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McDonald's India franchisee to merge with parent Westlife

ENS ECONOMIC BUREAU
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McDONALD'S operations in western and southern India has got consolidated. Hardcastle Restaurants Pvt Ltd (HRPL), the privately-held franchisee of McDonald's Restaurants will be merged with its parent Westlife Development Ltd. The BSE-listed Westlife informed the exchange of the move that it expects will help investors draw benefit from the speedy growth of the US-based fast food chain in the country. But Amit Jatia, vice-chairman of Westlife Development said there was nothing particularly significant in the consolidation that came a day after the government won a vote in the Lok Sabha on allowing foreign direct investment in multi-brand retail.

"We operate in a different segment of food and restaurants", he said. "The consolidation of our companies under Westlife Development opens up options for us to accelerate our growth plans for ex-



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McDonald's had sold its 50 per cent stake in HRPL back to Westlife, which converted it into a franchise operation

panding McDonald's restaurants in west and south India. The consolidation will also open up opportunities for the India market to invest in the growth of the McDonald's Franchisee, HRPL, through Westlife Development," Jatia, vice-chairman of Westlife Development said in a statement.

In 2011, McDonald's had sold its 50 per cent stake in HRPL back to the BL Jatia-owned company. The group decided to convert HRPL into a franchise operation, which is reversed by Friday's decision.

The net profit of HRPL which operates 148 restaurants across west and south India was Rs 425.1 million up 126 per cent in 2011-12.

The revenue for the pe-

riod rose 44 per cent year-on-year to Rs 5.44 billion, the release said. The chain has been growing at a CAGR of 22.34 per cent over the last three years.

Jatia said the insinuation in Parliament that farmers were harmed by their operation was untrue. "Instead we have developed deep and beneficial relations with them."

"We have doubled our profits and grew our topline substantially driven by value platforms, brand-differentiating conveniences and locally-relevant menu options," Jatia said adding expansion plans included extending the brand to formats like McDelivery, kiosks and 24x7 operations, besides focus on revamping the restaurants.