a Person who is not an Affiliate or Relative of the Sayaji Shareholders.

38. INFORMATION RIGHTS

38.1 The Company shall provide to the CX Investor, the Pace Investor, the CX Investor Directors (or their alternate Director), the CX Investor Observer and MPL all such information relating to the Company, including:

38.1.1 unaudited consolidated statements of income, statements of changes in shareholder equity and statements of cash flows of the Company for such month and for the period from the beginning of the current Financial Year to the end of such month, and an unaudited consolidated balance sheet as of the end of such month not later than 14 (fourteen) Business Days of the end of each calendar month, as applicable;

38.1.2 monthly management review detailing key operational performance indicators and statistics as of the end of such month not later than fourteen (14) Business Days of the end of each calendar month, as applicable;

38.1.3 unaudited consolidated statements of income, statements of changes in shareholder equity and statements of cash flows of the Company for such quarter and for the period from the beginning of the current Financial Year to the end of such quarter, and an unaudited consolidated balance sheet as of the end of such quarter not later than 30 (thirty) Business Days of the end of each quarter of every Financial Year, as applicable;

38.1.4 audited consolidated statements of income, statements of changes in shareholder equity and statements of cash flows of the Company for such Financial Year and an audited consolidated balance sheet as of the end of such Financial Year and accompanied by the report of an independent certified public accountant of recognized standing not later than ninety (90) Business Days of the end of each Financial Year, as applicable;

38.1.5 minutes of Board, Committees and shareholders’ meetings not later than seven (7) Business Days of the occurrence of such meetings;

38.1.6 details of creation of any Encumbrance on any Shares owned by any of the Principal Shareholders;

38.1.7 details of any Claim above Rs. 10,000,000 against each Promoter or any Claim above Rs. 1,000,000 against the Directors as and when the Company or the Promoters has knowledge regarding such Claims, and periodic updates in respect of the status of such Claims; and

38.1.8 other relevant material information including business plans, capital expenditure budgets and management reporting information not set forth above.

38.2 In addition, the Company shall promptly provide, and the Promoters shall ensure that the Company promptly provides, to the CX Investor and the Pace Investor, any information relating to material developments in the financial condition, operations and prospects of the Company and any Subsidiary,

including estimated changes in the balance sheet, changes in the business plan and forecasts, expansion or fund-raising plans, any plans relating to an IPO and material developments in relationships with employees and sub-contractors.

- 38.3** The Company shall maintain and the Promoters shall ensure that the Company maintains accurate and complete accounting and other financial records and procure that those accounting records are available for inspection by the CX Investor, the Pace Investor or its respective authorized representatives during normal business hours.
- 38.4** The financial statements of the Company shall be prepared in accordance with Indian GAAP. The accounting principles of the Company shall reflect industry best practices.
- 38.5** The Company shall and the Promoters shall ensure that the Company devises and maintains:
- 38.5.1 effective internal control over financial reporting; and
- 38.5.2 a system of internal accounting controls sufficient to provide reasonable assurance that:
- (a) transactions are executed in accordance with management's general or specific authorizations and the Annual Budget;
 - (b) transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian GAAP and to maintain accountability for assets;
 - (c) access to material assets is permitted only in accordance with management's general or specific authorization;
 - (d) the recorded accountability for material assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and
 - (e) books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets of the Company and provide a sufficient basis for the preparation of the financial statements in accordance with Indian GAAP.

38.6 Annual Budget

3. The Company shall procure that the draft Annual Budget for the forthcoming Financial Year is delivered to each Director at least one (1) month prior to the end of the then current Financial Year of the Company. Unless all the Directors agree otherwise, the Board shall meet to consider such Annual Budget not later than ten (10) days prior to the end of the then current Financial Year of the Company. The Annual Budget shall be subject to the written approval of the Board. The Company shall and the Promoters shall procure that the Company shall operate and conduct its Businesses in any Financial Year in accordance with the relevant Annual Budget which has been approved by the Board.

- 38.7** Upon the completion of a Qualified IPO, the Company shall ensure that any information provided to the Investors, including the information listed above is published by the Company prior to it being provided to the Investors. The Company shall not provide any unpublished information to the Investors.
- 38.8** Each Promoter undertakes to procure fulfilment of/ compliance with by the Company with the terms of this Article 38.
- 38.9** The Company and the Promoters acknowledge and agree that each of the CX Investor and the Pace Investor shall be entitled to share all information received from the Company with its Affiliates and Permitted Transferees. Each of the CX Investor and the Pace Investor shall ensure that such Affiliates and Permitted Transferees keep the information received from the Company confidential.
- 38.10** Each of the CX Investor and the Pace Investor and their duly authorised officers, employees, accountants and attorneys, respectively, shall have the right, at its own costs and expenses, at any time, and from time to time during normal business hours without disruption of the functioning of the Business and upon prior written notice of at least ten (10) Business Days to the Company, to inspect

and take copies of the books, records and other related documents of the Company and to consult with the officers, employees, accountants and attorneys of the Company for the purpose of affording the CX Investor and/or the Pace Investor full opportunity to make such investigation as it shall desire and the Company shall make all reasonable efforts to provide the required information to the CX Investor and/or the Pace Investor. The CX Investor and/or the Pace Investor shall have the right, at its own costs and expenses, to conduct an audit of the Business to review financial and operational processes being followed by the Company and make recommendations in that behalf. The Company shall take all reasonable steps to ensure that such recommendations are duly implemented in a timely manner, subject to the approval of such recommendations by the Board.

Provided that the obligations of the Company and the Promoters with respect to the disclosure, sharing or delivery of information pursuant to this Article 38 shall at all times be subject to the restrictions and conditions prescribed under applicable laws, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and Section 195 of the Companies Act.

39. APPOINTMENT OF AUDITORS AND OTHER ADVISORS

39.1 Auditors

The statutory auditors of the Company shall be one of PriceWaterhouseCoopers, Ernst & Young, KPMG, or Deloitte Haskins & Sells, as appointed by the Board, from time to time. The Board shall also appoint a reputable chartered accountants firm to act as the internal auditors of the Company.

39.2 Appointment of Consultants

The CX Investor and/or the Pace Investor, with prior approval of the Promoters, may invite any consultant or advisor (“**Consultant**”) to undertake reviews and propose measures to enhance the operational excellence, value realization, growth prospects and suggest changes to the existing operations of the Company. The Company shall attend all meetings with the Consultants and upon being satisfied with the Consultant, appoint the Consultant (subject to execution of definitive documentation in a form satisfactory to the CX Investor and/or the Pace Investor). The Company shall take all measures to implement all the suggestions and recommendations as maybe provided by the Consultant pursuant to their review. All costs relating to the Consultant shall be borne by the Company.

40. LIABILITY OF THE INVESTOR DIRECTORS

40.1 The Company and the Promoters expressly agree and undertake that to the maximum extent permitted by applicable Law, each of the CX Investor Directors shall not be liable for any default or failure of the Company in complying with the provisions of any applicable Law, including defaults under the Companies Act and Taxation and labour laws of India, since the CX Investor Directors are not responsible for the day-to-day management or the affairs of the Company.

40.2 The Company and the Promoters expressly agree and undertake that they shall not identify any of the CX Investor Directors as an “officer in default” of the Company, or occupier of any premises used by the Company or employer to the extent permitted under applicable Law. Further, the Company and the Promoters undertake to procure that the other Directors or suitable persons are nominated as compliance officers, occupiers and/or employers, as the case may be, in order to procure that, to the maximum extent permitted by applicable Law, each CX Investor Director does not incur any liability.

40.3 The Company shall compensate, indemnify, defend and hold harmless, to the maximum extent permitted by applicable Law, any Director who was or is made a party, or is threatened to be made a party, to any Claim (including any action brought by or in the name of the Company or any other Director), by reason of the fact that such Director is or was a Director, or otherwise relating to any action taken or omitted to be taken in such person’s capacity as a Director, against all or any such Claims and Losses (as hereinafter defined) in connection with the Business.

40.4 The provisions of Articles 40.1 to 40.3 shall apply *mutatis mutandis* in respect of any alternate Director appointed in relation to any of the CX Investor Directors.

41. INDEMNIFICATION

41.1 Indemnification

41.1.1 Without prejudice to any other right or remedy which may be available to the CX Investor, the Pace Investor or the AAJV Investor, each Promoter covenants with each of the CX Investor, the Pace Investor and the AAJV Investor to indemnify, defend, save and hold harmless the CX Investor, the Pace Investor, the AAJV Investor and their respective Affiliates, directors, officers, employees and advisors (the “**Indemnified Parties**”) from, and pay to the Indemnified Parties from time to time on demand, such amounts as are equal to the amount of, all Losses in each case, suffered or incurred by the CX Investor, the Pace Investor or the AAJV Investor based upon, arising out of, in relation to, or otherwise in respect of any matter or matters giving rise to any Claim for (a) inaccuracy, breach or non-observance by the Company of any provision of any of the Transaction Documents; (b) failure by the Company or any of the Promoters to comply with any applicable Law or the terms and conditions of any agreements and instruments to which the Company or the Promoters are bound by or party to in relation to the Business; (c) failure by the Company to obtain and maintain any Permits or other approvals required under applicable Law in connection with the Business; or (d) failure by Sayaji Hotels to transfer its rights under all lease deeds entered into by Sayaji Hotels in relation to the Company’s restaurants at Gurgaon, Haryana and Koramangala, Bangalore to the Company.

41.1.2 Without prejudice to any other right or remedy which may be available to the CX Investor and the Pace Investor, Sayaji Hotels and Blue Deebaj (the “**Seller Indemnifying Parties**”) jointly and severally undertake to indemnify, defend, save and hold harmless the Indemnified Parties from, and pay to the Indemnified Parties from time to time on demand, such amounts as are equal to the amount of, all Losses in each case, suffered or incurred by the CX Investor and/or the Pace Investor based upon, arising out of, in relation to, or otherwise in respect of (a) any matter or matters giving rise to any Claim for breach or non-observance by Sayaji Hotels and Blue Deebaj of any representation, warranty or any covenant, undertaking or agreement by them in the Transaction Documents; and (b) any Taxes payable by the Sellers under applicable Law, including income or capital gains Taxes, if any, relating to the sale of Shares, which if not so paid by Sayaji Hotels and Blue Deebaj will result in the CX Investor, the Pace Investor or the Company having to pay such Taxes.

41.2 No Prejudice Based on Information

Except as disclosed by the Company to the CX Investor, the Pace Investor or the AAJV Investor in the company disclosure schedule attached to the CX SPSA, the Pace SPA I, the Pace SPA II, the AAJV SPA and the AAJV SSA respectively, no information relating to the Company, Sayaji Hotels or Blue Deebaj of which the CX Investor, the Pace Investor or the AAJV Investor has knowledge (actual or constructive) and no investigation by or on behalf of the CX Investor, the Pace Investor or the AAJV Investor shall prejudice any Claim made by the CX Investor, the Pace Investor or the AAJV Investor or operate to reduce any amount recoverable, and liability in respect thereof shall not be confined to breaches discovered after the First SHA Date.

41.3 Third Party Claims

41.3.1 If a Claim is brought by a third party against an Indemnified Party for which indemnification is provided in these Articles, the Indemnified Party shall notify the Indemnifying Party promptly in writing of any such Claim and the Indemnified Party shall:

- (a) allow the Indemnifying Party to conduct, at the Indemnifying Party’s expense, any litigation and negotiations for a settlement of the Claim; and
- (b) at the request and expense of the Indemnifying Party, provide the Indemnifying Party with all reasonable assistance required by the Indemnifying Party in support of any such defence or action, provided always that the Indemnifying Party shall not admit or settle any such Claim without the prior written consent of the Indemnified Party.

41.3.2 If the Indemnifying Party assumes the defence of the Claim set out in Article 41.3.1 above, the Indemnifying Party shall:

- (a) promptly and in any event within a period of fifteen (15) days from the Indemnified Party's notification as set out in Article 41.3.1, notify the Indemnified Party that it has assumed such defence;
- (b) consult and keep the Indemnified Party informed in relation to any negotiations, settlement or litigation; and
- (c) not admit or settle any such Claim without the express prior written consent of the Indemnified Party.

41.3.3 The omission of an Indemnified Party to notify the Indemnifying Party of any such Claim shall not relieve the Indemnifying Party from any liability which it may have to such Indemnified Party.

41.3.4 If the Indemnifying Party does not assume the defence of the Claim set out in Article 41.3.1 above, the Indemnified Party may defend the Claim in such manner as it may deem appropriate, and the Indemnifying Party shall indemnify the Indemnified Party in relation to such Claim, including any legal or other fees and expenses incurred in connection with investigating, disputing, preparing or defending any such Claim.

41.4 Specific Performance

The Parties hereto agree that irreparable damage may occur in the event any provision of these Articles was not performed in accordance with the terms and that the Parties shall be entitled to an injunction or injunctions to prevent breaches of these Articles or to enforce specifically the performance of the terms hereof.

42. EVENTS OF DEFAULT

42.1 The following events shall constitute an event of default under the Restated Shareholders' Agreement by the Company and/or each Promoter (each an "**Event of Default**"):

- (a) The Company and/or each Promoter committing any of the following:
 - (i) if each Promoter or the Company is in breach of its obligations under Articles 35, 37 or 43;
 - (ii) if each Promoter (or where applicable a member of the promoter group) or the Company is in breach of its IPO obligations under Article 36;
 - (iii) if the Company undertakes any action pursuant to any Reserved Matter without the prior written consent of the CX Investor Directors or the CX Investor and/or the Pace Investor (as the case may be) and where such action has not been reversed within sixty (60) Business Days from date of notification by the CX Investor and/or the Pace Investor;
 - (iv) bankruptcy, winding-up, liquidation, insolvency and/or dissolution (other than for the purposes of solvent amalgamation, restructuring or reorganization) of the Company or each Promoter or any other members of the promoter group that holds Shares;
- (b) based on the findings of any concurrent audit or investigation by the CX Investor, the Pace Investor or the AAJV Investor it is revealed that the Company has used the subscription proceeds of the Investors in a questionable manner and/or the funds of the Company have been diverted; or
- (c) fraud, embezzlement by the Promoters on the Company and/or the Investors.

42.2 Upon the occurrence of an Event of Default, without prejudice to any other rights that the Investors may have under these Articles and any Transaction Documents, the Investors shall have the option to exercise any or all of the following:

- (a) terminate the Restated Shareholders' Agreement with immediate effect;

- (b) initiate an Investor IPO;
- (c) claim damages and/or specific performance from the Company and/or the Promoters in respect of any of the Events of Default listed in Article 42.1 above;
- (d) sell their Shares to any Person including a Competitor, at any price.

43. NON-COMPETE

43.1 Until such time that the CX Investor and the Pace Investor collectively hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital, the Principal Shareholders and KD shall not, and shall procure that the Sayaji Shareholders and their respective Affiliates and Affiliates of the Principal Shareholders and KD shall not, directly or indirectly compete with the Business or the business of any of the Subsidiaries and shall refrain from operating any business that is similar or related to the Business or the business of any Subsidiary. The Company shall procure that until such time that the CX Investor and the Pace Investor collectively hold at least 2,172,282 Shares, as adjusted for any consolidation of the Share Capital, none of the Key Managerial Personnel shall directly or indirectly compete with the Business or the business of any of the Subsidiaries and refrain from operating any business that is similar or related to the Business or the business of any Subsidiary.

43.2 The Parties acknowledge and agree that adequate consideration has been provided for the non-compete covenants contained in the Restated Shareholders' Agreement and these Articles and that restrictions contained in this Article 43 are considered reasonable for the legitimate protection of the Business.

43.3 The Parties acknowledge and agree that the covenants and obligations as set forth in this Article 43 relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations by one Party will cause the other Parties irreparable injury. Therefore, it is agreed that the Parties shall be entitled to an interim injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the Parties, as the case may be, with respect to any violation of the covenants and obligations contained in this Article 43. These injunctive remedies are cumulative and are in addition to any other rights and remedies that the Parties may have at law or in equity.

43.4 Nothing contained in this Article 43 shall apply to the management or operation of: (a) any restaurant under the brand name 'Barbeque Nation' at Sayaji Hotels, Wakad, Pune; (b) any restaurant established and operated by Sayaji Hotels prior to the execution of the First Shareholders' Agreement; and (c) any other restaurant established with the prior written consent of the Investors.

44. INTENTIONALLY LEFT BLANK

45. TERMINATION

Notwithstanding anything contained in these Articles, Part B of these Articles shall cease to have effect upon termination of the Restated Shareholders' Agreement by mutual consent of the Parties.

46. GOVERNING LAW, JURISDICTION AND ARBITRATION

46.1 Governing Law

The validity, construction and performance of the Restated Shareholders' Agreement, and any action arising out of or relating to the Restated Shareholders' Agreement, shall be governed by the Laws of India. Subject to Article 46.2 below, the Parties shall submit all disputes to the jurisdictions of the courts at New Delhi.

46.2 Arbitration of Disputes

Any dispute or difference, controversy or Claim of whatever nature howsoever arising out of or in connection with the Restated Shareholders' Agreement, including, without limitation, any question regarding its existence, validity or termination (each, a "Dispute"), shall be referred to and finally resolved by arbitration in accordance with the Arbitration and Conciliation Act, 1996. The seat of the arbitral tribunal shall be New Delhi, India. The tribunal shall consist of three arbitrators, of which one shall be appointed by the Investors, one shall be appointed jointly by the Company and the Promoters

and such two arbitrators shall appoint the third arbitrator, and the language of the proceedings shall be English. The arbitration shall be held in accordance with the provisions below:

- 46.2.1 The Parties shall be entitled to conduct discovery, provided that (a) the arbitration panel must authorize all such discovery in advance based on findings that the material sought is relevant to the issues in dispute and that the nature and scope of such discovery is reasonable under the circumstances, and (b) discovery shall be limited to depositions and production of documents unless the arbitrators find that another method of discovery (e.g., interrogatories) is the most reasonable and cost efficient method of obtaining the information sought.
- 46.2.2 There shall be a record of the proceedings at the arbitration hearing and the arbitrators shall issue an award setting forth the factual and legal basis for the arbitrators' decision.
- 46.2.3 The arbitrators shall have the power to enter temporary restraining orders and preliminary and permanent injunctions. No Party shall be entitled or permitted to commence or maintain any action in a court of law with respect to any matter in dispute until such matter shall have been submitted to arbitration as herein provided and then only for the enforcement of the award. All arbitration proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed, except as necessary to obtain court confirmation of the arbitration award.
- 46.2.4 Notwithstanding anything to the contrary in this Article 46, each Party shall be entitled to seek and/or obtain injunctive or other equitable relief from a court of competent jurisdiction with respect to any temporary measures necessary to protect its rights hereunder pending the outcome of the arbitration without waiving its right to arbitration of any dispute or controversy under this Article 46.

47. MISCELLANEOUS

47.1 Amendment of Constituent Documents

- 47.1.1 Each of the Parties hereby undertakes that it shall exercise all voting and other rights and powers available to it or to procure the adoption of amendments to the Constituent Documents of the Company to reflect the provisions of the Restated Shareholders' Agreement.
- 47.1.2 In the event of any ambiguity or discrepancy between the provisions of the Restated Shareholders' Agreement and the Constituent Documents of the Company, it is intended that the provisions of the Restated Shareholders' Agreement shall prevail and accordingly the Parties (other than the Company) shall exercise all voting and other rights and powers available to them so as to give effect to the provisions of the Restated Shareholders' Agreement and shall further, if necessary, procure any amendment to the Constituent Documents.

47.2 Related Party Transactions

All transactions with parties related in any way to any of the shareholders of the Company, including the Promoters or Key Managerial Personnel shall be made on an arm's length, market terms basis. Any disputes with related parties shall be managed by a committee of Directors, which committee shall not include any of the Directors nominated by the Promoters.

47.3 Investors not to be promoters

The Parties agree and acknowledge that the Investors will only be financial investors and shall not, except where expressly provided to the contrary, acquire control or management of the Company. The Promoters are and shall remain in control of the Company and continue to manage the Company. The Investors shall, in no event and under no circumstances be considered to be promoters of the Company.

47.4 Further Assurances

- 47.4.1 Each Principal Shareholder shall, at all times, do, execute and perform all such further deeds, documents, assurances, acts and things and exercise its the Restated Shareholders' Agreement that it hold at both shareholders meetings and/or Board meetings as may be

required for compliance with, and performance of, the terms of the Restated Shareholders' Agreement and the Constituent Documents by each Principal Shareholder and the Company, including the Reserved Matters of the CX Investor and the Pace Investor under Article 34, the pre-emptive and anti-dilution rights of the Investors under Article 35, the right of the Investors to exit the Company under Articles 35 and 36 and obtaining valuation certificates, if applicable, to facilitate the Investors' exit rights under Article 35, in each case, promptly and to the maximum extent permissible under applicable Law.

47.4.2 The Company shall, at all times, do, execute and perform all such further deeds, documents, assurances, acts and things, as may be required for compliance with, and performance of, the terms of the Restated Shareholders' Agreement and the Constituent Documents by, including the pre-emptive and anti-dilution rights of the Investors under Article 35, the right of the Investors to exit the Company under Articles 35 and 36 and obtaining valuation certificates, if applicable, to facilitate the Investors' exit rights under Article 35, in each case, promptly and to the maximum extent permissible under applicable Law.

47.5 Compliance with Law

The Company shall, and the Promoters shall cause the Company to, conduct the Business, the business of the Subsidiaries and the business of any new Subsidiaries in compliance with applicable Law in all material respects.

47.6 No Objection to Future Investments

47.6.1 The Company and the Promoters acknowledge and agree that the Investors and their Affiliates invest in numerous companies, some of which may compete with the Business. The Company and the Promoters understand and agree that the Investors and their Affiliates will not be liable for any Claim arising out of, or based upon (a) the fact that any of them hold an investment in any entity that competes with the Business (a "**Competing Entity**"), or (b) any action taken by any of the Investors or their Affiliates respective officers or Representatives ("**Investor Competing Entity Representatives**") to assist any Competing Entity, whether or not such action was taken by any Investor Competing Entity Representative as a member of the board of directors of such Competing Entity, or otherwise, and whether or not such action has a detrimental effect on the Company.

47.6.2 The Company and the Promoters further confirm that they will have no objection to the Investors or any of their Affiliates investing from time to time in any company engaged in the same or similar business as the Business or entering into agreements with any companies or persons in India or outside India engaged in the same or similar business as the Business, provided that the CX Investor and the Pace Investor shall not nominate any individual who is a director of such entity as any CX Investor Director.

47.6.3 The Investors agree to inform the Company of any investments made in a Competing Entity.

47.7 Limitation of Liability

4. Notwithstanding any other provision of these Articles, under no circumstances shall either Party be liable to the other or to any third party for any special, indirect, incidental, consequential, punitive, exemplary, remote or unforeseeable damages of any type and each Party hereby waives any claim therefor.

47.8 Assignment

The Company and the Promoters agree that the benefit of the Restated Shareholders' Agreement may be assigned or the obligations of the Investors may be transferred (in either case, in whole or in part) by each Investor without the consent of the Company or the Promoters to any Affiliate, Permitted Transferee or to any share trustee that may manage the Shares acquired by each Investor pursuant to the Transaction Documents, at the discretion of the each Investor, and may be enforced by, any successor of the Investors pursuant to a restructuring or reorganization of the Investors, in each case as if it were the Investor under the Restated Shareholders' Agreement. Any other assignment or transfer of the rights, obligations or benefits under the Restated Shareholders' Agreement by the Investors shall require the prior approval of the Promoters and the Company. Neither the Promoters nor the Company

shall assign, transfer, charge or otherwise deal with all or any of its rights or obligations under the Restated Shareholders' Agreement without the prior written consent of the Investors.

47.9 Principal Shareholders' Actions

5. Unless otherwise specified, the term "**Principal Shareholders**" shall be interpreted as persons acting together as one and the same Person and any action required to be performed hereunder by the Principal Shareholders shall be performed by each Principal Shareholder or on behalf of all the Principal Shareholders by such other Principal Shareholder designated by all the Principal Shareholders as the representative of all the Principal Shareholders and notified to the Investors in writing (the "**Principal Shareholders' Representative**"), which action shall be valid and binding on each Principal Shareholder, provided that any Principal Shareholder may, by prior written notification to the Investors, choose to withdraw any existing designation of any other Principal Shareholder as such Principal Shareholders' representative and perform actions under the Shareholders' Agreement and these Articles in the individual capacity of such Principal Shareholder. All the Principal Shareholders hereby designate KD as the Principal Shareholders' Representative and authorise him to perform all or any actions required to be performed hereunder by the Principal Shareholders on their behalf under the Restated Shareholders' Agreement and these Articles.

47.10 Specific Performance

The Parties hereto agree that irreparable damage may occur in the event any provision of the Restated Shareholders' Agreement was not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions to prevent breaches of the Restated Shareholders' Agreement or to enforce specifically the performance of the terms thereof.

47.11 Amendment

6. No amendment of the Restated Shareholders' Agreement (or of any of the documents referred to in the Restated Shareholders' Agreement) shall be valid unless it is in writing and signed by or on behalf of each of the Parties to it. The expression "amendment" shall include any amendment, variation, supplement, deletion or replacement however effected. Unless expressly agreed, no amendment shall constitute a general waiver of any provisions of the Restated Shareholders' Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to the Restated Shareholders' Agreement which have already accrued up to the date of amendment, and the rights and obligations of the Parties under or pursuant to the Restated Shareholders' Agreement shall remain in full force and effect, except and only to the extent that they are so amended.

47.12 Severability

7. If any provision of the Restated Shareholders' Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in the Restated Shareholders' Agreement but without invalidating any of the remaining provisions of the Restated Shareholders' Agreement. The Parties shall then use all commercially reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

47.13 Waivers, Rights and Remedies

47.13.1 No failure or delay by a Party in exercising any right or remedy provided by Law under or pursuant to the Restated Shareholders' Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.

47.13.2 The rights and remedies of each Party under or pursuant to the Restated Shareholders' Agreement are cumulative, may be exercised as often as it considers appropriate and are in addition to its rights and remedies under Law.

47.13.3 The rights and remedies of each Party under the Restated Shareholders' Agreement shall not be affected, and the liabilities of the Company and the Promoters under the Restated Shareholders' Agreement shall not be released, discharged or impaired by any event or matter whatsoever, other than a specific and duly authorized written waiver or release by such Party.

47.13.4 A Party that waives a right in relation to one Party, or takes or fails to take any action against that Party, does not affect its rights in relation to any other Party.

47.14 Rights of Third Parties

Nothing in the Restated Shareholders' Agreement shall be construed as giving any Person other than the Parties and their successors, any rights, remedy or Claim under, or in respect of, the Restated Shareholders' Agreement or any provision hereof.

48. Tag Along Right of MPL

48.1.1 In the event that the **Principal Shareholders** propose to transfer their Shares to any third Person, resulting in transfer of more than 5% of the collective shareholding of the Principal Shareholders as of the date of execution of the MPL SPA ("**Relevant Sale**"), MPL shall have the right to participate in such Relevant Sale by selling up to all its Shares ("**MPL Tagged Shares**") in the Company by exercising a tag along right, and such third Person shall be required to purchase all (and not less than all) the Shares offered by MPL, pursuant to exercise of its rights hereunder. In the event of a contemplated Relevant Sale, the relevant Principal Shareholder shall notify MPL at least 25 (twenty five) days prior to such Relevant Sale, together with the price at which such sale is to take place and the name of the proposed transferee. Within a period of 14 (fourteen) days from receipt of such notice by MPL, MPL shall have the right to require that simultaneously with the sale of Shares by the relevant Principal Shareholder(s), the MPL Tagged Shares are also sold to the same transferee and at the same price and on the same terms and conditions.

49. Anti Dilution right of MPL

49.1.1 Pursuant to the MPL SPA, if at any time after the date of execution of the MPL SPA, the Company proposes to issue any Shares to any Person, MPL shall be entitled to receive such number of additional shares, from the Company, at the lowest price per Share permissible under applicable Law, such that the shareholding of MPL (calculated on a fully diluted basis) shall continue to be the same as its shareholding on the Completion Date, as defined in the MPL SPA (calculated on a fully diluted basis). It is hereby clarified that the anti-dilution right set out under this Article shall not be applicable in case of an issue of Shares pursuant to (i) an employee stock option scheme of the Company; or (ii) an initial public offering of Shares for listing on a recognised stock exchange.

50. IPO under the MPL SPA

50.1.1 In terms of the MPL SPA, subject to applicable Law, in the event that an initial public offer of the Shares is proposed ("**IPO**"), MPL shall have the right to participate in such IPO by offering up to all its Shares ("**OFS Shares**") as part of the IPO. In the event of a contemplated IPO, the Company shall notify MPL at least 25 (twenty five) days prior to engaging the merchant banker. Within a period of 14 (fourteen) days from receipt of such notice by MPL, MPL shall have the right to require that the OFS Shares are also offered as part of the IPO. Further, MPL acknowledges that as on the date of the MPL SPA, the Company is in the process of undertaking an IPO, approved by its board of directors at their meeting held on June 29, 2017 ("**Offer**"), and only to the extent that MPL has not held the Shares acquired by MPL under the MPL SPA for a period of at least 1 (one) year prior to filing of the draft offer document, MPL is not eligible to participate in the Offer.

51. Termination of MPL SPA

51.1 Provisions in these Articles in relation to MPL shall cease to have effect upon termination of the MPL SPA.

51.2 Provisions in these Articles in relation to MPL shall cease to have effect upon MPL ceasing to hold Shares in the Company.

Notwithstanding Articles 51.1 and Articles 51.2, the parties under the MPL SPA have agreed that on and from the date on which Shares are listed for trading on the recognised stock exchanges, the MPL SPA shall automatically stand terminated, without any further act or deed required on the part of any party therein.

52. Non-Compete undertaking by the Promoters

52.1 The Promoters, jointly and severally, undertake that with effect from the date of the Non-Compete Undertaking, and until the Promoters (i) collectively hold less than 25% of the fully diluted paid up equity share capital of the Company, or cease to be the single largest block of shareholders of the Company; and (ii) cease to Control the Company, the Promoters shall not, collectively or individually, directly or indirectly:

- (i) be involved in operating or Controlling any restaurant or food venture, in India or outside India other than such restaurants or food ventures operated or Controlled by the Promoters on the date of execution of the Non-Compete Agreement;
- (ii) use in any manner any brand name, trade name, trademark, service mark, copyright, patents or recipe, in part or full, used or developed by or belonging to the Company or its Subsidiaries or over which the Company or any of its Subsidiaries has a right under contract, law or in equity, including without limitation, the 'Barbeque Nation' and 'Johnny Rockets' brands and their respective cuisines and recipes; and\
- (iii) solicit or induce or attempt to induce any person who is an executive director, key managerial personnel, chef, cook or any employee or consultant of the Company or any of its Subsidiaries to leave his or her employment or consultancy with the Company or the Subsidiaries; or solicit any customer, distributor, supplier, landlord, dealer or agent of the Company or any of its Subsidiaries.

The term "Control" (including the correlative terms "Controlling" or "Controlled") under this clause shall have the meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers.) Regulations, 2011.

52.2 Notwithstanding Article 52.1 above, it is hereby clarified that:

- (i) Kayum Dhanani may continue to expand, operate, acquire and maintain cafés, and restaurants, including restaurants offering Italian cuisine (whether under existing or future brands), including pizzas, pastas and other Italian food offerings, and restaurants offering continental cuisine, provided that such cafés or restaurants shall not offer any menu items identical or substantially similar to menu items offered in Barbeque Nation or Johnny Rockets restaurants of the Company at the same time, if such category of menu items contribute to more than 10% of the revenue of the company, entity or firm through which such cafés or restaurants are operated; and
- (ii) Sayaji Hotels or its Subsidiaries may continue to expand, operate and maintain restaurants offering cuisines either through itself or through any third party operators within the premises of the hotels operated by it or by its Subsidiaries or by operating restaurants situated within the premises of hotels operated by third parties, including Indian cuisine restaurants; provided that no such restaurant operated or maintained by Sayaji Hotels Limited either through itself or through any third parties, shall be located outside the premises of the hotels operated by Sayaji Hotels Limited or its Subsidiaries or by any third party hotel operator, other than 'Mediterra' located in Mumbai and 'Kebabville' located in Indore, which may be operated by Sayaji Hotels Limited or its Subsidiaries outside the premises of such hotels.

52.3 Post the date of execution of the Non-Compete Undertaking, in case the Promoters or the Company identifies a new business opportunity (whether organic or inorganic), all relevant details in relation to such business opportunity shall first be presented for consideration to the Board, excluding the Promoters or representatives of the Promoters. In the event that a majority of the Board of the Company, excluding the Promoters or representatives of the Promoters, reject or refuse the proposal for the Company or its Subsidiaries to undertake such new business opportunity, then the Promoters may individually or collectively, indirectly or directly undertake such new business opportunity, provided that such new business opportunity is not identical to the cuisines offered or formats of the restaurants operated by the Company or its Subsidiaries.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated August 14, 2017 entered into amongst our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated August 11, 2017 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank and the Refund Bank.
4. Share Escrow Agreement dated [●] between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated October 13, 2006.
3. Fresh certificate of incorporation consequent upon change of name issued to our Company by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, located at Gwalior on February 18, 2008.
4. Fresh certificate of incorporation consequent upon change of name on conversion to public limited company issued to our Company by the the Registrar of Companies, Madhya Pradesh and Chhattisgarh, located at Gwalior on March 4, 2008.
5. Certificate of registration of the regional director order for change of state issued to our Company by the RoC on January 15, 2014.
6. Resolution of our Board of Directors dated June 29, 2017 in relation to the Offer and other related matters.
7. Shareholders' resolution dated July 10, 2017 in relation to the Offer and other related matters.
8. Resolution dated August 10, 2017 passed by the board of directors of TPL in relation to the Offer for Sale.
9. Resolution dated August 10, 2017 passed by the trustee of AAJVIT in relation to the Offer for Sale by AAJVIT.

10. Consent letter dated August 11, 2017 issued by Kayum Dhanani in relation to the Offer for Sale.
11. Consent letter dated August 11, 2017 issued by Azhar Dhanani in relation to the Offer for Sale.
12. Consent letter dated August 11, 2017 issued by Sanya Dhanani in relation to the Offer for Sale.
13. Consent letter dated August 11, 2017 issued by Sadiya Dhanani in relation to the Offer for Sale.
14. The examination reports of the Statutory Auditors dated August 5, 2017, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
15. The Statement of Tax Benefits dated August 11, 2017 from the Statutory Auditors.
16. Consent of the Directors, the BRLMs, the Syndicate Members, the Domestic Legal Counsel to our Company, Legal Counsel to the BRLMs as to Indian Law, the International Legal Counsel to the BRLMs, the Registrar to the Offer, the Escrow Collection Bank, the Bankers to our Company, the Refund Bank, the Company Secretary and Compliance Officer, lenders to our Company and the Chief Financial Officer as referred to in their specific capacities.
17. Consent of Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditors on the Restated Financial Statements dated August 5, 2017 and the statement of tax benefits dated August 11, 2017 included in this Draft Red Herring Prospectus but not construing to be "experts" as defined under the U.S. Securities Act.
18. Consent of Technopak, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the report entitled "*Indian Food Services Market*" dated July 28, 2017 included in this Draft Red Herring Prospectus.
19. Copies of annual reports of our Company as of and for the Financial Years ended March 31, 2013, 2014, 2015, 2016 and 2017.
20. Asset transfer agreement dated April 1, 2012 executed between SHL and our Company.
21. Share purchase and subscription agreement dated March 26, 2013 executed between our Company, SHL, Kayum Dhanani, Blue Deebaj, Azhar Yusuf Dhahani, Zuber Yusuf Dhanani, Sanya Dhahani, Zoya Dhahani, Sadiya Dhanani, Saba Dhanani and TPL.
22. Share subscription agreement dated March 26, 2013 executed between our Company, SHL, Kayum Dhanani and AAJVIT.
23. Business transfer agreement dated January 15, 2015 executed between FRPL and our Company.
24. Non-compete undertaking dated August 5, 2017 by SHL, SHKSL, Kayum Dhanani, Raof Dhanani and Suchitra Dhanani.
25. Agreement dated March 26, 2013 executed between Blue Deebaj LLC and TPL
26. Binding share transfer agreement dated August 14, 2017 between Kayum Dhanani, PPL and AAJVIT
27. Restated shareholders agreement dated May 18, 2015 between our Company, SHL, Kayum Dhanani, TPL, PPL, AAJVIT, Azhar Yusuf Dhanani, Zuber Yusuf Dhanani, Sanya Dhanani, Zoya Dhanani, Sadiya Dhanani and Saba Dhanani.

28. Share purchase agreement dated May 18, 2015 executed between our Company, SHL, Kayum Dhanani, Blue Deebaj and PPL.
29. Share purchase agreement dated May 18, 2015 executed between our Company, SHL, Kayum Dhanani, Abdul Gani Dhanani, Nasreen Dhanani, Sana Dhanani and PPL.
30. Share purchase agreement dated May 18, 2015 executed between our Company, SHL, Kayum Dhanani, Abdul Gani Dhanani and AAJVIT.
31. Business transfer agreement dated September 30, 2015 and the amendment agreement dated March 28, 2016 executed between SHL and our Company.
32. Share purchase and share subscription agreement dated June 28, 2016 and Share Options and Transfer Agreement dated September 6, 2016 executed between our Company, PGPL, Gaurav Sharma, Sachin Goel and Vishal Chaudhary, Capricorn Resources Private Limited and Concept Studio Private Limited.
33. Waiver and termination agreement dated August 5, 2017 executed between our Company, SHKSL, Kayum Dhanani, TPL, PPL, AAJVIT, Azhar Yusuf Dhanani, Zuber Yusuf Dhanani, Sanya Dhanani, Zoya Dhanani, Sadiya Dhanani, Saba Dhanani and SHL (as a confirming party).
34. Share sale and purchase agreement dated August 3, 2017 executed between our Company, Menu Private Limited and Kayum Dhanani.
35. Scheme of amalgamation between our Company and our wholly owned Subsidiary, FRPL under section 233 of the Companies Act, 2013, read with Rule 25 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.
36. International master development agreement dated January 25, 2013 and as amended on July 27, 2016, executed by our Subsidiary PGPL with Johnny Rockets Licensing LLC.
37. Due diligence certificate dated August 14, 2017 issued by the BRLMs to SEBI.
38. SEBI's observation letter number [●] dated [●].
39. In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
40. Tripartite agreement dated July 26, 2011 between our Company, NSDL and the Registrar to the Offer.
41. Tripartite agreement dated October 23, 2012 between our Company, CDSL and the Registrar to the Offer.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS AND THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

T Narayanan Unni

(Chairman and Non-Executive, Independent Director)

Kayum Dhanani

(Managing Director)

Raof Dhanani

(Non-Executive Director)

Suchitra Dhanani

(Non-Executive Director)

Tarun Khanna

(Non-Executive, Nominee Director)

Abhay Chaudhari

(Non-Executive, Independent Director)

Mohankumar Ramamurthy

(Chief Financial Officer)

Place: Bengaluru

Date: August 14, 2017

DECLARATION

AAJV Investment Trust, acting through its trustee certifies that all statements and undertakings made on its behalf in this Draft Red Herring Prospectus specifically in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Neither AAJV Investment Trust nor its trustee assumes any responsibility for any other statements or undertakings including statements or undertakings made or confirmed by the Company or any other persons(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For AAJV Investment Trust

Place: New Delhi

Date: August 14, 2017

DECLARATION

Tamara Private Limited certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus specifically in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Tamara Private Limited assumes no responsibility for any other statements or undertakings including statements or undertakings made or confirmed by the Company or any other persons(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For Tamara Private Limited

Place: 22 Saint Georges Street, Port Louis, Mauritius
Date: August 14, 2017

DECLARATION

Azhar Dhanani certifies that all statements and undertakings made by him in this Draft Red Herring Prospectus specifically in relation to himself and the Equity Shares offered by him in the Offer for Sale are true and correct. Azhar Dhanani assumes no responsibility for any other statements or undertakings including statements or undertakings made or confirmed by the Company or any other persons(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Azhar Dhanani

Place: Mumbai

Date: August 14, 2107

DECLARATION

Kayum Dhanani certifies that all statements and undertakings made by him in this Draft Red Herring Prospectus specifically in relation to himself and the Equity Shares offered by him in the Offer for Sale are true and correct. Kayum Dhanani assumes no responsibility for any other statements or undertakings including statements or undertakings made or confirmed by the Company or any other persons(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Kayum Dhanani

Place: Bengaluru
Date: August 14, 2017

DECLARATION

Sanya Dhanani certifies that all statements and undertakings made by her in this Draft Red Herring Prospectus specifically in relation to herself and the Equity Shares offered by her in the Offer for Sale are true and correct. Sanya Dhanani assumes no responsibility for any other statements or undertakings including statements or undertakings made or confirmed by the Company or any other persons(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sanya Dhanani

Place: Indore

Date: August 14, 2017

DECLARATION

Sadiya Dhanani certifies that all statements and undertakings made by her in this Draft Red Herring Prospectus specifically in relation to herself and the Equity Shares offered by her in the Offer for Sale are true and correct. Sadiya Dhanani assumes no responsibility for any other statements or undertakings including statements or undertakings made or confirmed by the Company or any other persons(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sadiya Dhanani

Place: Mumbai
Date: August 14, 2017