



# ***JUBILANT FOODWORKS***

**JUBILANT FOODWORKS LANKA (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2012**

**JUBILANT FOODWORKS LANKA (PRIVATE) LIMITED**

**DIRECTORS' REPORT**

Your Directors are pleased to present the second Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2012.

**FINANCIAL RESULTS**

Key highlights of your Company's financial performance for the year ended March 31, 2012 are as enumerated below:

<b>PARTICULARS</b>	<b>Year Ended March 31, 2012 (SLR)</b>	<b>Period Ended March 31, 2011 (SLR)</b>
Turnover	36,064,219	-
Profit (Loss) Before Tax	(59,992,706)	(6,528,033)
Provision for Taxation/FBT	4,458,436	(10,362)
Profit (Loss) After Tax	(55,534,270)	(6,538,395)

**OPERATIONAL PERFORMANCE**

During the year, your Company opened its first two stores in Sri Lanka. Since the launch of the first store in August last year, the consumer response has been overwhelming, indicating the brand's whole hearted acceptance. With ability to have a deep understanding of consumer, solid operational expertise and best-in-class marketing, your Company seeks to deliver excellent products at the doorsteps of every household in Sri Lanka over a period of time.

**DIRECTORS**

As at March 31, 2012, Mr. Ajay Kaul and Mr. Ravi Shanker Gupta were the Directors of your Company. There has been no change in the composition of the Board during the year.

Further, no remuneration has been paid to the Directors of your Company during FY 2012.

**AUDITORS**

M/s Ernst & Young (Chartered Accountants) were appointed as the Auditors of your Company by the unanimous resolution in writing passed by the sole member of the Company in lieu of the 1<sup>st</sup> Annual General Meeting of the Company and shall retire at the conclusion of the ensuing Annual General Meeting of your Company.

During FY 2012, the Auditors of your Company were paid LKR 625,000/- for conducting Statutory Audit and LKR 85,000/- for other services. Further, the Auditor does not have any relationship with your Company or its subsidiaries in any manner.

It is proposed to appoint M/s Ernst & Young (Chartered Accountants) as Auditors for a further period of one year till the conclusion of next Annual General Meeting.

Your Board of Directors recommends their appointment.

#### **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in the accounting policies adopted by your Company, during FY 2012.

#### **DIRECTORS' INTERESTS REGISTER**

There were no entries which were required to be entered into the Directors' interests register during FY 2012.

#### **DONATIONS**

No donation has been made by your Company during FY 2012.

#### **ACKNOWLEDGEMENT**

Your Directors wish to convey their sincere appreciation towards all of the employees of the Company for their continued trust and support in the Company. Your Directors are also thankful for the trust posed by the customers and the stakeholders in the Company. They further acknowledge the continued support received from the business associates, government agencies, financial institutions and bankers and look forward to nurture this relationship in future also.

**Best wishes!!!**

sd/-  
**Ravi S. Gupta**  
(Director)

sd/-  
**Ajay Kaul**  
(Director)

sd/-  
**Minoli Fernando Malawana**  
(Company Secretary)

**JUBILANT FOODWORKS LANKA (PVT) LTD**  
**(Incorporated on 14 September 2010)**

**FINANCIAL STATEMENTS**

**31 MARCH 2012**

APAG/SCG/AK/TW

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF JUBILANT FOODWORKS LANKA (PVT) LTD**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Jubilant FoodWorks Lanka (Pvt) Ltd which comprise the balance sheet as at 31 March 2012, and the income statement, statement of changes in equity and cash flow statement for the year ended 31 March 2012, and a summary of significant accounting policies and other explanatory notes.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Scope of Audit and Basis of Opinion***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

***Opinion***

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2012 and the Financial Statements give a true and fair view of the Company's state of affairs as at 31 March 2012 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**Report on Other Legal and Regulatory Requirements**

In our opinion, these financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

*Ernst & Young*

27 April 2012  
Colombo

Chartered Accountants

201, De Saram Place  
P.O. Box 101  
Colombo 10  
Sri Lanka

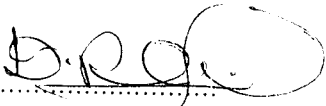
Tel : (0) 11 2463500  
Fax Gen : (0) 11 2697369  
Fax : (0) 11 5578180  
eysl@lk.ey.com

**BALANCE SHEET**

As at 31 March 2012

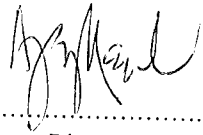
ASSETS	Note	2012 Rs.	2011 Rs.
<b>Non Current Assets</b>			
Property, Plant & Equipment	4	136,841,356	14,421,160
Intangible Assets	5	1,209,375	-
Deferred Tax Asset	14	4,572,406	-
		<u>142,623,137</u>	<u>14,421,160</u>
<b>Current Assets</b>			
Inventories	6	7,241,378	-
Trade and Other Receivables	7	34,084,343	7,421,257
Cash and Bank Balances		22,106,957	2,239,656
		<u>63,432,678</u>	<u>9,660,913</u>
<b>TOTAL ASSETS</b>		<u>206,055,816</u>	<u>24,082,073</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	8	255,509,500	27,815,000
Retained Earnings/(Loss)		(62,072,665)	(6,538,395)
<b>Total Equity</b>		<u>193,436,835</u>	<u>21,276,605</u>
<b>Non Current Liabilities</b>			
Retirement Benefit Liabilities	9	322,500	-
		<u>322,500</u>	<u>-</u>
<b>Current Liabilities</b>			
Interest Bearing Loans & Borrowings	10	6,969,358	-
Trade and Other Payables	11	5,223,553	2,795,107
Income Tax Payable		103,570	10,361
		<u>12,296,481</u>	<u>2,805,468</u>
<b>Total Equity and Liabilities</b>		<u>206,055,816</u>	<u>24,082,073</u>

I certify that the financial statements comply with the requirements of the Company Act. No. 7 of 2007.

  
 .....  
 Manager Finance & Accounts

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the board by.

.....  
 Director

  
 .....  
 Director

The accounting policies and notes on pages 6 through 15 form an integral part of the financial statements.

27 April 2012  
Colombo



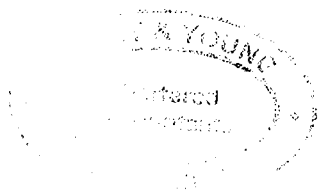
Jubilant FoodWorks Lanka (Pvt) Ltd

INCOME STATEMENT

Year ended 31 March 2012

	Note	2012 Rs.	2011 Rs.
Turnover	3	36,064,219	-
Cost of Sales		(23,027,393)	-
<b>Gross Profit</b>		<u>13,036,826</u>	<u>-</u>
Administration Expenses		(68,108,499)	(6,588,126)
Distribution Expenses		(6,017,489)	(10,080)
Finance Expenses	12.2	(364,699)	(34,536)
Finance Income	12.1	1,461,155	104,709
<b>Loss Before Tax</b>	13	<u>(59,992,706)</u>	<u>(6,528,033)</u>
Income Tax (Expenses)/Reversal	14	4,458,436	(10,362)
<b>Loss for the Year</b>		<u><u>(55,534,270)</u></u>	<u><u>(6,538,395)</u></u>
Earnings/ (Loss) Per Share			
- Basic	15	(2.17)	(8.81)

The accounting policies and notes on pages 6 through 15 form an integral part of the financial statements.



Jubilant FoodWorks Lanka (Pvt) Ltd  
**STATEMENT OF CHANGES IN EQUITY**  
Year ended 31 March 2012

	<b>Stated Capital Rs.</b>	<b>Accumulated Profit/(Loss) Rs.</b>	<b>Total Rs.</b>
Shares Issued During the Period for Cash	27,815,000	-	27,815,000
Loss for the Period	-	(6,538,395)	(6,538,395)
<b>Balance as at 31 January 2011</b>	<u>27,815,000</u>	<u>(6,538,395)</u>	<u>21,276,605</u>
Shares Issued During the Period for Cash	227,694,500	-	227,694,500
Loss for the Year	-	(55,534,270)	(55,534,270)
<b>Balance as at 31 January 2012</b>	<u><u>255,509,500</u></u>	<u><u>(62,072,665)</u></u>	<u><u>193,436,835</u></u>

The accounting policies and notes on pages 6 through 15 form an integral part of the financial statements.





**CASH FLOW STATEMENT**

Year ended 31 March 2012

	Note	2012 Rs.	2011 Rs.
<b>Cash Flows From / (Used in) Operating Activities</b>			
Net Profit Before Income Tax Expense and Extraordinary Items		(59,992,706)	(6,528,033)
Adjustments for			
Amortisation of Intangible Assets		80,625	-
Depreciation	4	3,945,351	-
Finance Costs	12.2	364,699	34,536
Gratuity Provision	9	322,500	-
Operating Profit/(Loss) before Working Capital Changes		<u>(55,279,531)</u>	<u>(6,493,497)</u>
Changes in Working Capital Changes			
(Increase)/ Decrease in Inventories		(7,241,378)	-
(Increase)/ Decrease in Trade and Other Receivables		(26,663,086)	(7,421,258)
Increase/ (Decrease) in Trade and Other Payables		2,418,085	2,795,107
		<u>(31,486,379)</u>	<u>(4,626,151)</u>
Cash Generated from Operations		(86,765,910)	(11,119,648)
Less: Finance Cost	12.2	(364,699)	(34,536)
Income Tax Payment		(10,400)	-
		<u>(87,141,009)</u>	<u>(11,154,184)</u>
<b>Cash Flows from (Used in) Investing Activities</b>			
Acquisition of Property, Plant and Equipment	4	(126,365,547)	(14,421,160)
Acquisition of Intangible Assets	5	(1,290,000)	-
		<u>(127,655,547)</u>	<u>(14,421,160)</u>
<b>Cash Flows from (Used in) Financing Activities</b>			
Funds from equity collaborators	8	227,694,500	27,815,000
Net Cash in Financing Activities		<u>227,694,500</u>	<u>27,815,000</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>			
Cash and Cash Equivalents at the beginning of the year	16	12,897,944	2,239,656
Cash and Cash Equivalents at the end of the year	16	2,239,656	-
		<u>15,137,599</u>	<u>2,239,656</u>

The accounting policies and notes on pages 6 through 15 form an integral part of the financial statements.



**1. CORPORATE INFORMATION**

**1.1 General**

Jubilant FoodWorks Lanka (Pvt) Ltd, is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 164, Galle Road, Dehiwela.

**1.2 Principal Activities and Nature of Operations**

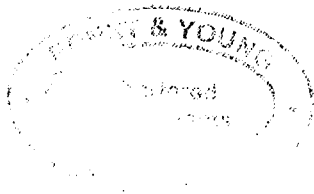
During the year, the principal activities of the Company were to establish, carry on, manage, operate and franchise the business of manufacturing, selling, marketing and distributing fast food products and beverages.

**1.3 Parent Entity and Ultimate Parent Entity**

The Company's parent undertaking is Jubilant FoodWorks Ltd. In the opinion of Directors, the Company's ultimate parent undertaking and controlling party is Jubilant Bhartia Group, which is incorporated in India.

**1.4 Date of Authorisation for issue**

The Financial Statements of Jubilant FoodWorks (Pvt) Ltd for the year ended 31 March 2011 were authorised for issue in accordance with a resolution of the board of directors on 27 April 2012.



## 2. BASIS OF PREPARATION

The Financial Statements have been prepared on a historical cost basis, The Financial Statements are presented in Sri Lankan Rupees. The preparation and presentation of these financial statements is in compliance with the Companies Act No. 07 of 2007.

### 2.1.1 Statement of compliance

The Financial Statements of Jubilant FoodWorks Lanka (Pvt) Ltd has been prepared in accordance with Sri Lanka Accounting Standards (SLAS).

### 2.1.2 Comparative information

The accounting policies have been consistently applied by the company are consistent with those used in previous year.

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.2.1 Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### 2.2.2 Taxation

#### a) Current Taxes

Current income tax assets and liabilities for the current periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the relevant tax legislations.

#### b) Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

**c) Sales Tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or a service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable is stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the Balance Sheet.

**2.2.3 Borrowing Costs**

Borrowing costs are recognized as an expense in the period in which they are incurred.

**2.2.4 Trade and Other Receivables**

Trade receivables are stated at the amounts they are estimated to realise net of allowances for bad and doubtful receivables.

**2.2.5 Inventories**

Inventories are valued at the lower of cost and estimated net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition are accounted using the following cost formulae:-

Raw Materials	-At actual cost on First-In First-Out basis
Stock in Trade	-At actual cost on First-In First-Out basis



### 2.2.5 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

### 2.2.6 Property, Plant and Equipment

#### a) Cost

Property, Plant & Equipment is recorded at cost less accumulated depreciation, which is provided for on the bases specified below. The cost of fixed assets is the purchases or construction together with any incidental expenses.

#### b) Depreciation

The provision for depreciation is calculated on the Written down value of all property, plant and equipment, except for freehold land, in order to write off such amounts over the following estimated useful lives.

The principal annual rates used are:

Buildings	9 Years
Plant & Machinery	13 years
Furniture & Fittings	7 years
Motor Vehicles	5 years
Office and Other Equipment	7 years

Depreciation of assets begins when it is put to use.

### 2.2.7 Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits over the leased term are classified as operating leases.

Rentals paid under operating leases are recognized as an expense in the Income Statement on a straight line basis over the leases. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period which termination takes place.

### 2.2.8 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

### 2.2.9 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.



#### 2.2.10 Retirement Benefit Obligations

a) **Defined Benefit Plan – Gratuity**

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried forward in the balance sheet, equivalent to an amount calculated based on a half month's salary of the last month of the financial year of all employees for each completed year of service, commencing from the first year of service. The resulting difference between brought forward provision at the beginning of a year and the carried forward provision at the end of a year is dealt with in the income statement.

The gratuity liability is not funded nor actuarially valued. This item is grouped under Provisions and Other Liabilities in the Balance Sheet.

Provision has not been made as required by the Sri Lanka Accounting Standards for Retirement Benefit Obligation since employees have not complete one year of service.

b) **Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund**

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

#### 2.2.11 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes.

a) **Sale of Goods**

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer with the company retaining neither a continuing managerial involvement to the degree usually associated with ownership, nor an effective control over the goods sold.

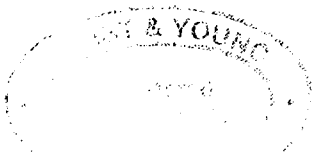
b) **Interest**

Interest Income is recognized on an accrual basis.

#### 2.3 SRI LANKA ACCOUNTING STANDARDS EFFECTIVE FROM 01 JANUARY 2012:

The Company will be adopting the new Sri Lanka Accounting Standards (new SLAS) comprising LKAS and SLFRS applicable for financial periods commencing from 01 April 2012 as issued by the Institute of Chartered Accountants of Sri Lanka. The Company has commenced reviewing its accounting policies and financial reporting in readiness for the transition and is in the process of quantifying the impact on the financial statements.

The Institute of Chartered Accountants of Sri Lanka has resolved an amendment to Sri Lanka Accounting Standard 10, whereby the provision contained in paragraphs 30 and 31 of SLAS 10 – Accounting Policies, Changes in Accounting Estimates and Errors, would not be applicable for financial statements prepared in respect of financial periods commencing before 01 April 2012 and hence the impact of this transition is not required to be disclosed in these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

3. SALES

	2012 Rs.	2011 Rs.
Sale - Pizza	34,358,085	-
Sale Beverage	1,706,134	-
	<u>36,064,219</u>	<u>-</u>

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Gross Carrying Amounts	Balance As at 01.04.2011 Rs.	Additions Rs.	Disposals/ Transfers write off Rs.	Balance As at 31.03.2012 Rs.
<b>At Cost</b>				
Buildings	-	35,205,106	14,409,560	49,614,666
Plant & Machinery	-	30,049,960	-	30,049,960
Furniture and Fittings	-	10,611,406	-	10,611,406
Office Equipment	11,600	1,702,865	-	1,714,465
Motor Vehicles	-	4,727,293	-	4,727,293
	<u>11,600</u>	<u>82,296,630</u>	<u>14,409,560</u>	<u>96,717,790</u>

**Capital Work In Progress**

Buildings	14,409,560	12,828,151	(14,409,560)	12,828,151
Plant & Machinery	-	31,240,766	-	31,240,766
	<u>14,409,560</u>	<u>44,068,917</u>	<u>(14,409,560)</u>	<u>44,068,917</u>

**Total Gross Carrying Amount**

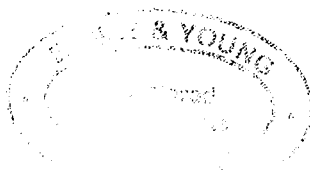
	<u>14,421,160</u>	<u>126,365,547</u>	<u>-</u>	<u>140,786,707</u>
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4.2 Depreciation

At Cost	Balance As at 01.04.2011 Rs.	Charge for the Year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.
Buildings	-	2,032,570	-	2,032,570
Plant & Machinery	-	908,217	-	908,217
Furniture and Fittings	-	552,670	-	552,670
Office Equipment	-	160,732	-	160,732
Motor Vehicles	-	291,162	-	291,162
<b>Total Depreciation</b>	<u>-</u>	<u>3,945,351</u>	<u>-</u>	<u>3,945,351</u>

4.3 Net Book Value

At Cost	2012 Rs.	2011 Rs.
Buildings	47,582,096	-
Plant & Machinery	29,141,743	-
Furniture and Fittings	10,058,736	-
Office Equipment	1,553,733	11,600
Motor Vehicles	4,436,131	-
	<u>92,772,439</u>	<u>11,600</u>
<b>Capital Work In Progress</b>		
Buildings	12,828,151	14,409,560
Plant & Machinery	31,240,766	-
	<u>44,068,917</u>	<u>14,409,560</u>
<b>Total Net Book Value</b>	<u>136,841,356</u>	<u>14,421,160</u>



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

5. INTANGIBLE ASSETS

5.1 Gross Carrying Amounts

Store Opening Fee

At Cost

As at the Beginning of the year

Acquired During the year

-  
1,290,000

As at 31st March 2012

1,290,000

5.2 Amortization

As at the Beginning of the year

Amortisation for the year

-  
80,625

As at 31st March 2012

80,625

5.2 Net Book Value

1,209,375

Store Opening fee is paid to Domino's Pizza Overseas Netherlands BV and amortised over 05years inline with group policy.

6. INVENTORIES

Closing Food Stock

2012

Rs.

7,241,378

2011

Rs.

-

7,241,378

-

7. TRADE & OTHER RECEIVABLES

2012

Rs.

14,226,290

19,858,054

34,084,343

2011

Rs.

2,800,000

4,621,258

7,421,258

8. STATED CAPITAL

2012

Number of  
shares

Value of  
shares  
Rs.

2011

Number of  
shares

Value of  
shares  
Rs.

8.1 Issued and Fully Paid

At the Beginning of the Period

Issued during the Period

At the End of the Period

25,550,950

255,509,500

25,550,950

2,781,500

2,781,500

27,815,000

27,815,000

8.2 Fully Paid Ordinary Shares

2012

Number of  
shares

Value of  
shares  
Rs.

2011

Number of  
shares

Value of  
shares  
Rs.

Balance at Beginning of the Year

Issue of Shares for cash

Balance at the end of the Year

2,781,500

27,815,000

22,769,450

227,694,500

25,550,950

255,509,500

-

2,781,500

2,781,500

-

27,815,000

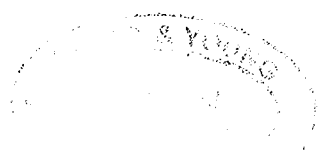
27,815,000



Jubilant FoodWorks Lanka (Pvt) Ltd  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

<b>9. EMPLOYEE RETIREMENT BENEFIT LIABILITY</b>						
					<b>2012</b>	<b>2011</b>
					<b>Rs.</b>	<b>Rs.</b>
Balance as at the beginning of the Year					-	-
Charge for the Year					322,500	-
Balance as at the end of the Year					<u>322,500</u>	<u>-</u>
<b>10. INTEREST BEARING LOANS &amp; BORROWINGS</b>						
	<b>Amount</b>	<b>2011</b>	<b>Total</b>	<b>Amount</b>	<b>2010</b>	<b>Total</b>
	<b>Repayable</b>	<b>Amount</b>		<b>Repayable</b>	<b>Amount</b>	
	<b>Within 1 year</b>	<b>Repayable</b>		<b>Within 1 year</b>	<b>Repayable</b>	
	<b>Rs.</b>	<b>After 1 year</b>	<b>Rs.</b>	<b>Rs.</b>	<b>After 1 year</b>	<b>Rs.</b>
		<b>Rs.</b>			<b>Rs.</b>	
Bank Overdrafts (Note 16.2)	6,969,358	-	6,969,358	-	-	-
	<u>6,969,358</u>	<u>-</u>	<u>6,969,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>11. TRADE AND OTHER PAYABLES</b>						
					<b>2012</b>	<b>2011</b>
					<b>Rs.</b>	<b>Rs.</b>
Trade Payables					460,271	-
Sundry Creditors Including Accrued Expenses					4,763,282	2,795,107
					<u>5,223,553</u>	<u>2,795,107</u>
<b>12. FINANCE INCOME &amp; COST</b>						
<b>12.1 Finance Income</b>						
					<b>2012</b>	<b>2011</b>
					<b>Rs.</b>	<b>Rs.</b>
Interest Income - Fixed Deposit					1,461,155	104,709
					<u>1,461,155</u>	<u>104,709</u>
<b>12.2 Finance Cost</b>						
Bank Charges					364,699	33,558
Debit Tax Charges					-	978
					<u>364,699</u>	<u>34,536</u>
<b>13. OPERATING LOSS BEFORE TAXATION</b>						
Is stated after Charging /(Crediting)						
<b>Included in Administrative Expenses</b>						
					<b>2012</b>	<b>2011</b>
					<b>Rs.</b>	<b>Rs.</b>
Employees Benefits including the following						
- Defined Contribution Plan Costs - EPF&ETF (included in Employee Benefits)					17,089,797	1,812,802
Depreciation					3,945,361	-
Amortisation					80,625	-
Gratuity					322,500	-
Auditors Fees and Expenses					<u>625,000</u>	<u>510,000</u>



Jubilant FoodWorks Lanka (Pvt) Ltd  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

**14. INCOME TAX**

The major components of income tax expense for the years ended 31 March are as follows :

	2012 Rs.	2011 Rs.
<b>Current Income Tax</b>		
Current Income Tax charge	113,970	10,362
	<u>113,970</u>	<u>10,362</u>
<b>Deferred Income Tax</b>		
Deferred Taxation Charge/(Reversal) (14.1)	(4,572,406)	-
	<u>(4,458,436)</u>	<u>10,362</u>
<b>A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :</b>		
Accounting Profit(Loss) Before Tax	(59,938,689)	(6,528,033)
Aggregate Disallowed Items	59,938,689	6,528,033
Interest Income	1,461,155	104,709
Taxable Profit	<u>1,461,155</u>	<u>104,709</u>
Less: Trade Loss Set Off	(511,404)	(36,648)
	<u>949,751</u>	<u>68,061</u>
Statutory Tax Rate		
Concessionary Tax Rate of 12%	113,970	10,209
Social Responsibility Levy of 1.5%	-	153
Current Income Tax	<u>113,970</u>	<u>10,362</u>

**14.1 Deferred Tax Assets, Liabilities and Income Tax relates to the followings**

	Balance Sheet		Income Statement	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
<b>Deferred Tax Liability</b>				
Capital allowances for tax purposes	2,619,087	-	2,619,087	-
	<u>2,619,087</u>	<u>-</u>	<u>2,619,087</u>	<u>-</u>
<b>Deferred Tax Assets</b>				
Defined Benefit Plans	(38,700)	-	(38,700)	-
Brought forward Tax Losses	(7,152,793)	-	(7,152,793)	-
	<u>(7,191,493)</u>	<u>-</u>	<u>(7,191,493)</u>	<u>-</u>
Deferred income tax (income) / expense			<u>(4,572,406)</u>	<u>-</u>
Net Deferred Tax Asset	<u>4,572,406</u>	<u>-</u>		

**15. EARNINGS PER SHARE**

**15.1** Basic Earnings/(Loss) Per Share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

**15.2** The following reflects the Profit/(Loss) and share data used in the Basic Earnings/(Loss) Per Share computations.

	2012 Rs.	2011 Rs.
Attributable to ordinary shareholders for Basic Earnings Per Share	<u>(55,534,270)</u>	<u>(6,538,395)</u>
<b>Number of Ordinary Shares used as the denominator:</b>		
Weighted Average Number of ordinary shares in issue applicable to Basic Earnings/(Loss) per share	<u>(55,534,270)</u>	<u>742,166</u>
Earnings/(Loss) per share	<u>1.00</u>	<u>(8.81)</u>

Jubilant FoodWorks Lanka (Pvt) Ltd  
**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

**16. CASH AND CASH EQUIVALENT IN THE CASH FLOW STATEMENT**  
**Components of Cash and Cash Equivalents**

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>16.1 Favourable Cash &amp; Cash Equivalents Balance</b>		
Cash and Bank Balances	275,274	2,239,656
Cash in Transit	1,744,585	-
Fixed Deposits (tenor 3 Months)	20,087,098	-
	<u>22,106,957</u>	<u>2,239,656</u>
<b>16.2 Un Favourable Cash &amp; Cash Equivalents Balance</b>		
Bank Over Drafts	(6,969,358)	-
<b>Total Cash and Cash Equivalents</b>	<u><u>15,137,599</u></u>	<u><u>2,239,656</u></u>

**17. COMMITMENTS AND CONTINGENCIES**

**17.1 Capital Expenditure Commitments**

The Company does not have significant capital commitments as at the balance sheet date.

**17.2 Contingent Liabilities**

The Company does not have significant contingencies as at the balance sheet date.

**18. ASSETS PLEDGED**

There are no assets pledged as at the balance sheet date.

**19. RELATED PARTY DISCLOSURES**

Details of significant related party disclosures are as follows:

**Transaction with the parent**

<b>Nature of Transaction</b>	<b>Transaction with Parent</b>	
	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Purchase of Shares	227,694,500	27,815,000
Cash Received	(227,694,500)	(27,815,000)
<b>As at 31 March</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Transactions with Key Management Personnel of the Company or its parent**

The Key Management Personnel of the Company are the members of its Board of Directors.

There have been no transactions with Key Management Personnel of the Company for the period ended 31 March 2012.

**20. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the financial statements.

**JUBILANT FOODWORKS LANKA (PVT) LTD**  
**(Incorporated on 14 September 2010)**

**DETAILED INCOME STATEMENT**  
**YEAR ENDED 31 MARCH 2012**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

	Statement	2012 Rs.	2011 Rs.
<b>Turnover</b>	I	36,064,219	-
Cost of Sales	II	<u>(23,027,393)</u>	<u>-</u>
Gross Profit		13,036,826	-
Finance income		1,461,155	-
Distribution Expenses	III	(6,017,489)	(10,080)
Administrative Expenses	IV	68,108,499	6,588,126
Finance Cost	V	(364,699)	(34,536)
<b>Loss Before Tax</b>		<u><u>76,224,292</u></u>	<u><u>6,543,510</u></u>



Jubilant FoodWorks Lanka (Pvt) Ltd  
DETAILED INCOME STATEMENTS

Year ended 31 March 2012

STATEMENT I

COST OF SALES	2012 Rs.	2011 Rs.
Purchase-Raw Material (Intg)	2,766,310	-
Purchase-Dough Ingredien(Intg)	2,007,429	-
Purchase-Milk Product (Intg)	5,938,882	-
Purchase-Non Veg(Intg)	3,531,562	-
Purchase-Desert (Intg)	1,915	-
Purchase-Baverages (Intg)	64,170	-
Purchase-Consumable (Intg)	984,362	-
Purchase-Claening & Hyg (Intg)	333,129	-
Purchase-Packing Materi (Intg)	2,826,724	-
Purchase-Printing & Sta (Intg)	83,810	-
Purchase-Uniform (Intg)	1,366,197	-
Purchase-Beverages (M)	1,523,607	-
Purchase-Raw material (M)	4,512,348	-
Purchase Cleaning & Hygine	439,936	-
Purchase Consumables	504,193	-
Freight Expenses	3,384,197	-
Closing Stock	(7,241,378)	-
	<u>23,027,393</u>	



Jubilant Food Works Lanka (Pvt) Ltd  
**DETAILED INCOME STATEMENTS**

Year ended 31 March 2012

**STATEMENT II**

**ADMINISTRATION EXPENSES**

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Attendance Allowance	2,049,813	50,150
Audit Fees	625,000	510,000
Brokerage & Commission	-	32,500
Conference Expenses	355,362	4,000
Contribution to E P F	1,552,415	185,254
Contribution to E T F	388,266	46,312
Courier Charges	25,312	9,570
Depreciation	3,945,361	-
Diesel Expenses	76,980	-
Electricity	3,152,340	93,681
Entertainment Allowance	1,175,629	602,741
Food Testing Expenses	25,356	-
Franchisee Fess	1,081,926	-
General Expenses	559,094	23,173
Gratuity	322,500	-
Insurance Expenses	1,511,323	-
Internal Promotion Allowance	-	1,187
Legal Advisory Fees	4,245,884	588,480
LPG Cost	851,943	-
Motor Vehicle Running Expenses	1,906,000	664,139
Pest control	7,500	-
Petrol Expenses	413,955	-
Printing & Stationery	497,349	12,085
Recruitment Expenses	311,309	-
Rent Expenses	9,342,539	95,179
Repair & Maintenance	112,671	-
Reward & Recognition Expenses	14,176	-
Security Expenses	1,017,046	-
Service Charges for sodexo	202,429	-
Staff Salaries	15,149,116	1,581,236
Staff Welfare	4,344,347	249,747
Telephone & Fax Charges	1,383,429	76,457
Training & Seminar Expenses	2,534,499	-
Transport Allowance	1,765,070	59,991
Travelling & Conveyance	1,154,434	37,449
Travelling Foreign	2,263,632	529,671
Travelling Inland	286,409	134,544
Vehicle Maintenance Charges	39,930	-
Uniform Expenses	24,220	-
Vehicle Rent Charges	3,099,000	1,000,580
Water Charges	149,893	-
Amortisation of Store Opening Fee	80,625	-
Leave Encashment Payment	64,417	-
	<b>68,108,499</b>	<b>6,588,126</b>

**STATEMENT III**

**DISTRIBUTION EXPENSES**

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Advertisement	5,687,813	10,080
Local Store Marketing	329,676	-
	<b>6,017,489</b>	<b>10,080</b>

