

**HARDCASTLE RESTAURANTS
PRIVATE LIMITED**

**AUDITED FINANCIALS AS ON
MARCH 31, 2016**

INDEPENDENT AUDITOR'S REPORT

To the Members of Hardcastle Restaurants Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



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Opinion

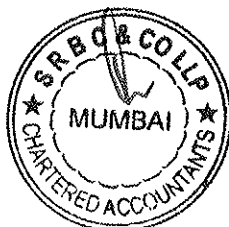
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state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

Emphasis of Matter

We draw attention to Note 31 to the financial statements regarding approval awaited from the Central Government for managerial remuneration paid for the period April 2012 to March 2015 in excess of the limit specified under applicable Companies Act by Rs. 33.01 Million. Pending such approval, no adjustments have been made in the financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



SRBC & CO LLP


Chartered Accountants

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 3D to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Jayesh Gandhi
Partner
Membership Number: 37924
Place of Signature: Mumbai
Date: 6 May 2016



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Annexure 1 referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon. The Company has complied with the provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to excise duty are not applicable to the Company.



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- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues which were outstanding at the year-end for a period of more than six months from the date they became payable, are as follows:

(Rs. Million)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Paid
Various Labour Welfare Fund Acts	Unpaid wages	0.12	January 2012 to June 2012	July 2015	29 April 2016 to 02 May 2016
	Unpaid bonus	0.11	April 2011 to March 2012	July 2015	02 May 2016

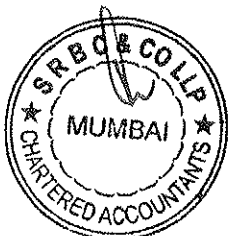
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(Rs. Millions)

Name of the Statute	Nature of Dispute	Amount (Including Penalty)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty demand	44.06	2000-01 to 2005-06	Appellate Tribunal, Mumbai
Bombay Sales Tax Act, 1959	Sales Tax demand	2.53	2003-04 to 2004-05	Commissioner of Sales Tax (Appeal), Mumbai
Karnataka Value Added Tax, 2003	Sales Tax demand	516.21	2008-09 to 2013-14	High Court of Karnataka
Tamilnadu Value Added Tax, 2006	Sales Tax demand	299.29	2008-09 to 2012-13	Appellate Deputy Commissioner, Chennai

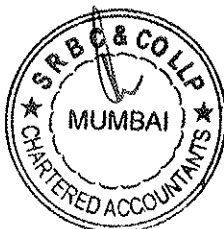
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding dues in respect of a financial institution or to government during the year.

- (ix) In our opinion and according to the information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purposes for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer or debt instruments.



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- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, during the year the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. Further, the Company has paid managerial remuneration for the period April 2012 to March 2015 in excess of the limit specified under applicable Companies Act by Rs. 33.01 Million. The Company has made an application to the Central Government for approval of such excess remuneration; pending approval, no steps for recovery is considered necessary by the management.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



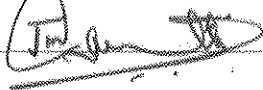
SRBC & CO LLP

Chartered Accountants

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

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Jayesh Gandhi
Partner
Membership Number: 37924
Place: Mumbai
Date: 6 May 2016



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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HARDCASTLE RESTAURANTS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Hardcastle Restaurants Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

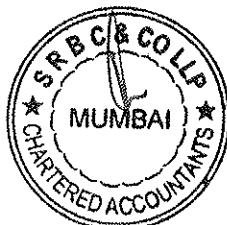
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



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Meaning of Internal Financial Controls Over Financial Reporting

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

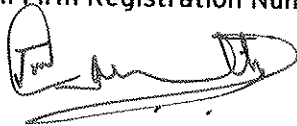
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Jayesh Gandhi
Partner
Membership Number: 37924
Place: Mumbai
Date: 6 May 2016



HARDCASTLE RESTAURANTS PRIVATE LIMITED
Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 (Rs in Millions)	As at March 31, 2015 (Rs in Millions)
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	1,655.00	1,655.00
Reserves and surplus	3	(947.84)	(980.64)
		707.16	674.36
Non-current liabilities			
Long-term borrowings	4	4,200.00	4,125.00
		4,200.00	4,125.00
Current liabilities			
Short-term borrowings	5	1,232.54	729.39
Trade payables	6	676.82	567.52
Other current liabilities	7	968.78	1,056.74
Short-term provisions	8	73.26	61.62
		2,951.40	2,415.27
TOTAL		7,858.56	7,214.63
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	4,150.03	3,790.15
Intangible assets		408.59	385.77
Capital work-in-progress		184.31	209.05
Non-current investments	10	250.00	97.23
Loans and advances	11	874.13	829.38
Other non-current assets	12	0.09	1.88
		5,867.15	5,313.46
Current assets			
Current investments	10	1,264.51	1,338.89
Inventories	13	278.23	240.83
Trade receivables	14	42.04	42.37
Cash and bank balances	15	67.22	72.06
Loans and advances	11	328.18	190.76
Other current assets	16	11.23	16.26
		1,991.41	1,901.17
TOTAL		7,858.56	7,214.63

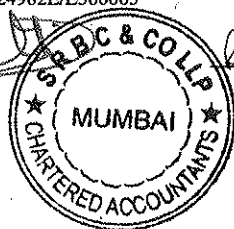
Summary of significant accounting policies 1.2

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

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924



For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited

Banwari Lal Jatia
Director

Suresh Lakshminarayanan
Chief Financial Officer

Banjit Paliath
Director

Radha Jain
Company Secretary



Place :- Mumbai
Date :- May 06, 2016

Place :- Mumbai
Date :- May 06, 2016

HARDCASTLE RESTAURANTS PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2016

	Notes	For the year ended March 31, 2016 (Rs in Millions)	For the year ended March 31, 2015 (Rs in Millions)
Income			
Revenue from operations (Net)	17	8,331.17	7,640.33
Other income	18	94.63	162.09
Total revenue (I)		8,425.80	7,802.42
Expenses			
Cost of materials consumed	19	3,329.88	3,176.97
Employee benefits expense	20	1,240.23	1,136.61
Other expenses	21	3,330.46	3,172.10
Total (II)		7,900.57	7,485.68
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I) - (II)		525.23	316.74
Depreciation and amortisation expense	9	576.53	504.37
Finance costs	22	149.91	102.17
Profit / (Loss) before tax and exceptional items		(201.21)	(289.80)
Exceptional items (Refer Note 38)		234.01	-
Profit / (Loss) before tax		32.80	(289.80)
Tax Expenses			
Current Tax		6.69	-
Less : MAT credit entitlement		(6.69)	-
Total tax expense		-	-
Profit / (Loss) for the year		32.80	(289.80)
Earning Per Equity Share			
Basic & Diluted Earning per share (Rs)		105.81	(934.84)
Weighted average number of equity shares for computing EPS		310,000	310,000
Nominal Value per share (Rs)		1,000	1,000

Summary of significant accounting policies

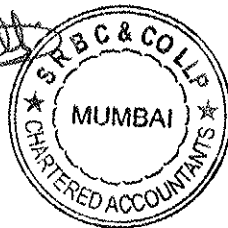
1.2

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

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924



For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited

Banwari Lal Jafra
Director

Ranjit Paliath
Director

Radha Jain
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

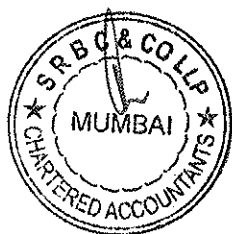
Place :- Mumbai
Date :- May 06, 2016



Place :- Mumbai
Date :- May 06, 2016

Hardcastle Restaurants Private Limited
Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016 (Rs in Millions)	For the year ended March 31, 2015 (Rs in Millions)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	32.80	(289.80)
Adjustments for:		
Depreciation and amortisation expense	576.53	504.37
Loss on Sale / write off of Fixed assets	50.28	39.80
Interest expense	145.85	93.69
Premium on forward contract amortised	-	3.72
Interest Income	(4.60)	(2.53)
Gain on sale of current investment	(80.17)	(151.77)
Unrealised loss on foreign exchange	-	0.01
Operating profit before working capital changes	720.69	197.49
Movements in Working Capital		
Decrease/(Increase) in inventories	(37.40)	(41.37)
Decrease/ (Increase) in trade receivables	0.33	20.55
Decrease/ (Increase) in loans and advances	(142.93)	(10.71)
Decrease/ (Increase) in other current assets	4.97	2.36
(Decrease)/Increase in trade payables	109.31	(23.05)
(Decrease)/Increase in other long term liabilities	-	(2.20)
(Decrease)/Increase in other current liabilities	136.02	30.23
(Decrease)/Increase in provisions	8.70	13.63
Cash generated from operations	799.69	186.93
Taxes refund received / (Taxes paid)	(4.14)	1.12
NET CASH FLOW FROM OPERATING ACTIVITIES	795.55	188.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets & capital work-in-progress	(770.13)	(1,051.12)
Proceeds from sale of fixed assets	1.41	1.46
Interest Income	4.67	2.53
Investments in mutual funds	(3,907.49)	(4,075.62)
Proceeds from mutual funds	3,909.27	4,335.36
Investment in fixed deposits (With original maturity of three months or more)	(0.25)	(0.12)
Increase in long term deposits	(38.86)	(54.26)
NET CASH USED IN INVESTING ACTIVITIES	(801.38)	(841.77)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	2,160.00	1,590.94
Repayments of short term borrowings	(1,485.15)	(1,276.92)
Proceeds from long term borrowings	100.00	500.00
Repayments of long term borrowings	(450.42)	(58.33)
Proceeds from inter corporate deposits	18.00	342.80
Repayment of inter corporate deposits	(18.00)	-
Repayments of loan from director	(171.70)	(392.98)
Interest paid	(153.78)	(90.51)
Premium on forward Contract paid	-	(9.24)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(1.05)	605.76
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6.88)	(47.96)



Hardcastle Restaurants Private Limited
Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016 (Rs in Millions)	For the year ended March 31, 2015 (Rs in Millions)
Cash and cash equivalents at the beginning of the year	72.05	120.01
Cash and cash equivalents at the end of the year	65.17	72.05
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6.88)	(47.96)
Components of cash and cash equivalents		
Cash and bank balances	67.22	72.06
Less: Not considered as cash and cash equivalents		
Fixed deposit with remaining maturity of more than three months	2.05	0.01
Total cash and cash equivalents (Refer Note - 15.1)	65.17	72.05

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

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 37924



Place :- Mumbai
 Date :- May 06, 2016

For and on behalf of the Board of Directors of
Hardcastle Restaurants Private Limited

Banwari Lal Jatia
Director

Ranjit Pallath
Director

Radha Jain
Company Secretary

Suresh Lakshminarayanan
Chief Financial Officer

Place :- Mumbai
 Date :- May 06, 2016



HARDCASTLE RESTAURANTS PRIVATE LIMITED
Notes to the Financial Statements for the year ended March 31, 2016

Note - 1 -

1.1 Corporate Information:

Hardcastle Restaurants Private Limited ('the Company') was incorporated on August 7, 1995. The Company is engaged in operating 'McDonalds' chain of restaurants in the West and South Regions of India.

1.2 Summary of Significant Accounting Policies:

a) Basis of Preparation

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

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

b) Use of estimates

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

c) Tangible Fixed Assets and Depreciation

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

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

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

