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BARBEQUE-NATION HOSPITALITY LIMITED

Our Company was originally incorporated as Sanchi Hotels Private Limited on October 13, 2006 at Indore, Madhya Pradesh 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 to Bengaluru, Karnataka, 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 191 of the Draft Red Herring Prospectus (the "**DRHP**").

Registered and Corporate Office: Sy. No. 62, Site No.13, 6th Cross, N.S. Palya, BTM Layout, Bengaluru – 560 076, Karnataka, India

Contact Person: Nagamani CY, Company Secretary and Compliance Officer; **Tel**: +91 80 4511 3000; **E-mail**: compliance@barbequenation.com

Website: www.barbequenation.com; **Corporate Identity Number**: U55101KA2006PLC073031

SECOND ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED FEBRUARY 17, 2020: NOTICE TO INVESTORS (THE "SECOND ADDENDUM")

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 COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UPTO ₹1,800 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 1,018,288 EQUITY SHARES BY SAYAJI HOUSEKEEPING SERVICES LIMITED ("SHKSL"), 339,430 EQUITY SHARES BY AZHAR DHANANI ("AD"), 339,430 EQUITY SHARES BY SADIYA DHANANI ("SD"), 339,430 EQUITY SHARES BY SANYA DHANANI ("SND"), 3,323,106 EQUITY SHARES BY TAMARA PRIVATE LIMITED ("TPL"), 71,186 EQUITY SHARES BY AAJV INVESTMENT TRUST ("AAJV") AND 26,600 EQUITY SHARES BY MENU PRIVATE LIMITED (SAYAJI HOUSEKEEPING SERVICES LIMITED, AZHAR DHANANI, SADIYA DHANANI, SANYA DHANANI, TAMARA PRIVATE LIMITED, AAJV INVESTMENT TRUST AND MENU PRIVATE LIMITED SHALL BE COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") AGGREGATING UP TO 5,457,470 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹20 MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED IN THE DRHP) NOT EXCEEDING [●]% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER 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.

Potential Bidders may note the following:

a. Pursuant to an exemption letter dated January 29, 2021 ("**SEBI Exemption**"), SEBI had granted our Company an exemption from the requirement of compliance with Paragraph (1)(f)(iii) read with paragraph (1)(f)(ii) of Schedule XVI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") as long as the size of the offer for sale in terms of number of Equity Shares does not reduce by more than 50% as specified in the DRHP. Subsequently, (i) Kayum Dhanani, Zoya Dhanani, Pace Private Limited and Alchemy India Long Term Fund Limited have decided to withdraw as a selling shareholder from the Offer; (ii) SHKSL has decided to increase the number of Equity Shares in the offer for sale; and (iii) AD, SD, SND, TPL and AAJV have decided to reduce the number of Equity Shares in the offer for sale. Accordingly, the revised Offer for Sale component in the Offer is 5,457,470 Equity Shares, which is more than 50% of the number of Equity Shares offered at the time of filing the DRHP in compliance with the SEBI Exemption.

b. Our Company has increased the size of the fresh issue as disclosed in the DRHP of up to ₹2,750 million in accordance with Schedule XVI(2)(a)(iii) of the SEBI ICDR Regulations to up to ₹3,299.69 million. Our Company and TPL have undertaken a Pre-IPO Placement of 5,951,132 Equity Shares for an aggregate amount equal to approximately ₹1,499.69 million. Pursuant to the Pre-IPO Placement, the size of the fresh issue of up to ₹3,299.69 million has been reduced by approximately ₹1,499.69 million, and accordingly, the size of the Fresh Issue is up to ₹1,800 million. Further, our Company has added a new object towards capital expenditure for expansion and opening of new restaurants by our Company and a portion of the Net Proceeds is proposed to be utilized towards such new object. The addition of such new object does not increase the estimated issue size by more than 20% in accordance with Schedule XVI(2)(a)(iii) of the SEBI ICDR Regulations.

c. The impact of the pandemic caused due to the worldwide spread of the novel coronavirus disease ("**COVID-19**"), as well as Government of India measures to reduce the spread of COVID-19, have had a substantial adverse impact on our Company's restaurant operations. Accordingly, the section titled "*Risk Factors*" has been updated to include the impact of COVID-19 pandemic on the business of our Company in this Second Addendum. Please note that all other details in, and updates to the sections titled "*Risk Factors*" "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" will be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC. Our Company has further commissioned an updated industry report titled "*Indian Food Services Market*" dated February 19, 2021 prepared by Technopak Advisors Private Limited to reflect, among others, the impact of COVID-19 on the industry in which we operate.

d. Certain updates in relation to the following sections (i) "*Capital Structure*"; (ii) "*Industry Overview*"; (iii) "*History and Certain Corporate Matters*"; (iv) "*Our Promoters and Promoter Group*"; (v) "*Our Group Entities*"; (vi) "*Financial Indebtedness*"; and (vii) "*Outstanding Litigation and Material Developments*" have also been included in this Second Addendum.

The above changes are required to be read in conjunction with the DRHP and the addendum to the Draft Red Herring Prospectus dated January 29, 2021 (the "**Addendum**") and accordingly, appropriate references in the DRHP and the Addendum, stand amended to the extent stated in this Second Addendum.

This Second Addendum does not reflect all changes that have occurred between the date of filing of the Draft Red Herring Prospectus, the Addendum and the date hereof, and accordingly does not reflect all the updates that would be included in the Red Herring Prospectus.

The information in this Second Addendum supplements the DRHP and the Addendum and includes certain other material updates to the information in the DRHP and the Addendum as set out above. Please note that the changes pursuant to this Second Addendum will be appropriately included in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchanges. All capitalized terms used in this Second Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus and the Addendum.

On behalf of Barbeque-Nation Hospitality Limited

Sd/-
Nagamani CY
Company Secretary and Compliance Officer

Place: Bengaluru
Date: March 2, 2021

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
IIFL Securities Limited 10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013 Tel: +91 22 4646 4600 E-mail: bnhl.ipo@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Ujjaval Kumar / Nishita Mody SEBI Registration No.: INM000010940	**Axis Capital Limited** 1st Floor, Axis House, C 2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025 Tel: +91 22 4325 2183 Email: bnhl.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Simran Gadh / Sagar Jatakiya SEBI Registration No: INM000012029	**Ambit Capital Private Limited** Ambit House, 449 Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Tel: +91 22 6623 3000 Email: bnhl.ipo@ambit.co Investor grievance email: investorgrievance.acpl@ambit.co Website: www.ambit.co Contact Person: Sandeep Sharma SEBI Registration No.: INM000012379	**SBI Capital Markets Limited** 202, Maker Tower "E", Cuffe Parade, Mumbai 400 005 Tel: +91 22 2217 8300 Email: bnhl.ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Aditya Deshpande/ Sylvia Mendonca SEBI Registration No: INM000003531	**Link Intime India Private Limited** C-101, 1st floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 22 4918 6200 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 CLOSES ON	[●] (2)

(1) *Our Company and TPL 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 TPL 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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RISK FACTORS

1. The outbreak of the 2019 novel coronavirus ("COVID-19") pandemic, as well as GoI measures to reduce the spread of COVID-19, have had a substantial impact on our restaurant operations and the timing of how long the COVID- 19 pandemic and the related GoI measures will last is still uncertain.

The outbreak of the COVID-19 pandemic, as well as the measures taken by the Government of India to reduce the spread of COVID-19, have had a substantial impact on our restaurant operations since the last week of March 2020. Further, the duration of the COVID-19 pandemic continues to remain uncertain, particularly since various mutations of the virus have emerged in several countries. In some cases, some of these mutations are reported to be more virulent. Whilst vaccines are starting to be made available, they are at present only being administered to vulnerable groups. In addition, the vaccines have varying degrees of reported efficacy and their effectiveness against different strains of the virus remains uncertain. In addition, restaurants operated by the Company across different states and regions in India have been disproportionately affected by COVID-19 and the measures implemented in each state have varied due to regional and regulatory differences. As a result of COVID-19, the Company has had to temporarily close various restaurants across India commencing from March 2020 and has also experienced reduced restaurant-level operations, including reduced operating hours and restaurant closures. Our footfalls and sales have since started to recover, although not to the levels prior to outbreak of COVID-19. The reduction in the level of business activity due to the COVID-19 crisis has also led to (i) write-offs of food inventory and related commitments since the Company's inventory includes food items which are perishable in nature; (ii) disruptions due to logistical constraints; and (iii) losses in the business. Similarly, the Company's corporate offices also experienced closures and certain employees have been restricted from commuting to their places of work. Consequently, the financial impact of COVID-19 has had, and is expected to continue to have, an adverse effect on the Company's liquidity.

As of December 31, 2020, we had 147 Barbeque Nation Restaurants (including opened, temporarily closed and under construction outlets), six International Barbeque Nation Restaurants and 11 Italian Restaurants of which nine are operated under the brand name "Toscano" and one each under the brand names "La Terrace" and "Collage", respectively, of which 9 were operational, often with limited operations or limitations on capacity for dine-in guests, depending on local regulations. Our financial results were materially and adversely affected as a direct consequence of COVID-19. We incurred consolidated losses after taxes as restated of Rs.1,006.48 million for the eight month period ended November 30, 2020 and our networth become negative as at November 30, 2020. Our trade payables have also increased as at November 30, 2020 compared with the fiscal years ended 2019 and 2020. For further details, see "*Financial Statements*" on page 10 of the Addendum. There can be no assurance that our financial results will recover, or the timing of their recovery, from the impact of the COVID-19 crisis.

Further, FSSAI has issued a guidance note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' ("**FSSAI Guidelines**") with an intent to provide guidance to food businesses like ours, including their personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work environment and any incidental contamination of food/food packages. The FSSAI Guidelines, *inter-alia*, mandates strict adherence to General Hygiene Practices and Good Manufacturing Practices specified under Schedule 4 of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011. The schedule enumerates multiple compulsory measures to be adopted by food business operators in the interest of human nutrition, safety and hygiene which may result in increased costs. Although we are currently in compliance with the FSSAI Guidelines, any failure in the future to fully comply or adhere to the measures and guidelines set out in the FSSAI Guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

Notwithstanding measures we have adopted to increase safety and hygiene levels, there can be no assurance that footfalls in our restaurant outlets, same store sales, sales from food and beverages and demand for our products will recover from the impact of the COVID-19 crisis, and if they do not recover as a result of the COVID-19 crisis continuing or worsening, or otherwise, our business and results of operations would be significantly and adversely impacted, which could also adversely impact our market share. Further, due to the rising number of infected cases of COVID-19 in India, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we will not face any difficulty in our operations due to such restrictions and such prolonged instances of lockdown may adversely affect our business, results of operations, financial condition, cash flows, reputation and prospects. In addition, if our key management personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak or perceived outbreak of the COVID-19 pandemic connected to one or more of our Barbeque Nation Restaurants or Toscano Restaurants could also cause negative publicity directed at any of our brand and cause customers to avoid our restaurants, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

As a consequence of the COVID-19 pandemic, the expansion of our restaurant network has slowed significantly, and the COVID-19 pandemic has also adversely affected our ability to open new restaurants and expand our restaurant network temporarily. We have delayed some new restaurant openings and will continue to evaluate the pace and quantity of new restaurant openings and the expansion of our restaurant network until more clarity on the restaurant industry operating environment in India emerges.

The financial impact of COVID-19 has had, and is expected to continue to have, an adverse effect on our liquidity, and we continue to monitor and assess our access to appropriate sources of liquidity in order to sustain our business throughout this crisis. The net worth of our Company turned negative for the eight month period ending on November 30, 2020. However, our Company has completed a Pre-IPO placement of ₹1,499.69 million. For further details in relation to the Pre-IPO Placement, please see section "*Capital Structure"* on page 10 of this Second Addendum.

The financial impact of COVID-19 has also had an adverse effect on the liquidity of some of the members of our Promoter Group companies and Group Companies. Some of these companies were already in breach of their payment obligations prior to COVID-19 and have either received a notice of demand or applications to initiate insolvency proceedings have been filed, and in certain cases have even been commenced against them. Their lenders may evaluate whether our individual Promoters, who are associated with such Promoter Group companies or Group Companies, are to be declared as wilful defaulters. If any of our individual Promoters, who are associated with such Promoter Group companies or Group Companies are declared as wilful defaulters, this may have an adverse effect on our reputation and the ability of such individual Promoters to continue to be directors of our Company. For further details in relation to the insolvency proceedings, please see *"Our Group Entities – Information Regarding Significant Adverse Factors Related to the Group Entities*" on page 61 of this Second Addendum.

However, depending on how long the COVID-19 pandemic lasts, we may need to seek additional sources of liquidity, which may or may not be available. The COVID-19 pandemic is adversely affecting the availability of liquidity generally in the credit markets, and there can be no guarantee that additional liquidity from other sources will be available to us on favourable terms, or at all, especially the longer the COVID-19 pandemic lasts or if it were to worsen. While we have assessed the impact of the COVID-19 pandemic on our business and on recoverability of all current and non-current assets and recognised necessary adjustments in carrying value of the assets, given the uncertainties associated, we will continuously monitor and consider necessary impact on financial conditions, results of operation and cash flows. Further, while we cannot currently estimate the duration or future negative impact of the COVID-19 pandemic on our business or on the Indian or global economy, we expect the negative effects to continue into the fourth quarter of Fiscal 2021 and beyond and for such further period that COVID-19 persists. Similarly, we cannot predict the effects the COVID-19 pandemic will have on the restaurant industry as a whole or the share of customer traffic to our restaurants compared to other restaurants or outlets. In addition, there can be no assurance that the COVID-19 crisis will not cause the Indian or global macroeconomic environment to worsen. In these circumstances, if additional liquidity is not available in the amounts or under the terms that we required, this could have a material adverse a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

2. Deterioration in the performance of, or our relationships with, third-party delivery aggregators, may adversely affect our business, results of operations and financial condition.

Demand for food delivery services through delivery aggregators online and through mobile applications has witnessed an increase in recent years across the restaurant industry. The introduction and growth of online ordering and mobile applications, as well as the increasing number and growth of third-party delivery aggregators, have made delivery a significant part of our business, and we believe the increasing presence of delivery aggregators in India will have a significant impact on our business going forward. We leverage the large third-party delivery aggregators that have their own mobile applications and delivery fleets and have integrated our customer base with certain delivery aggregators. However, the activities of delivery aggregators have increased competition with other restaurant brands and new food service platforms, such as cloud kitchens, which do not offer in-restaurant services and only serve food through third party delivery aggregators, requiring less capital expenditure to offer food services. If food delivery through third party delivery aggregators continues to increase, it is possible that footfalls in our restaurants could decrease, especially in light of the COVID-19 pandemic, unless we adapt our business model to account for this change in consumer preference. We currently depend on third party delivery aggregators for a substantial portion of our food delivery services and that could increase in the future, especially as a result of the impact of COVID-19 and the resulting growth in delivery. It is possible that the negotiating leverage of third party delivery aggregators with respect to our agreements with them could increase as their businesses grow, which means we may have to pay higher fees for their services or may have difficulty extending or renewing our agreements with them on commercially acceptable terms, or at all, in the future, especially if we fail to sufficiently develop our own food delivery services or find alternative means to serve the increasing number of customers who choose to order their food online or through mobile applications. In addition, in order to increase their market share, certain delivery aggregators offer significant discounts for their services and as their businesses mature, they may choose or be required to raise their fees, which could adversely impact the fees we pay for their services. Any adverse development with respect to the third party delivery aggregators that we use to deliver our products, our relationship with them or their services, such as their failing to meet our service standards, actions or events attributed to them that impact customer perception of our brand, or any stoppage of their operations due to financial difficulties or otherwise, could adversely affect our ability to reach customers who choose to order food through third party delivery aggregators, which could have a material adverse effect on our business, results of operations and financial condition.

3. Our new restaurants may not be profitable or perform as planned and could also adversely impact sales in our existing restaurants, which could adversely affect our business, results of operations and financial condition.

We plan to utilize a portion of the Net Proceeds to set-up new Barbeque Nation Restaurants. The profitability and performance of our new restaurants depend on a number of factors, and we cannot assure you that our new restaurants will be profitable or perform as planned.

In particular, some of our new restaurants are and may in the future be located in areas where we have little or no operating experience, which may expose us to additional risks. These areas may have different competitive conditions, consumer tastes, discretionary spending patterns and economic conditions than our existing locations, which may cause our new restaurants to be less successful than our existing restaurants or to incur losses. Sales at restaurants opened in those new areas may take longer to reach, or may never breakeven, especially during the current COVID- 19 crisis, which may adversely affect our business, results of operations and financial condition. In addition, costs of opening new restaurants in areas in which we have little or no operating experience and in which customer awareness of our brand is low may require us to incur additional costs in relation to the promotion of those restaurants which may be substantially greater than those incurred by our restaurants in other areas.

In addition, the opening of a new restaurant in or near markets in which we already have restaurants could also adversely affect the restaurant sales of those existing restaurants. Existing restaurants could also make it more difficult to build our consumer base for a new restaurant in the same market. Cannibalisation of restaurant sales within our system may become significant in the future as we continue to expand our operations, in particular as our restaurant continues to grow and become more dense, which could adversely affect our same-restaurant sales growth. If we fail to successfully open new restaurants that are economically viable and expand our business in a manner that does not adversely impact our existing restaurants, our business, results of operations and financial condition could be materially and adversely affected.

4. We have not been and may continue to not be in compliance with certain covenants under some of our loan agreements and if the relevant lenders were to call an event of default, such an event may adversely affect our business, results of operations and financial conditions.

As a consequence of COVID-19, we were unable to comply with our payment obligations under our loan agreements. Subsequently, whilst we paid the principal and interest outstanding under our loan agreements, such payments were made after the relevant due dates. For further details, please see "*Restated Consolidated Financial Information – Note 42"* on page 77 of the Addendum. We may not be in compliance with some of the financial covenants under our loan agreements.

If our lenders demand payment of the default interest and we are unable to comply with our payment obligations or if they declare an event of default as a consequence of our failure to comply with our financial covenants or as a consequence of a cross default, our lenders have the right to, *inter alia*, cancel the outstanding facilities available for drawdown, convert the outstanding loans into equity in the Company, appoint nominee directors, declare their loans to be immediately due and payable with accrued interest and enforce rights over the security created. Such an event may have a material adverse effect on our business, results of operations and financial conditions.

5. 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, our Subsidiaries, 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 Second Addendum together with disciplinary action including penalties imposed by SEBI or stock exchanges on certain Promoters in the last five financial years are set out below:

Nature of cases	**No. of cases**	**Total amount involved (in ₹ million)**
Litigation involving our Company		
Against our Company		
Material civil cases	1	3.92
Criminal cases	2	Not ascertainable
Action taken by statutory and regulatory authorities	23	Not ascertainable
Direct tax cases	7	127.53
Indirect tax cases	23	175.29
By our Company		
Material civil cases	1	30.89
Criminal cases	1	Not ascertainable
Litigation involving our Subsidiaries		
Material civil cases	1	4.87
Direct tax cases	1	12.64
Litigation involving our Promoters and Directors		
Against our Promoters		
SHL		
Material civil cases	1	5
Criminal cases	2	Not ascertainable
Action taken by statutory and regulatory authorities	14	Not ascertainable
Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action[2]	7	Not ascertainable
Direct tax cases	5	11.16
Indirect tax cases	19	28.03
Kayum Dhanani		
Criminal cases	5	Not ascertainable
Action taken by statutory and regulatory authorities	13	Not ascertainable
Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action	1	Not ascertainable[2]
Direct tax cases	4	20.38
Raoof Dhanani		

Nature of cases	No. of cases	Total amount involved (in ₹ million)
Material civil cases	1	Not ascertainable
Criminal cases	1	Not ascertainable
Action taken by statutory and regulatory authorities	9	Not ascertainable
Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action	4	Not ascertainable[4]
Suchitra Dhanani		
Material civil cases	1	Not ascertainable[5]
Action taken by statutory and regulatory authorities	11	Not ascertainable
Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action	1	Not ascertainable[2]
Direct tax cases	12	2.13
Against our Directors, other than our Promoters		
Abhay Chaudhari		
Action taken by statutory and regulatory authorities	1	Not ascertainable
T Narayanan Unni		
Action taken by statutory and regulatory authorities	10	Not ascertainable
Tarun Khanna		
Action taken by statutory and regulatory authorities	1	Not ascertainable
By our Promoters		
SHL		
Criminal	2	0.24
Suchitra Dhanani		
Material civil cases	1	Not ascertainable[6]

[1] Company has received a notice from the National Anti-Profiteering Authority which has alleged profiteering amounting to ₹325.88 million. For the said details, see "Risk Factors - Our Company has been issued a notice from the National Anti-Profiteering Authority under the Central Goods and Services Tax Act, 2017. Any adverse decision in these matters may have a direct adverse impact on the business, operations, future prospects and financial position of our Company and an indirect impact on the reputation, profitability and business of our Company" on page 39 of the DRHP and "Outstanding Litigation and Material Developments" on page 65 of this Second Addendum.

[2]In respect of the show cause notice dated January 4, 2017 issued by SEBI to promoters and promoter group members of SHL, including, Kayum Dhanani, a settlement amount of ₹35.19 million (including interest) has been paid by the noticees on September 30, 2019 and accordingly, the Securities Appellate Tribunal disposed of the appeal in terms of the settlement. For the said details, see "Outstanding Litigation and Material Developments" on page 65 of this Second Addendum. Further, there are no outstanding SEBI proceedings against SHL, Kayum Dhanani, Raoof Dhanani and Suchitra Dhanani, as on the date of this Second Addendum.

[3]In respect of orders dated December 10, 2015 and May 17, 2016 and show cause notice dated May 17, 2017 issued by SEBI to SHL, SHL has paid the penalty of ₹1.20 million on November 9, 2017. Further, in respect of the show cause notice dated February 15, 2017 issued by SEBI to SHL, SHL paid the penalty of ₹1.50 million on March 13, 2018. For the said details, see "Outstanding Litigation and Material Developments" on page 65 of this Second Addendum.

[4]In respect of the show cause notices dated June 27, 2014 issued by SEBI to certain promoters and promoter group members of Liberty Phosphate Limited, including Raoof Dhanani, the applicants paid the settlement charges of ₹22.13 million and SEBI disposed of the adjudication proceedings. In respect of the show cause notice dated May 12, 2015 issued by SEBI to Raoof Dhanani, the applicants paid the settlement charges of ₹1.36 million and SEBI disposed of the adjudication proceedings. In respect of the show cause notice dated January 4, 2017 issued by SEBI to Raoof Dhanani, he paid the penalty of ₹1.60 million and SEBI disposed of the adjudication proceedings. For the said details, see "Outstanding Litigation and Material Developments" on page 65 of this Second Addendum.

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

[6] Application for issuance of letter of administration under section 272 of the Indian Succession Act, 1925.

For details, see "*Outstanding Litigation and Material Developments*" on page 65 of this Second Addendum.

Further, applications to initiate insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 have been filed against some of the entities that form part of our Promoter Group and our Group Entities. In respect of a member of our Promoter Group, Iconium Leather Works Private Limited, insolvency proceedings have commenced for certain cases, including the appointment of an interim resolution professional, in accordance with the Insolvency and Bankruptcy Code, 2016, pursuant to an order dated February 5, 2021 passed by the Bengaluru bench of the National Company Law Tribunal. In respect of some other entities that form part of our Promoter Group and our Group Entities, applications to initiate insolvency have been filed, and as on the date of this Second Addendum, these matters are pending and have not been admitted by the relevant National

Company Law Tribunal. For further details of the insolvency proceedings, please see section "*Our Group Entities – Information Regarding Significant Adverse Factors Related to the Group Entities*" on page 61 of this Second Addendum.

The Company and certain members of our Promoter Group may be subjected to actions by statutory/ regulatory authorities or 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.

6. Any failure to maintain effective quality control systems or protocols for our supply chain or restaurants could have a material adverse effect on our business, reputation, results of operations and financial condition.

The quality and safety of the food we serve is critical to our success. Maintaining consistent food quality and preventing food contamination and other health hazards depends significantly on the effectiveness of the quality control systems, policies and guidelines that we and our suppliers have in place, which in turn depends on a number of factors, including the design of the quality control systems and employee implementation and compliance with those quality control systems. During the COVID-19 crisis, we implemented high standards of safety and hygiene protocols across our Barbeque-Nation Restaurants and Toscano Restaurants in India covering guest safety, employee safety, sanitisation, physical distancing, temperature checks and safe deliveries. We have made required changes to the seating layouts and restricted movement of crowds to maintain physical distancing. We launched #NoCompromiseDining with operating procedures outlining physical distancing, contact-free experience, sanitization protocols and customer experience. There can be no assurance that the quality control systems or protocols that we or our suppliers have in place will prove to be effective. Any significant failure or deterioration of these quality control systems or protocols could have a material adverse effect on our business, reputation, results of operations and financial condition and can cause negative publicity that can affect our brand.

Due to the impact of COVID-19 and the government actions to contain it, most of our supply chains have been, and continue to be, impacted. There can be no assurance that there will not be further, or deeper, supply chain disruptions, or that the steps we are taking to mitigate such disruptions will be effective or achieve their desired results in a timely fashion.

We could also be subject to civil and/or criminal liability and other regulatory consequences in the event that a health hazard were to be found at any of our restaurants as a result of a failure of the quality control systems or protocols that we or our suppliers have in place, including the spread of any infection or disease. If such cases are determined against us, there could be an adverse effect on our reputation, business, results of operations and financial condition. For further details, please see "*Risk Factors - The outbreak of the 2019 novel coronavirus ("COVID-19") pandemic, as well as GoI measures to reduce the spread of COVID-19, have had a substantial impact on our restaurant operations and the timing of how long the COVID- 19 pandemic and the related GoI measures will last is still uncertain"* on page 1 of this Second Addendum.

7. 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 16 of this Second Addendum. Our funding requirements are based on management estimates and our current business plans and have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. 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. We have also not placed any orders for purchase of fit outs and construction 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. While we have obtained the quotations from various vendors in relation to such purchase of fit outs and construction related items for the restaurants we plan to set-up, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors.

However, the deployment of the Net Proceeds will be monitored by the 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 Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

8. The Draft Red Herring Prospectus and this Second Addendum contains information from an industry report which we have commissioned from Technopak.

The Draft Red Herring Prospectus in the sections "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 168 and 379, respectively, of the Draft Red Herring Prospectus and the section "*Industry Overview*" on page 25 of this Second Addendum, includes information that is derived from an industry report titled "Indian Food Services Market" dated February 19, 2021 prepared by Technopak (the "**Technopak Report**"), a research house, pursuant to its engagement by the Company. We commissioned the Technopak Report for the purpose of confirming our understanding of the Indian food services industry for which Technopak is in the process of being paid by the Company pursuant to its engagement letter dated January 12, 2021. The Technopak Report was submitted on February 19, 2021. We have no direct or indirect association with Technopak other than as a consequence of this engagement. 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 Technopak 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 Technopak 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 Red Herring Prospectus. Further, the Technopak Report is not a recommendation to invest or disinvest in the Equity Shares. Prospective investors are advised not to unduly rely on the Technopak Report or extracts thereof as included in this Red Herring Prospectus, when making their investment decisions.

9. Our Statutory Auditors have placed emphasis on certain matters in the relation to our Company in the Restated Consolidated Financial Information.

Our Statutory Auditors have placed emphasis on the following matters in relation to our Company in the Restated Consolidated Financial Information:

a. The note in the financial statements describes the impact of COVID-19 pandemic on the Company's operations and the fact that its current liabilities exceeded its current assets by Rs. 2,735.05 million as of November 30, 2020, but the financial statements having been prepared on a going concern basis considering the mitigation plans of the Company as explained in the aforementioned note in the Restated Consolidated Financial Information; and

b. Significant management estimates and assumptions have been involved in assessing the financial impact of COVID-19 pandemic in assessing the recoverability of the carrying amount of its assets as on November 30, 2020 and given the uncertainty regarding the duration, extent and eventual outcome of the impact of the COVID-19 pandemic, the Company cannot estimate with any precision the impact on its prospective financial performance and the eventual outcome of the impact could be different than that estimated as at the date of approval of the financial statements.

The auditor's report also mentions that their opinion is not modified in respect of the above matters.

For further details, please see *"Financial Statements"* on page 10 of the Addendum.

THE OFFER

The following table summarises the Offer details:

Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which	
Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹1,800 million
Offer for Sale(2)	Up to 5,457,470 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders
of which	
Employee Reservation Portion	Up to [●] Equity Shares aggregating up to ₹ 20 million
Accordingly,	
Net Offer	Up to [●] Equity Shares
of which	
A) QIB portion(3)(4)	Not less than [●] Equity Shares
of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
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(4)	Not more than [●] Equity Shares
C) Retail Portion(4)	Not more than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	33,942,920 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" beginning on page 16 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Fresh Issue has been authorized by resolutions of our Board of Directors dated October 31, 2019 and December 22, 2020 and special resolutions of our Shareholders in their Extraordinary General Meetings dated November 29, 2019 and January 23, 2021. Our Company had filed the Draft Red Herring Prospectus with a fresh issue size of up to Rs.2,750 million. Subsequently, our Company has increased the size of the fresh issue as disclosed in the Draft Red Herring Prospectus in accordance with Schedule XVI(2)(a)(iii) of the SEBI ICDR Regulations to up to ₹3,299.69 million. Our Company and TPL have undertaken a Pre-IPO Placement of 5,951,132 Equity Shares for an aggregate amount equal to approximately ₹1,499.69 million. Pursuant to the Pre-IPO Placement, the size of the fresh issue of up to ₹3,299.69 million is reduced by approximately ₹1,499.69 million, and accordingly, the size of the Fresh issue is up to ₹1,800 million. For details on the Pre-IPO Placement, see "Capital Structure – Notes to Capital Structure – Equity Share Capital History of our Company" on page 11 of this Second Addendum.

(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*
SHKSL	*1,018,288*	*December 20, 2019 and February 13, 2021*
Azhar Dhanani	*339,430*	*February 14, 2020 and February 20, 2021*
Sadiya Dhanani	*339,430*	*February 14, 2020 and February 20, 2021*

Selling Shareholder	*Number of Equity Shares offered in the Offer for Sale*	*Date of consent/authorisation/resolution*
Sanya Dhanani	*339,430*	*February 14, 2020* and *February 20, 2021*
TPL	*3,323,106*	*January 27, 2020, September 8, 2020, February 18, 2021*
AAJVIT	*71,186*	*February 6, 2020, September 9, 2020 and February 18, 2021*
MPL	*26,600*	*January 28, 2020 and September 8, 2020*
Total	***5,457,470***	**-**

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 the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer. The Selling Shareholders (severally and not jointly) have specifically confirmed that their respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations.

(3) *Our Company and TPL may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. At least 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. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations.*

(4) *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 TPL in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "Terms of the Offer" in the Red Herring Prospectus.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Second Addendum 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**		
	33,942,920 Equity Shares of face value of ₹5 each	169,714,600	
C	**PRESENT OFFER IN TERMS OF THE SECOND ADDENDUM**		
	Fresh Issue of up to [●] Equity Shares of face value of ₹5 each (2)	[●]	Up to 1,800,000,000
	Offer for Sale of up to 5,457,470 Equity Shares of face value of ₹5 each (3)	27,287,350	[●]
	Which includes:		
	EMPLOYEE RESERVATION PORTION		
	Up to [●] Equity Shares of face value of ₹ 5 each		Up to 20,000,000
D	**NET OFFER**		
	[●] Equity Shares of face value of ₹ 5 each	[●]	[●]
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value ₹5 each (assuming full subscription in the Offer)	[●]	
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (₹ million)	3,100.94	
	After the Offer (₹ million)	[●]	

(1) For details in relation to the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters" on page 191 of the DRHP.

(2) The Fresh Issue has been authorized by resolutions of our Board of Directors dated October 31, 2019 and December 22, 2020 and special resolutions of our Shareholders in their Extraordinary General Meetings dated November 29, 2019 and January 23, 2021. Our Company had filed the Draft Red Herring Prospectus with a fresh issue size of up to Rs.2,750 million. Subsequently, our Company has increased the size of the fresh issue as disclosed in the Draft Red Herring Prospectus in accordance with Schedule XVI(2)(a)(iii) of the SEBI ICDR Regulations to up to ₹3,299.69 million. Our Company and TPL have undertaken a Pre-IPO Placement of 5,951,132 Equity Shares for an aggregate amount equal to approximately ₹1,499.69 million. Pursuant to the Pre-IPO Placement, the size of the fresh issue of up to ₹3,299.69 million is reduced by approximately ₹1,499.69 million, and accordingly, the size of the Fresh issue is up to ₹1,800 million.

(3) For details of authorizations received for the Offer for Sale, see "The Offer" on page 8 of this Second Addendum. The Equity Shares being offered by each Selling Shareholder have been held by them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of SEBI ICDR Regulations and are eligible for being offered for sale in the Offer.

(4) Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount does not exceed ₹ 500,000. 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.

Notes to the Capital Structure

1. **Equity Share Capital History of our Company**

(1) 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	10	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	13,512,007	5	-	-	Share split of the equity shares from ₹10 each to ₹ 5 each	27,024,014	135,120,070
March 29, 2018	575,000	5	832	Cash	Preferential allotment of equity shares(11)	27,599,014	137,995,070
April 12, 2018	385,000	5	832	Cash	Preferential allotment of equity shares(12)	27,984,014	139,920,070
September 18, 2019	1,650	5	279	Cash	Allotment of equity shares under ESOP 2015(13)	27,985,664	139,928,320
January 14, 2020	6,124	5	93	Cash	Allotment of equity shares under ESOP 2015(14)	27,991,788	139,958,940
December 2, 2020	238,890	5	252	Cash	Preferential allotment of	28,230,678	141,153,390

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 (₹)
					equity shares(15)		
December 4, 2020	59,524	5	252	Cash	Preferential allotment of equity shares(16)	28,290,202	141,451,010
January 1, 2021	1,230,159	5	252	Cash	Preferential allotment of equity shares(17)	29,520,361	147,601,805
January 5, 2021	496,435	5	252	Cash	Preferential allotment of equity shares(18)	30,016,796	150,083,980
January 20, 2021	42,630	5	252	Cash	Preferential allotment of equity shares(19)	30,059,426	150,297,130
January 25, 2021	3,783,494	5	252	Cash	Preferential allotment of equity shares(20)	33,842,920	169,214,600
January 25, 2021	100,000	5	252	Cash	Preferential allotment of equity shares(21)	33,942,920	169,714,600
Total	**33,942,920**					**33,942,920**	**169,714,600**

**Share premium amount rounded off from ₹ 324.5423 per equity share to ₹ 324.54*

(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 Jameel Sayed, 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

(11) 575,000 Equity Shares were allotted to Alchemy India

(12) 385,000 Equity Shares were allotted to Partner Reinsurance

(13) 1,650 Equity Shares were allotted to Rajaram Pai

(14) 6,124 Equity Shares were allotted to Devang Agarwal

(15) 100,000 Equity Shares were allotted to Rizwan Abdul Aziz, 59,524 Equity Shares were allotted Rizwan Rafique Shaikh and 79,366 Equity Shares were allotted to Himani Binoy Shah

(16) 59,524 Equity Shares were allotted to Sayed Jameel Taher

(17) 1,230,159 Equity Shares were allotted to Xponentia Opportunities Fund

(18) 357,143 Equity Shares were allotted to Xponentia Opportunities Fund, 119,048 Equity shares were allotted to Himani Binoy Shah, 1,191 Equity Shares were allotted to Arup Kumar Chatterjee, 1,191 Equity Shares were allotted to Sushil Yadav, 596 Equity Shares were allotted to Gaurav Vishal Singh, 1,191 Equity Shares were allotted to Dharmender, 1,786 Equity Shares were allotted to Manish Kumar Dhakaita, 1,985 Equity Shares were allotted to Nishant Choukiker, 8,334 Equity Shares were allotted to Amit V Betala, 2,977 Equity Shares were allotted to Naresh Kumar Jain and 993 Equity Shares were allotted to Narayan Dutt Sharma

(19) 7,937 Equity Shares were allotted to Gandharv Madan, 7,937 Equity Shares were allotted to Kushal Budhia, 20,000 equity shares were allotted to Gulshan Kumar Chawla, 1,588 Equity Shares were allotted to Tarun Asharam Kushwah, 1,985 Equity Shares were allotted to Rajat Jain, 1,389 Equity Shares were allotted to Sanatan Jojowar, 1,000 Equity Shares were allotted to Sandeep Pandey and 794 Equity Shares were allotted to Veena Kumari

(20) 3,650,794 Equity Shares were allotted to Jubilant FoodWorks Limited, 75,000 Equity Shares were allotted to Rahul Agrawal, 32,000 Equity Shares were allotted to Gulshan Kumar Chawla, 12,000 Equity Shares were allotted to Kushal Budhia, 2,800 Equity Shares were allotted to Amit V Betala, 2,000 Equity Shares were allotted to Nishant Choukiker, 2,000 Equity Shares were allotted to Gandharv Madan, 2,000 Equity Shares were allotted to Naresh Kumar Jain,4,300 Equity Shares were allotted to Gaurav Vishal Singh and 600 Equity Shares were allotted to Krishnan Rai.

(21) 100,000 Equity Shares were allotted to Shashikant Dubey.

Pursuant to a letter dated March 2, 2021, our Company has informed all the investors who were allotted Equity Shares as part of the Pre-IPO Placement that the Company can provide no assurance that it will proceed with filing a red herring prospectus or that the Offer will be successfully completed or even on the timing of the process.

2. **Build-up of our Promoters' shareholding in our Company**

Since the filing of the Draft Red Herring Prospectus, our Promoter, Kayum Dhanani, has transferred an aggregate of 468,469 Equity Shares held by him in the Company to certain third parties who are not members of the Promoter Group and classified as public shareholders. Further, Kayum Dhanani has also pledged 480,769 Equity Shares in favour of RBL Bank Limited. As a consequence, our Promoter, Kayum Dhanani, holds 830,215 Equity Shares constituting 2.45% of the issued, subscribed and paid-up Equity Share capital of our Company out of which 1.42% of the pre-Offer capital is pledged in favour of RBL Bank Limited as on the date of this Second Addendum.

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	0.03	[●]
	April 1, 2007	Transfer of shares from Suchitra Dhanani	4,999	Cash	10	10	0.03	[●]
	February 27, 2008	Allotment of equity shares	40,000	Cash	10	10	0.24	[●]
	March 22, 2008	Allotment of equity shares	6,000,000	Cash	10	10	35.35	[●]
	March 31, 2009	Allotment of equity shares	415,000	Other than cash	10	60	2.45	[●]
	April 12, 2013	Transfer to TPL	(415,000)	Cash	10	334.54	2.45	[●]
	August 12, 2014	Allotment of equity shares	260,560	Cash	10	10	1.54	[●]
	March 28, 2016	Transfer to SHKSL	(6,004,103)	Cash	10	10	35.38	[●]
	March 30, 2016	Transfer to SHKSL	(306,455)	Cash	10	10	1.81	[●]
Sub Total (A)			**Nil**				0.00	-
SHKSL	March 28, 2016	Transfer from SHL	6,004,103	Cash	10	10	35.38	[●]
	March 30, 2016	Transfer from SHL	306,455	Cash	10	10	1.81	[●]
	Sub Total		6,310,558				-	-
	December 15, 2016	Share split of Equity Shares from ₹10 each to ₹5 each	12,621,116	-	-	-	37.18	[●]

Sub Total (B)			**12,621,116**				**37.18**	**[●]**
Kayum Dhanani**	August 12, 2014	Allotment of equity shares on conversion of share warrants	497,894	Cash	10	10	2.93	[●]
	May 12, 2016	Allotment of equity shares	200,000	Cash	10	620	1.18	[●]
	Sub Total		**697,894**				-	-
	December 15, 2016	Share split of Equity Shares from ₹10 each to ₹5 each	1,395,788	-	-	-	4.11	[●]
	August 3, 2017	Transfer to Rahul Agrawal	(25,000)	Cash	5	500	0.07	[●]
	August 4, 2017	Transfer to Menu Private Limited	(532,104)	Cash	5	592	1.57	[●]
	August 7, 2017	Transfer from TPL	367,538	Consideration other than cash	5	-	1.08	[●]
	August 7, 2017	Transfer from PPL	192,462	Consideration other than cash	5	-	0.57	[●]
	January 6, 2020	Transfer to Kishore Suresh Lal, Payal Kishore Kumar and Shobhadevi Suresh Lal	(100,000)	Cash	5	675	0.29	[●]
	December 11, 2020	Transfer to Avvanti Advisors Private Limited	(119,048)	Cash	5	252	0.35	[●]
	December 30, 2020	Transfer to Avvanti Advisors Private Limited	(30,000)	Cash	5	350	0.09	[●]
	December 31, 2020	Transfer to Avvanti Advisors Private Limited	(30,000)	Cash	5	350	0.09	[●]
	December 31, 2020	Transfer to Suresh Kumar Agarwal	(16,000)	Cash	5	350	0.05	[●]
	January 21, 2021	Transfer to Nimit Jateen Tanna HUF	(7,143)	Cash	5	350	0.02	[●]
	January 21, 2021	Transfer to Avvanti Advisors Private Limited	(28,571)	Cash	5	350	0.08	[●]
	January 21, 2021	Transfer to QRG Investments and Holdings Limited	(114,286)	Cash	5	350	0.34	[●]
	January 28,2021	Transfer to Avvanti Advisors Private Limited	(15,000)	Cash	5	350	0.04	[●]
	February 11,2021	Transfer to Naman Jayeshbhai Shah	(25,000)	Cash	5	450	0.07	[●]
	February 12,2021	Transfer to Universal Trustees Pvt Ltd	(25,000)	Cash	5	450	0.07	[●]

	February 12,2021	Transfer to Vikram Indrajit Shah	(25,000)	Cash	5	450	0.07	[●]
	February 19, 2021	Transfer to Lalit Jalan	(15,000)	Cash	5	450	0.04	[●]
	February 19, 2021	Transfer to Avvanti Advisors Private Limited	(10,000)	Cash	5	430	0.03	[●]
	February 19, 2021	Transfer to Krish Kalro	(8,421)	Cash	5	475	0.02	[●]
Sub Total (C)			**830,215**				**2.45**	[●]
Suchitra Dhanani	October 13, 2006	Initial subscription to the Memorandum of Association	5,000	Cash	10	10	0.03	[●]
	April 1, 2007	Transfer to SHL	(4,999)	Cash	10	10	0.03	[●]
	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)			**13,451,337**				**39.63**	[●]

**Negligible*

*** Kayum Dhanani has executed a binding share transfer agreement dated August 14, 2017, as amended by the first amendment to the binding share transfer agreement dated February 19, 2018, pursuant to which PPL and AAJVIT may transfer between zero to 600,000 Equity Shares to him after the Bid/Offer Closing Date but prior to filing of the Prospectus with the RoC. 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, as amended by the first amendment to the binding share transfer agreement dated February 19, 2018, executed between Kayum Dhanani, PPL and AAJVIT" on page 202 of the DRHP.*

** Please note that these percentages have been computed on the pre-Offer and post-Offer outstanding share capital after adjusting for the share split of equity shares from a face value of ₹10 each to a face value of ₹ 5 each on December 15, 2016.*

OBJECTS OF THE OFFER

Fresh Issue

The Net Proceeds are proposed to be utilised in the following manner:

1. capital expenditure for expansion and opening of new restaurants by the Company;

2. prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company on a consolidated basis; and

3. general corporate purposes

(collectively, the "**Objects**").

Net Proceeds

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

(in ₹ million)

Particulars	Amount**
Gross Proceeds of the Fresh Issue	Up to 1,800(1)
Less: Offer expenses apportioned to our Company	[●]
Net Proceeds	[●]

* *Other than the listing fees which will be paid by our Company, all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares, allotted by our Company in the Fresh Issue and sold by each Selling Shareholder in the Offer for Sale, upon the successful completion of the Offer, in accordance with applicable law.*

(1) *Our Company had filed the Draft Red Herring Prospectus with a fresh issue size of up to Rs.2,750 million. Subsequently, our Company has increased the size of the fresh issue as disclosed in the Draft Red Herring Prospectus in accordance with Schedule XVI(2)(a)(iii) of the SEBI ICDR Regulations to up to ₹3,299.69 million. Our Company and TPL have undertaken a Pre-IPO Placement of 5,951,132 Equity Shares for an aggregate amount equal to approximately ₹1,499.69 million. Pursuant to the Pre-IPO Placement, the size of the fresh issue of up to ₹3,299.69 million is reduced by approximately ₹1,499.69 million, and accordingly, the size of the Fresh issue is up to ₹1,800 million. For details on the Pre-IPO Placement, see "Capital Structure – Notes to Capital Structure – Equity Share Capital History of our Company" on page 11 of this Second Addendum.*

** *To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Utilisation of proceeds from the Pre-IPO Placement:

Our Company has completed a Pre-IPO Placement of Rs.1,499.69 million. Out of the above, an amount of Rs.848.23 million has been utilised for repayment of loans of the Company and an amount of Rs.351.46 million has been spent on general corporate purposes. Pending utilisation, the balance funds have been parked in fixed deposits with scheduled commercial banks and will be utilised for repayment of debt of the Company and its subsidiaries as applicable.

Requirements of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised towards the following Objects:

(in ₹ million)

Objects	Amount
Capital expenditure for expansion and opening of new restaurants by the Company	546.19
Prepayment or repayment of all or a portion of certain outstanding borrowings obtained by our Company on a consolidated basis	750.00
General corporate purposes*	[●]
Total	[●]

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.*

Proposed schedule of implementation and deployment of Net Proceeds

Our Company proposes to deploy the Net Proceeds for the aforesaid purpose in accordance with the schedule of deployment of funds set forth in the table below. As on the date of this Second Addendum, our Company has not deployed any funds towards the Net Proceeds:

(in ₹ million)

Objects	**Amount**	**Amount to be deployed from the Net Proceeds in Fiscal 2022**	**Amount to be deployed from the Net Proceeds in Fiscal 2023**
Capital expenditure for expansion and opening of new restaurants by the Company	546.19	420.15	126.04
Prepayment or repayment of all or a portion of certain outstanding borrowings obtained by our Company on a consolidated basis	750.00	750.00	Nil
General corporate purposes*	[●]		
Total	[●]	[●]	[●]

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.*
Note: Details included in the table above are subject to rounding differences.

The fund requirements and the proposed deployment of funds set out above for expansion and opening of new restaurants by the Company, prepayment or repayment of all or a portion of certain outstanding borrowings obtained by our Company on a consolidated basis and general corporate purposes from the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency, and are based on current and valid quotations received from vendors and suppliers, which are subject to change in the near future. Further, these are based on current conditions and are subject to revisions as a consequence 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 6 of this Second Addendum.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment of funds on account of a 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. This may entail rescheduling and revising the schedule of the planned expenditure and funding requirements and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of the management of our Company in accordance with applicable law. In the event that the funds required to achieve an Object are higher than what is contemplated above, such additional funds will be raised by the Company or funded from internal accruals. If the actual utilisation is lower than the proposed deployment set out above, such excess will be used for 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 setting 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 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. Further, our Company may decide to accelerate the estimated expansion and opening of new restaurants by the Company ahead of the schedule specified above. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects within the Fiscals as contemplated above, our Company will deploy the unutilised portion of such Net Proceeds in the succeeding Fiscal for such purpose.

Details of the Objects

1. Capital expenditure for expansion and opening of new restaurants by the Company

We propose to utilise a portion of the Net Proceeds towards capital expenditure for expansion and opening of new restaurants by the Company. The details of such expansion plans 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 the 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 metros, Tier I and Tier II cities in India in order to meet the growing demand of casual dining restaurants amongst consumers within these markets.

We intend to utilise a portion of Net Proceeds aggregating to ₹ 546.19 million for setting up 26 new Barbeque Nation Restaurants during Fiscal 2022 and Fiscal 2023. The premises for the proposed new restaurants are expected to be leased.

We propose to open the following restaurants in Fiscal 2022 and Fiscal 2023 from the Net Proceeds.

Year	Number of Barbeque Nation Restaurants to be opened using the Net Proceeds
Fiscal 2022	20
Fiscal 2023	6

The cost of setting up new Barbeque Nation restaurants generally comprises set-up costs such as:
(i). cost of civil interior, electrical and other related matters;
(ii). cost of air conditioning, ventilation and other related matters;
(iii). cost of furniture and fixtures;
(iv). cost of kitchen equipment and other related costs;
(v). cost of diesel generators and cables;
(vi). information technology costs; and
(vii). cost of kitchen accessories and other related 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 from about 5,000 square feet to 5,500 square feet; ii) in a Tier I city, ranges from 4,500 square feet to 5,000 square feet; and iii) in a Tier II city, ranges from about 3,500 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 4000 square feet for arriving at the estimated costs for setting up Barbeque Nation restaurants across regions and metro, Tier I and Tier II cities.

Our estimates are based on (i) valid and existing 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 cost for setting-up of a new Barbeque Nation restaurant:

(in ₹ million)

Particulars	Amount
Cost of civil, interiors, electrical and other related costs	9.06
Cost of air-condition, ventilation and other related costs	3.67
Costs of furniture & fixtures	1.66
Costs of kitchen equipment and other related costs	3.40

Particulars	Amount
Costs of diesel generators and cables	0.98
Information technology costs	0.85
Costs of kitchen accessories and other related costs	1.39
Total estimated cost per restaurant	**21.01**

Details included in the table above are subject to rounding differences.

A detailed breakdown of these estimated costs is as follows:

Costs of 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 and polishing, plumbing, fitting gas pipelines, 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	3.27[(1)]
Carpentry work	1.94[(1)]
Painting and polishing	0.49[(1)]
Plumbing	0.25[(1)]
Others	3.11[(1)(2)]
Total estimated costs per restaurant	**9.06**

[(1)]Based on quotation dated January 10, 2021 from Riya Buildcon
[(2)]Based on quotations dated January 9, 2021 from E Nine Creative and dated January 11, 2021 from Jaquar & Company Pvt. Ltd.
Details included in the table above are subject to rounding differences.

Costs of air conditioning, ventilation and other 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	1.98[(1)]
Exhaust / fresh air system	1.19[(2)]
Air cleaner	0.51[(3)]
Total estimated costs per restaurant	**3.67**

[(1)] Based on quotations dated January 11, 2021 from Blue Star Limited
[(2)] Based on quotation dated January 12, 2021 from APC Air Control
[(3)] Based on quotation dated January 15, 2021 from Johnson Controls S Pte Limited. Based on FBIL Reference Rate of 1USD =₹73.0243 as of January 15, 2021
Details included in the table above are subject to rounding differences.

Costs of furniture and fixtures: 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
Standard seating furniture	1.51[(1)]
Music system	0.15[(2)]
Total estimated costs per restaurant	**1.66**

[(1)] Based on the quotation dated January 8, 2021 from Furniture House.
[(2)] Based on the quotation dated January 8, 2021 from Rontek Systems
Details included in the table above are subject to rounding differences.

Costs of kitchen equipment and other related costs: These costs would include, *inter alia*, the costs in relation to purchasing kitchen equipment such as those in the display kitchen area, the remainder of the kitchen, bakery, dish-wash and grill tandoor area, cafeteria and the bar area. These would also include other related costs such as refrigeration equipment, dishwashers and glass washers. 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	1.91(1)
Refrigeration equipment	1.14(2)
Dishwasher and glass washer	0.35(3)
Total estimated costs per restaurant	**3.40**

(1) Based on quotations dated January 12, 2021 from Sri Rajalakshmi Commercial Kitchen Equipment Private Limited
(2) Based on quotation dated January 10, 2021 from Meghdoot Refrigeration Industries Pvt. Ltd
(3) Based on quotation dated January 8, 2021 from IFB Industries Limited
Details included in the table above are subject to rounding differences.

Costs of diesel generators and cables: 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	0.98(1)

(1) Based on quotation dated January 11, 2021 from Jackson Limited
Details included in the table above are subject to rounding differences.

Information technology costs: These costs would include, *inter alia*, the costs for purchasing and installing information technology equipment 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	0.85(1)

(1) Based on quotation dated January 11, 2021 from Sarada Enterprises
Details included in the table above are subject to rounding differences.

Costs of kitchen accessories and other related costs: These costs would include, *inter alia*, the costs for purchasing utensils, pots & pans, cutlery, glassware, crockery, uniforms and other operating material. The table below sets forth the basis of our estimation for the kitchen accessories and other costs:

(in ₹ million)

Particulars	Total Estimated Costs
Utensils	1.13(1)
Crockery	0.17(2)
Uniform	0.09(3)
Total estimated costs per restaurant	**1.39**

(1) Based on quotation dated January 11, 2021 from Varada Glass & Crockeries
(2) Based on quotation dated January 11, 2021 from Umberto Ceramics International Pvt. Ltd.
(3) Based on quotation dated January 11, 2021 from Dacs Inc
Details included in the table above are subject to rounding differences.

All quotations received from the vendors mentioned above are valid as on the date of this Second Addendum. However, we have not entered into any definitive agreements with any contractors or vendors for the matters set out above. There can be no assurance that the estimates received from such contractors and vendors will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same contractors and vendors from whom we have received such estimates.

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

2. Prepayment or repayment of all or a portion of certain outstanding borrowings obtained by our Company on a consolidated basis

Our Company and our Subsidiary, Barbeque Nation (MENA) Holding Limited, have entered into financing arrangements with banks and financial institutions including borrowings in the form of terms loans, and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions and outstanding borrowings as of January 31, 2021, see "*Financial Indebtedness*" on page 63 of this Second Addendum.

Our Company intends to utilize ₹750 million of the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount on certain loans availed by our Company and our Subsidiary, Barbeque Nation (MENA) Holding Limited, and the accrued interest thereon. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company and our Subsidiary, Barbeque Nation (MENA) Holding Limited, may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon) or any additional facilities obtained by our Company and our Subsidiary, Barbeque Nation (MENA) Holding Limited. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed 750 million. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including: (i) cost of the borrowing, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions; (iii) receipt of consents for prepayment from the respective lenders; (iv) terms and conditions of such consents and waivers; (v) levy of any prepayment penalties and the quantum thereof; (vi) provisions of any laws, rules and regulations governing such borrowings; and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio on a consolidated basis and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this will improve our ability to raise further resources in the future to fund potential business development opportunities.

To the extent the Net Proceeds of the Offer are utilized to repay/pre-pay any of the loans availed by our Subsidiary, Barbeque Nation (MENA) Holding Limited, we will, subject to compliance with Indian foreign exchange regulations, provide a portion of the Net Proceeds of the Offer to Barbeque Nation (MENA) Holding Limited in the form of debt at an interest rate of 0.25 % higher than the lending rate charged to the Company by banks and financial institutions. This loan facility will be unsecured and repayable on demand. Under the terms of the loan, the drawdown amounts will be utilised solely for the purpose of repayment of the loans outstanding towards Axis Bank Limited and Yes Bank Limited (both being USD denominated term loan) as on January 31, 2021 in the books of Barbeque Nation (MENA) Holding Limited.

The details of certain outstanding borrowings proposed for repayment or prepayment, in part or in full, from the Net Proceeds, which are outstanding as on January 31, 2021 are set forth below:

Name of the borrower	Name of the lender	Nature of loan	Amount sanctioned (₹ in million)	Amount outstanding as on January 31, 2021 (₹ in million)	Repayment schedule	Prepayment Conditions	Purpose for which the loan was sanctioned
Barbeque-Nation Hospitality Limited	Axis Bank Limited(1)	Foreign Currency Term Loan	100.00	16.94*	To be repaid in 60 equal monthly instalments from May 2016 to April 2021 (extended upto September 2021, after considering the moratorium allowed by RBI pursuant to COVID-19).	Note 1	To part finance the capital expenditure incurred/to be incurred on existing and proposed facilities of the Company.
Barbeque-Nation Hospitality Limited	Axis Bank Limited(1)	Term Loan	90.00	57.00 *	To be repaid in 60 equal monthly instalments from October 2018 to September 2023 (extended upto February 2024, after considering the moratorium allowed by RBI pursuant to COVID-19).	Note 2	To part finance the capital expenditure to be incurred for opening 4 new outlets in tier 1 cities.
			50.00	15.20*	To be repaid in 42 defined monthly instalments from March 2018 to August 2021 (extended upto January 2022, after considering the moratorium allowed by RBI pursuant to COVID-19).	Note 2	For meeting the marketing, promotional and brand building expenditure of FY 2017.
			400.00	313.33*	To be repaid in 60 equal monthly instalments after a moratorium of six months from July 2019 to June 2024 (extended upto November 2024,	Note 3	For refurbishment and maintenance of the existing restaurants, IT infrastructure and other general capital expenditure and opening of new Barbeque Nation Restaurants in FY 2019/FY 2020

					after considering the moratorium allowed by RBI pursuant to COVID-19)		
			250.00	225.16*****	To be repaid in 54 equal monthly instalments after a moratorium of six months from the date of first disbursement from September 2020 to February 2025 (after considering the moratorium allowed by RBI pursuant to COVID 19).	Note 3	For opening new Barbeque Nation Restaurants in FY 2020
Barbeque-Nation Hospitality Limited	Yes Bank Limited	Term Loan	100.00	18.42*****	To be repaid in 19 defined quarterly instalments from October 2017 to April 2022 (extended upto October 2022, after considering the moratorium allowed by RBI pursuant to COVID-19)	Note 4	For capital expenditure towards new outlets and long -term working capital purposes**.**
				17.50*****	To be repaid in 20 equal quarterly instalments from July 2017 to April 2022 (extended upto October 2022, after considering the moratorium allowed by RBI pursuant to COVID-19)		
Barbeque Nation (MENA) Holding Limited	Axis Bank Limited	USD denominated Term Loan-	72.95	38.12**	To be repaid in 11 defined half yearly instalments after a 12-month moratorium period.	Requires prior consent of the lender***	Capital expenditure for new Barbeque Nation restaurants

Barbeque Nation (MENA) Holding Limited	Yes Bank Limited	USD denominated Term Loan-	729.52	437.71**	Quarterly Instalment	Requires prior consent of the lender***	Capital expenditure for new Barbeque Nation restaurants
Total			**1,792.47**	**1,139.38**			

**Our Statutory Auditors have issued a report dated February 22, 2021 wherein they have performed agreed-upon procedures (in accordance with SRS 4400 issued by the ICAI) and have reported that the aforementioned borrowings have been utilized towards the purposes for which such borrowings were sanctioned.*
*** The statutory auditor of Barbeque Nation (MENA) Holding has in its certificate dated February 20, 2021 certified that the loans obtained by Barbeque Nation (MENA) Holding have been utilised for the purpose for which they were availed and also the amount outstanding as of January 31, 2021. The amounts above reflect the INR equivalent of USD using an exchange rate of USD to INR of 72.95 (closing rate on January 29, 2021 taken from https://fbil.org.in/securities?op=referencerate&mq=o)*
(1) For further details, please see "Risk Factors - A portion of the Net Proceeds may be utilised for repayment or pre-payment of loans taken from an affiliate of one of the Book Running Lead Managers to the Offer" on page 66 of the DRHP.
Note 1: Terms and conditions of prepayment of the loan will be determined by the bank.
Note 2: Prepayment of loan permitted by giving prior notice of seven days without any prepayment penalty, provided that the prepayment is made out of internal accruals and equity investment. In any other case, a prepayment penalty of 2% on amount prepaid is applicable.
Note 3: A prepayment penalty of 2% of the amount prepaid is applicable which can be waived when the payment is made from internal cash accruals/ IPO proceeds/ permitted mezzanine debt, provided a prior written notice of not less than 7 business days is given.
Note 4: 1% on the prepayment amount. Prepayment charges will be waived if the prepayment is done from internal cash accruals / equity infusion No prepayment premium is applicable for the prepayment made from the proceeds of loan/equity infusion from the promoters or in case of Mandatory Prepayment or in case of prepayment on account of increase in spread.
****Axis Bank Limited and Yes Bank Limited have, pursuant to letters dated February 19, 2021, separately provided their consent for prepayment of their respective loans from the IPO proceeds.*

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section has been obtained or derived or extracted from the "Indian Food Services Market" report of February 19, 2021 prepared and issued by Technopak (the "**Technopak Report**"), as well as other industry sources and government publications. We commissioned the Technopak Report for the purpose of confirming our understanding of the Indian food services industry for which Technopak is in the process of being paid by the Company pursuant to its engagement letter dated January 12, 2021. The Technopak Report was submitted on February 19, 2021. 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 must rely on their independent examination of, and should not place undue reliance on, or base their investment decision on, this information. See "Risk Factors - The Draft Red Herring Prospectus and this Second Addendum contains information from an industry report which we have commissioned from Technopak." on page 7 of this Second Addendum.*

Indian Economy: Macroeconomic Overview

India's GDP Growth

India is world's 6th largest economy and expected to be in top 3 global economies by FY 2050: Currently, India ranks 6th in the world in terms of nominal GDP and is the 3rd largest economy in the world in PPP terms. In FY 2019, India was about 1/8th of the size of the US economy and 1/5th of the size of Chinese economy in terms of nominal GDP. It is estimated that India will be in top 3 global economies by CY 2050 in terms of nominal GDP.

GDP Ranking of Key Global Economies (CY 2019)

Country		Rank	% Share (World GDP, at current prices)	Rank PPP	% Share (World GDP, PPP)
United States		1	25.6%	2	15.9%
China		2	17.2%	1	17.4%
Japan		3	6.1%	4	4.1%
Germany		4	4.6%	5	3.5%
United Kingdom		5	3.4%	9	2.4%
India		6	**3.4%**	**3**	**7.1%**
France		7	3.2%	10	2.4%
Italy		8	2.4%	11	2.0%
Brazil		9	2.2%	8	2.4%
Canada		10	2.1%	17	1.4%

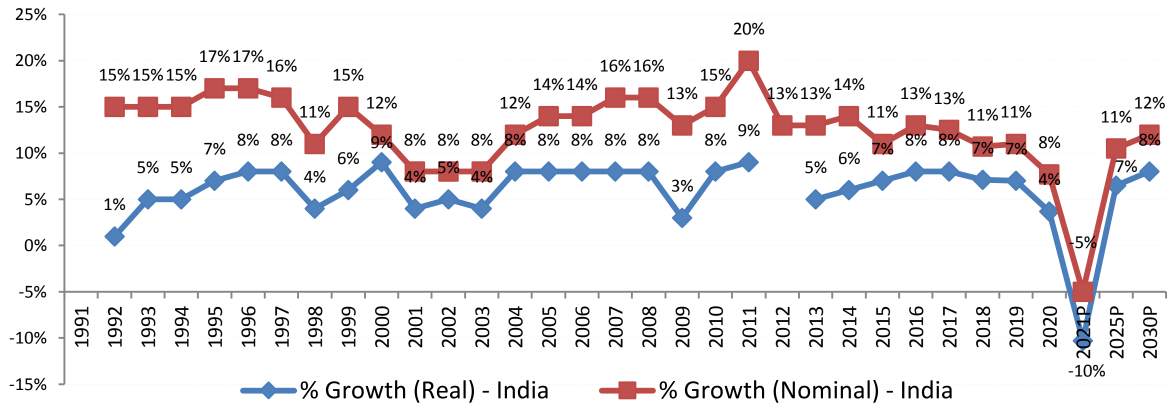
Source: World Bank Data, RBI, Technopak Analysis

India expected to fare better than developed economies and recover to a high growth path in coming years

India's real gross domestic product ("**GDP**") has sustained an average growth between 6% and 7% since FY 1991. India has become the fastest-growing G20 economy since FY 2015, with annual growth rate hovering around 7%. India's economy grew at ~7% in FY 2019. The real growth rate declined to 4% in FY 2020 and is estimated to decline to -10.3% in FY 2021 due to the outbreak of COVID-19 pandemic which led to the imposition of lockdowns towards the last quarter of FY 2020 and a major part of the first quarter of FY 2021 causing a contraction in the economy.

The impact of COVID-19 has caused several large economies to shrink. It is being estimated that India's GDP is expected to resume its pre-COVID growth momentum by FY22.

GDP Ranking of Key Global Economies (CY 2019)

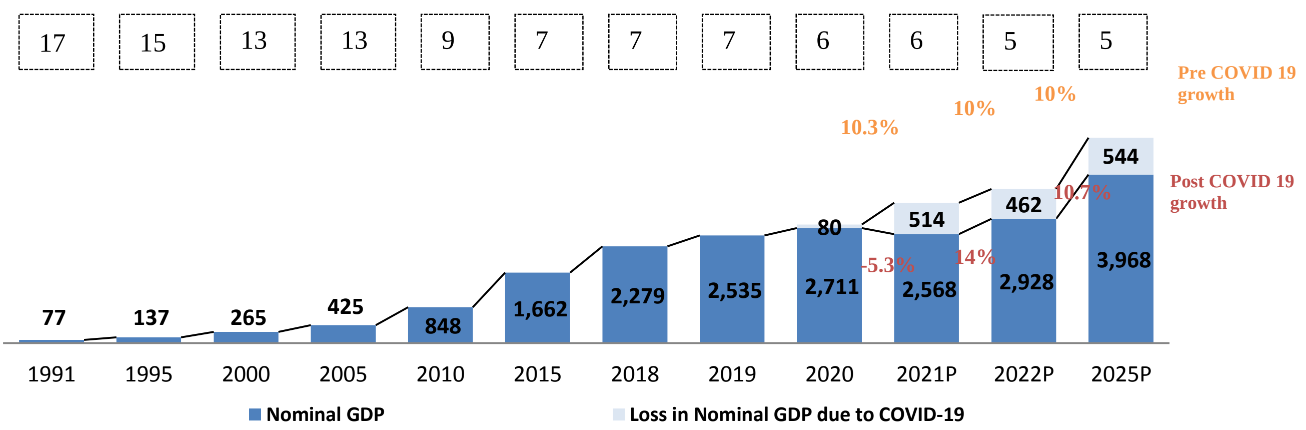


Source: RBI Data, World Bank, IMF
**2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well*

Since FY 2005, Indian economy's growth rate has been twice as that of the world economy and it is expected to sustain this growth momentum in the long term. In the wake of COVID-19, India's nominal GDP is expected to contract by approximately 5.3% in FY2021 but expected to bounce back and reach US$ 3.9 Tn by FY 2025.

COVID-19 had a massive impact on Indian economy in FY 2021, with GDP in Q1 FY 2021 contracting 24% as compared to same period last year. The contraction in Q1 FY 2021 was not uniform; it varied from state to state and sector to sector. Aviation sector was worst hit followed by tourism, realty etc. But as government eased lockdown restrictions and economy started opening, things started getting better by end of Q1 2021. Road ahead, for the above-mentioned sectors and Indian economy still stands promising and India is expected to regain its Pre-COVID growth momentum by FY 2022.

India's Nominal GDP in FY (US$ Bn)



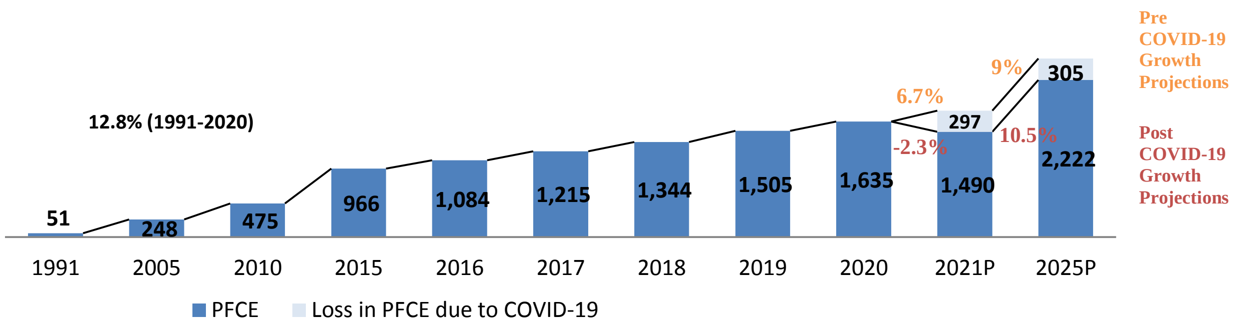
Source: RBI Data, Economic Survey, World Bank, EIU, IMF
1 US$=INR 75
White boxes at the top refer to India's GDP rank on a global basis

Domestic consumption share makes India uniquely positioned

India is advantaged in that its domestic consumption share (measured as Private Final Consumption Expenditure – PFCE) in its GDP was ~59% in FY 2019. In comparison China's domestic consumption share to its GDP was ~39% in the same year. High share of private consumption in the GDP insulates India from the economic shocks in other countries. In absolute terms it increased from US$ 51 Bn to US$ 1,635 Bn (FY 1991 to FY 2020).

However, with the outbreak of COVID-19, there has been a depression in demand with an estimated loss of revenue worth US$ 205 Bn in merchandise retail in FY 2021. With the economic environment becoming uncertain, not only are consumers more thoughtful about their consumption but also more conscious of their savings and investments. The consumption priorities are also driven by the health and safety concerns and the other behavioural changes adopted because of the pandemic.

India's Household Final Consumption Expenditure (US$ Bn)



Source: RBI Data; Year indicates FY, 1 US$ = INR 75
The projections have been arrived at by considering the growth trends for the past five years.

The annual growth rate for FY 1991-2005 was ~13% and this increased to ~14% for FY 2005-2019. While in the short term, consumption will suffer a setback, it is expected to reach to ~US$ 2.22 Tn by FY 2025.

The drop in consumption is mainly because of consumer sentiment being weak both due to health and economic reasons. Structurally, all the other variables remain the same, the quantum of consumption will not take long to revive. However, the loss suffered during COVID-19 manifest itself as loss of momentum of growth. The loss in momentum and current fall will recover bringing the economy back to FY2019 levels in FY2022.

In FY 2019, PFCE accounted for ~59% of GDP. This is much higher than that in China (~39%) and comparable to that of the US (~68%).

Total Private Final Consumption Expenditure (current prices, US$ Bn)

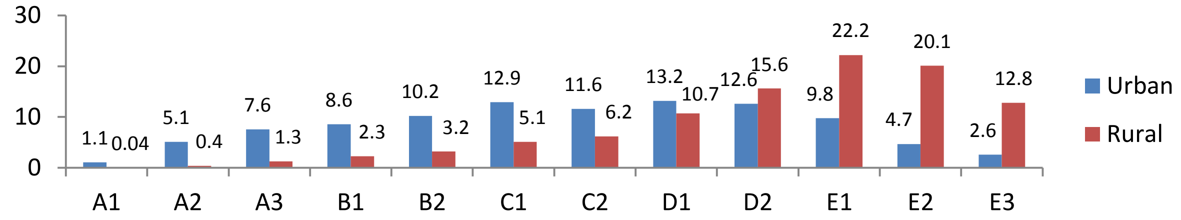
Country	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020P	CY 2021P	Contribution to GDP (2019)	CAGR 2014-2019
U.S.	10,641	11,007	11,318	11,824	12,295	12,767	13,321	13,999	13,036	13,809	65.5%	4.3%
Brazil	1,577	1,514	1,526	1,546	1,153	1,154	1,314	1,202	1,135	1,238	66.8%	4.7%
Italy	1,400	1,277	1,302	1,308	1,116	1,130	1,182	1,257	1,087	1,156	62.9%	0.7%
India*	749	863	966	1,084	1,215	1,344	1,505	1,635	1,490	1,683	59%	11.1%
Indonesia	495	518	519	509	495	539	582	594	577	662	54.0%	2.7%
Malaysia	143	156	167	177	160	163	174	206	189	213	51.4%	4.2%
France	1,573	1,469	1,536	1,549	1,318	1,340	1,396	1,497	1,303	1,430	55.4%	0.5%
Germany	2,079	1,976	2,076	2,115	1,809	1,853	1,952	2,058	1,917	1,958	54.1%	0.2%
Thailand	196	211	220	213	205	206	222	246	227	234	49.3%	2.3%
China	2,732	3,145	3,548	3,948	4,271	4,416	4,698	5,263	5,152	5,980	36.8%	8.2%

Source: World Bank, RBI, Technopak Research & Analysis
2021P: The projections have been arrived at by considering impact of COVID-19
**For India, CY 2020P means FY 2021P*
1US$ = INR 75

Top 20% of Indian households account for ~50% of the total household consumption

Household consumption in India has a skew towards the urban population. SEC (Socio Economic Classification) A, B and C1 which accounts for 45.5% of the urban and a little over 12.3% of the rural Indian population is commonly referred to as the "Top 20 %" (by income of Indian households).

SEC Break-up of Indian Households (fig. in percentages) for FY 19



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

The "Top 20%" of Indian households account for 40-50% of total household consumption expenditure and 44% of household income. The next 40% of the households account for 40% of the overall household expenditure while the bottom 40% (largely comprising of SEC E) make up 10%- 20% of household consumption. The per capita consumption of SEC A, B & C1 Indian households is twice the national average.

Key growth drivers: Favourable demographics, urbanization and policy reforms

Demographic Profile

Young population

India has one of the youngest demographics as compared to other leading economies. Demographics can act as a catalyst to change the pace & pattern of the economic growth. India's median age will continue to remain under 30 years till 2030. India's sizeable young population augurs well on two counts. Firstly, it is contributing to a declining dependence ratio (the ratio of the dependent population size to the working-age population size).

Young consumers in India are well travelled, brand conscious, well networked and have higher discretionary spending power

Median Age: Key Emerging & Developed Economies (2020 estimated)

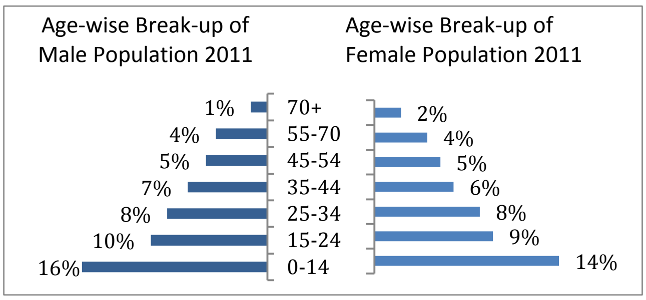
Country	India	China	USA	Singapore	Russia	Canada	UK
Median Age (Yrs)	28.7	38.4	38.5	35.6	40.3	41.8	40.6

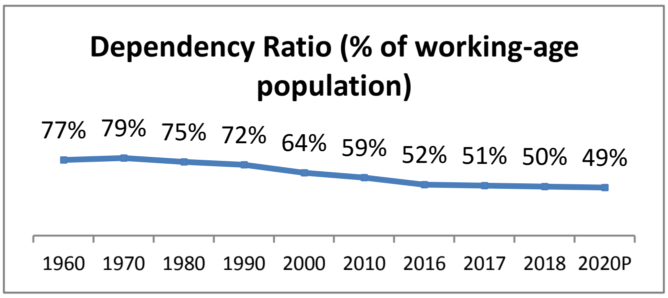
Source: World Population Review, Technopak Analysis

The ratio of the number of elderly people and children to the working-age (aged 15-64 years) population declined from 64% in FY 2000 to 50% in FY 2019. This trend not only supports rising income levels, but it also leads to higher share of discretionary expenditure.

Secondly, substantial rise in the working age population (from 36% in FY 2000 to 50% in FY 2019) augurs well for growth momentum of the Indian economy going forward, as it will lead to rising income levels. Moreover, younger population is naturally pre-disposed to adopting new trends and exploration given their education profile and their exposure to media and technology. This backdrop manifests as an opportunity for domestic consumption in the form of branded behavior, organized retail and product designs.

Age Dependency Ratio





Source: Census of India

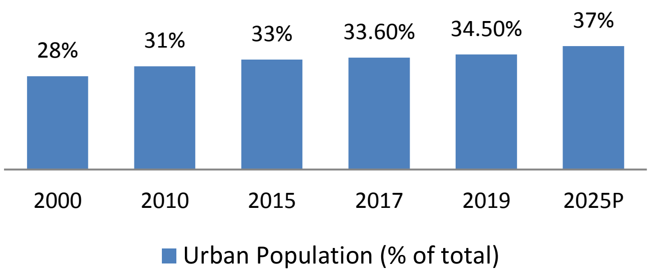
Age wise break up of population not adding up to 100% due to rounding off

Source: World Bank

Increasing Urbanization

India is second largest urban community in the world after China, with an urban population of about 472 Mn (FY 2019). Though, India fares lower than global average in terms of urban population's share in total population with only 34.5% (FY 2019) of India's population classified as urban compared to global average of 54%. It is the pace of India's urbanization that is a key trend to note for implication on India's economic growth. Smart city initiative by the Government to create new 'urban clusters' will further expedite urban development/ urbanization in India. India's urbanization pace will envelope two key trends that will have implications on India's domestic consumption narrative: growing middle class and nuclearization. It is estimated that by FY 2027, 37% of India's population will be living in urban centres and will contribute to 70 – 75% of India's GDP. The urbanization trend is expected to continue and by FY 2050, India will have half of total population that will stay in urban areas and will account for well over 80% of GDP. This urbanization pace is rapidly creating a segment pool of Indians that display migrant tendencies and are without past baggage of habits. Higher income and lesser time will fuel growth of eating-out and ordering-in.

Increasing Urbanization



Source: World Bank, Year Indicates CY

Growing Middle Class

The number of households with annual earnings between US$ 5,000-10,000 have grown at a CAGR of 12% during the period of FY 2012-2018 and is expected to grow at the same CAGR of 12%, to reach 153 Mn. by FY 2020. The households with annual earnings between US$ 10,000-50,000 have also grown at a CAGR of 25% between FY 2012-2018.

Increase in number of households with annual earnings of US$ 10,000 to US$ 50,000 will lead to increase in discretionary spending which is likely to create a structural trend of premiumisation, thereby leading to higher expenditure on food and beverages, apparel & accessories, luxury products, consumer durables and across other discretionary categories.

Nuclearisation

The growth in the number of households exceeds increase in population growth indicating increasing nuclearization trend in India. According to census data 2011, 74% of urban households have five or less members as compared to 65% in 2001. It is expected that fall in the average household size coupled with rising disposable income will lead to more number of urban household units that are pre-disposed to discretionary expenditure viz. jewellery, fashion, packaged food, food services etc.

Women Workforce

Several factors, including better health care and greater media focus are allowing women in India, in both urban and rural areas, to exercise greater influence on their families and society as a whole. The most important factor, however, is educational opportunity. Between 2005 and 2015, enrolment of girls in secondary education increased from 45.3% to 81% and in FY 2019 was higher than enrolment of boys. Higher education has also seen an increase in women enrolment, with almost 20% of women pursuing higher education studies compared to 22% of men.

These changes are expected to have a broad impact on societal factors, including workforce demographics and economic independence for women. The share of women workforce in the services sector has increased from 16.8% in 2010 to 24.2% in CY 2018. The overall share of working women increased from approximately 14% in 2000 to approximately 17% in 2010 and to approximately 24% in 2018. This increase of women in the workforce has seen a shift of patterns in terms of household activity, including a downward trend in home cooked meals and an increase in demand for "out of home" meals from households with working couples.

Food Services Spend

Food services is a key segment in the Indian economy, which accounted for approximately US$ 56.5 billion in FY 2020, of which approximately US$ 22.8 billion comes from the organized market (chain and organized standalone outlets). Changing consumer dynamics paired with increasing market proliferation of brands in India are expected to continue to boost the food services sector's growth.

Industry- wise Market Size in FY 2020

S.No.	Industry	Market Size (US Bn)
1	Retail	829.5
2	Insurance	80.9
3	Food Services	56.5
4	Hotels	7.0

Source: TRAI, Crisil, IRDA, Industry Sources, Technopak Research & Analysis
1 USD = INR 75
Year indicates FY

Contribution of Food Services Market to GDP CY 2019

Country	GDP CY 2019 (US$ Tn.)	FS Market Size CY 2019 (US$ Bn.)	Contribution of Food Services Market to GDP
USA	21.37	552	2.6%
China	14.3	613	4.3%
Brazil	1.8	83	4.6%
UK	2.8	77	2.7%
India*	2.7	56.5	2.1%
Indonesia	1.1	32	2.9%
Russia	1.7	13	0.7%
Saudi Arabia	0.8	21	2.6%
South Africa	0.4	5	1.3%

Source: RBI Data, Euromonitor, Technopak Analysis
**Indicates FY 2020*
1 US$ = INR 75

The share of food services in Indian GDP is expected to increase to 2.2% by FY 2025 from 2.1% in FY 2020 on account of its growth at faster pace compared to GDP growth. Also, growth of food services market is expected to outpace its growth till now i.e., from 8.1% (FY15 to FY20) to 9% (FY20- FY25). It is rational to anticipate that the food services market will see growth in tandem with this economic growth, and there is every indication that such expansion will be substantial. Key implications of this trend are summarized below:

- Pre COVID, Indian consumers had been dining out more frequently and younger Indians have shed the biases of their elders against eating-out. With over one lakh outlets in organized segment (20 or more seats) in India as of FY 2019, there is plenty of room for growth in the industry.
- With higher disposable income with younger population who are well travelled, brand conscious and well connected through social media and along with rise in presence of branded retail chains; consumers in smaller cities i.e. Tier I & Tier II cities have been spending more on eating out and this trend is expected to continue post COVID. National and international chains are endorsing Tier I and Tier II cities as engines for growth and expansion.
- 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. However, due to COVID this trend has undergone some changes. A lot of people now prefer Delivery and takeaway in comparison to dine-in. Considering this as an isolated occurrence, it is expected people will again start to dine out post COVID vaccination drive.
- Post COVID, customers have started giving immense importance to safety and hygiene. Hence, the restaurants will have to provide their services keeping both these factors in mind.

- The trend of delivery and takeaway has risen in the past few months due to COVID, hence most formats of restaurants whether it is QSR, CDR or cafe, have started these services apart from dine-in to remain competitive in the food services market.

Food Services Market in India

- India's food services market has come a long way from early 1980's when the number of organized brands were countable, and the market otherwise was dominated by un-organized players. The revolution in this sector began in FY 1996 with the opening up of restaurants by McDonald's, Pizza Hut, Domino's followed by entry of players like Subway and Barbeque Nation post 2000 and expansion of legendary home-grown players like Haldirams and Moti Mahal.
- The food services market has been growing since then with the international and domestic brands making substantial investments in building the back end consisting of suppliers and logistics segment. Since then, the market has witnessed many changes with respect to rising disposable income, availability of quality labour force, use of technology, which are collectively changing the face of the sector by enabling players to sustain efficiency at both front and back end.

Evolution of Food Services Market

	Phase I (1991-2001)	Phase II (2001-2010)	Phase III (2010 Onwards)
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, Café etc.	Further sharpening of formats based on consumer needs

Source: Technopak Analysis

- **Phase 1:** Faster development (infrastructure and business opportunities) in metros and mini-metros like Delhi, Mumbai & Bengaluru rapidly increased the number of organized restaurants in the 1990s. With the help of their first mover advantage, players looked to maximize revenue. No clear segmentation based on offerings was witnessed. Most of the Indian brands were running Multi Cuisine Restaurants and were offering different products under the same roof. However, with the entry of International brands like McDonald's, Pizza Hut, KFC and Domino's in 1995-96, segmentation based on offerings and service started in India.

- **Phase 2:** Demand for food joints in Tier II cities in the 2000s was powered by increasing urbanization, rising personal disposable incomes and more economic activities. A huge untapped population coupled with changing consumer lifestyles gave players an incentive to expand into Tier II cities. Also, a clear segmentation of formats started to emerge based on the offerings and service style such as QSR, CDR, FDR etc.

- **Phase 3:** The current decade is overseeing a shift to a larger organized sector. Customer retention, a higher range and depth of offerings are new goals among organized 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 ambiance, service style and cuisines etc.. This phase has also seen the birth of food technology which is estimated to be growing at almost 15-20% per year.

Food Services Market Structure

The food services market can be broken down into three broad segments: unorganized, organized standalone and 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[*] (₹)**
Unorganized Segment – It includes roadside eateries and dhabas which have been the most common eating out option.		10-100
Restaurant in Hotels - A full-service restaurant with premium interiors, specific cuisine specialty and high standard of service mainly present in premium Hotels. E.g. The Great Kebab Factory, Bukhara etc.		>1000
Organized Segment – Consists of: a) Standalone restaurants across all formats with less than 3 outlets. Chain format which has 3 or more outlets across all formats.		
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 Cafe, Barbeque Nation, Oh! Calcutta, Sagar Ratna, Moti Mahal Delux etc.	250-1000
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.	>1000
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.	750-1500

[*] *Spend is Exclusive of Taxes*
Source: Technopak BoK

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

Food Services Chain Market – Format Description

Type of Chain	**Positioning**	**Target Group/ Pricing**	**Ambiance**	**Locations**
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

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
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
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 ambiance. Regular seating with table service	Malls, high streets, popular markets, office complexes, airports, hotels, Food Hubs
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
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*

Food Services Chain Market – Key Brand Positioning with Formats

Type of Chain	**Domestic Players**		**International Players**
	National Brand	**Regional Player**	
Café	Café Coffee Day, Barista, Chai Point, Chaayos	Just Bake, Keventers	Starbucks, Costa Coffee, Coffee Bean Tea Leaf
Quick Service Restaurants (QSRs)	Goli Vada Pav, Wow Momos	Jumbo King, , Burger Singh	McDonald's, Domino's Subway, KFC, Burger King
Frozen Desserts/Ice-Cream (FD/IC)	Havmor Ice Cream, Giani's	Natural Fresh Ice Cream, Pabrai's Ice Cream	Baskin Robbin's, Kwality Walls, Häagen-Dazs, Cold Stone Cremary
Casual Dining Restaurants (CDRs)	Barbeque Nation, Mainland China, Moti Mahal	Dindigul Thalappakatti, Sagar Ratna	Pizza Hut, Chilli's, Nando's, UNO's

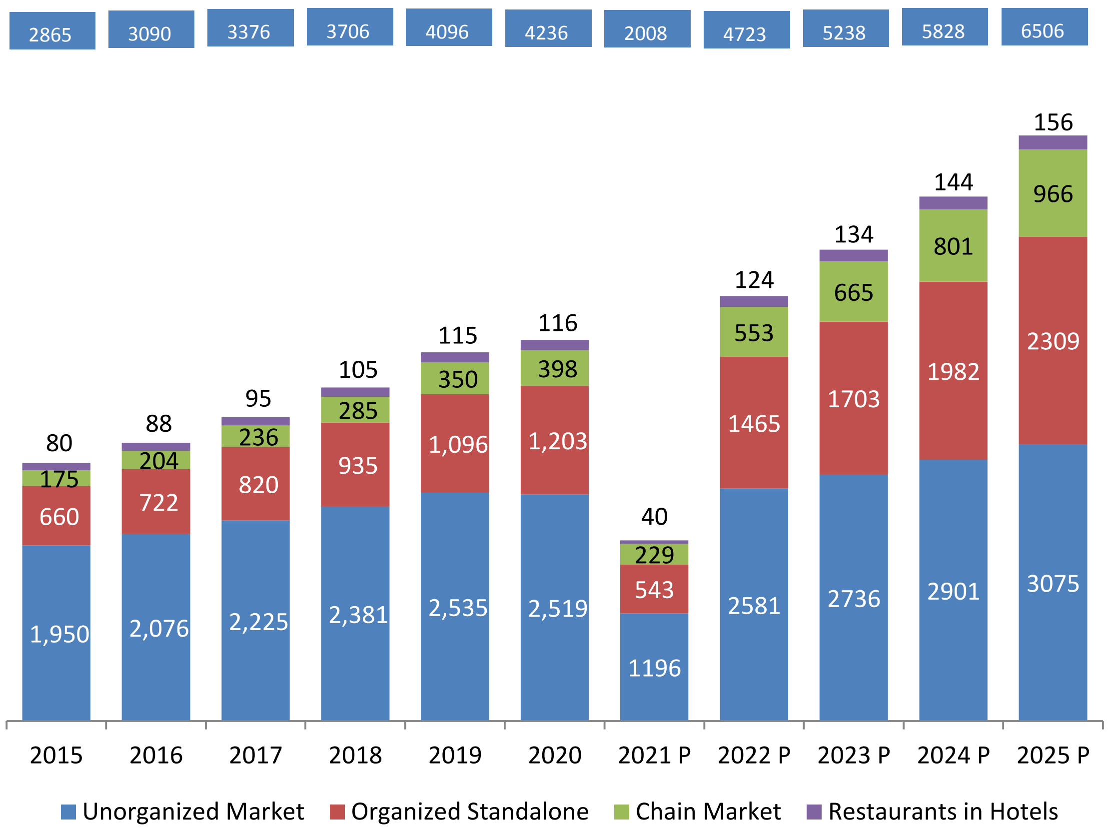
Fine Dining Restaurants (FDRs)	The Great Indian Kebab Factory, Punjab Grill	Indigo, Indian Accent	Yautcha, Hakkasan
Pubs, Bar Café & Lounges (PBCL)	The Beer Café, Social	10 Downing Street, Pop Tate's	TGIF, Hard Rock Café

Source: Technopak BoK

Market Size & Growth

The size of the food services market in India is estimated at INR 4,236 bn in FY 2020 and is projected to grow at a CAGR of 9% over the next 5 years to reach INR 6,506 bn by FY 2025.

Food Service Market Size in ₹ billion (Fiscal)



Source: Technopak BoK, Technopak Analysis
Year mentioned is Fiscal

The organized market (chain and organized standalone outlets, excluding Restaurants in Hotels) is estimated at INR 1,601 bn in FY 2020 and is projected to grow, at a CAGR of 15%, to reach INR 3,275 bn by FY 2025 gaining a share of 50% from 38% in FY 2020
In FY 2021 due to COVID, food services market is expected to show a dip of 53% in comparison to food services market size in FY 2020. Similarly in FY 2021, Chain market is expected to show a dip of 42% in comparison to FY 2020

Food Services Market CAGR

Format	CAGR FY 2015-20	CAGR FY 2020-25
Unorganized Market	5%	4%
Organized Standalone	13%	14%

Chain Market	18%	19%
Restaurant in Hotels	8%	6%

Source: Technopak BoK, Technopak Analysis

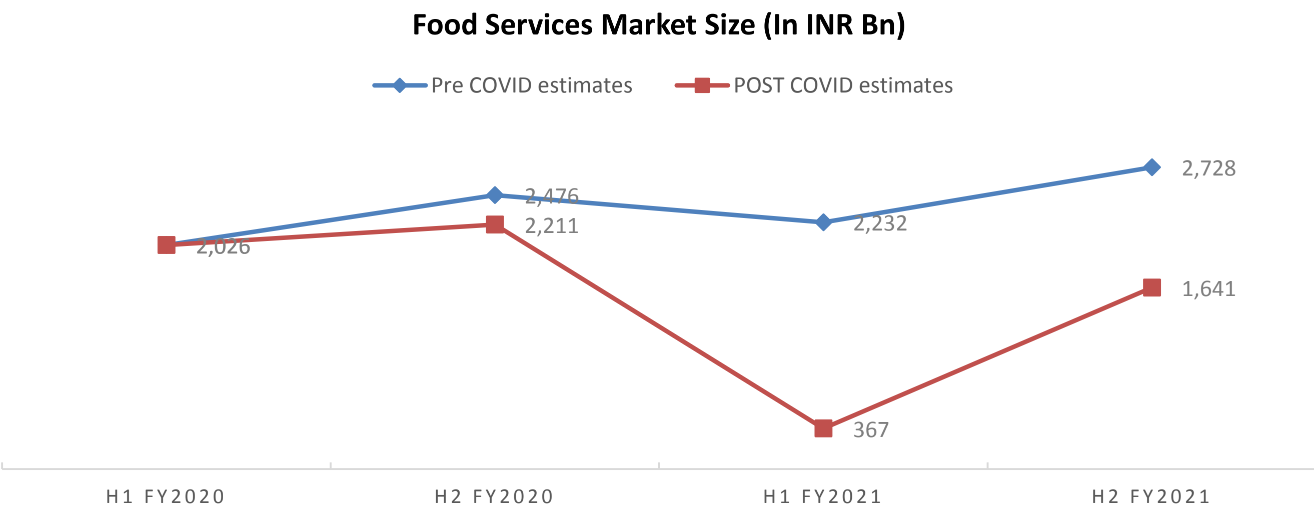
Food Services Market Share

Format	Market Share FY 2015	Market Share FY 2020	Market Share FY 2025P
Unorganized Market	68.1% (1,950)	59.5% (2,519)	47.3% (3,075)
Organized Standalone Market	23.0% (660)	28.4% (1,203)	35.5% (2,309)
Chain Market	6.1% (175)	9.4% (398)	14.9% (966)
Restaurant in Hotels	2.8% (80)	2.7% (116)	2.4% (156)

Source: Technopak BoK, Technopak Analysis

Half yearly-wise Impact of COVID 19 on Food Services Market in India

Source: Technopak Analysis



- **H2 FY 2020:**
  - The impact of COVID 19 on the Food Services Market started in the last month of H2 FY 2020. As of March 2, 2020, there were 5 active cases in India (according to covid19.org).
  - Starting March 2020, a lot of people refrained from eating out as frequently as earlier because of fear of COVID 19. While unorganised market was the first one to get impacted because of perceived hygiene issues followed by standalone restaurants etc., organized chain restaurants were less impacted by this change.
  - Further, as on March 25, 2020, the nation went on a complete lockdown closing all the restaurants in the country. This impacted the entire food services market including chain restaurants such as CDR, QSR, Café etc.
  - The food services market observed a dip of 11% in comparison to pre-COVID levels in H2 FY 2020 due to the above factors.
- **H1 FY 2021:**
  - In the beginning of H1 FY 2021, most of the restaurants were closed in the country. As various state governments started easing out the strict lockdown-related restrictions in their respective states, restaurants gradually started opening in April & May 2020 but only delivery was allowed from these restaurants.
  - Even though restaurants were open for delivery in the months of May and June 2020, people were conscious about hygiene and safety measures. Initially there were very few who were ordering from restaurants such as chains restaurants. As food delivery aggregators started

demonstrating their capabilities on maintenance of high food quality and service standards, superior processes etc.; people gradually started ordering from these Food delivery apps and chain restaurants, and sales started to grow towards end of May and beginning of June 2020.

  - Initially, only take-aways and delivery were allowed for most of the eateries, hence casual dining restaurants adopted fast to delivery and takeaway models. Players such as Barbeque Nation etc., started delivery through food aggregators apps. Barbeque Nation started "Barbeque in a box", "Grill in a box" among other products
  - In some states such as Delhi, U.P, Tamil Nadu, etc., dine-in was also started gradually with limited capacity but the operating hours of restaurants were reduced.
  - Central and State governments had created "Containment zones" for areas having a large number of COVID cases. These containment zones observed a complete lockdown and restaurants in these areas were closed impacting sales in such locations.
  - In this quarter, sales were primarily from chain restaurants doing home delivery & takeaways, cloud kitchens, and from a few dine-in restaurants.
- **H2 FY 2021:**
  - During October 2020, as government official data and commentary indicated that India might have reached the peak of COVID 19 cases, & the food services market started to grow and show healthy growth in sales figures. More cities started opening and the number of containment zones were also reduced as compared to earlier.
  - During the start of H2 FY 2021, nearly all the restaurants started dine-in but with strict rules and regulations on hygiene & social distancing. Chain restaurants such as Pizza Hut, Dominos started contactless dining in their restaurants. Social distancing norms were followed with constant sanitization of the place. Players such as Barbeque nation started sanitising tables in the presence of customers to regain confidence in terms of hygiene and safety.
  - Moreover, during H2 FY 2021, most of the restaurants have opened for dine-in and the restrictions on operating hours of restaurants have also been removed which is expected to provide boost to the sales of the food services industry.
  - 2021 is expected to show a strong sales momentum because of vaccination drive and things are expected to start moving towards the Pre-COVID level in 2021.

Post-lockdown Restart of Food Services Operations as per Govt. orders

		Maharashtra	**Andhra Pradesh**	**Karnataka**	**Tamil Nadu**	**Uttar Pradesh**	**Delhi**
QSR	**Dine-in**	Oct 2020	Jun 2020	Jun 2020	Jun 2020	Aug 2020	Aug 2020
	Delivery	May 2020	Apr 2020	Apr 2020	Apr 2020	May 2020	Apr 2020
CDR	**Dine-in**	Oct 2020	Jul 2020	Jul 2020	Jun 2020	Aug 2020	Aug 2020
	Delivery	May 2020	Apr 2020	Apr 2020	Apr 2020	May 2020	Apr 2020
Café	**Dine-in**	Oct 2020	Jul 2020	Jul 2020	Jun 2020	Aug 2020	Aug 2020
	Delivery	May 2020	Apr 2020	Apr 2020	Apr 2020	May 2020	Apr 2020
FDR	**Dine-in**	Oct 2020	Jul 2020	Jul 2020	Jun 2020	Aug 2020	Sep 2020
	Delivery	May 2020	May 2020	May 2020	May 2020	May 2020	Jul 2020
PBLC	**Dine-in**	Oct 2020	Jul 2020	Jul 2020	Jun 2020	Sep 2020	Sep 2020
	Delivery	May 2020	Sep 2020	Apr 2020	Apr 2020	May 2020	Jul 2020

Source: Secondary Research

The performance of Indian restaurants be it QSR chains, Café, etc., was largely affected by the government lockdown regulations. In some areas, where the cases were fewer, the government allowed restaurants to open as early as April 2020 for delivery while in the other areas, delivery started in May 2020. For example, delivery from QSR restaurants in Delhi started in April 2020, and dine in started in August 2020. However, in Maharashtra delivery and dine-in by food service players started in May and October 2020 respectively. Similarly, dine-in formats started in June 2020 in Andhra Pradesh, Karnataka, and Tamil Nadu. However, in Uttar Pradesh, dine-in formats started only in August 2020.

Owing to the number of active cases and lockdown restrictions, outlets of the same chain restaurants were performing differently in different parts of India. For example, states like Maharashtra and Andhra Pradesh had consistently recorded the highest and the third-highest number of confirmed cases in India. Consequently, the restaurant industry was most affected in these states and the recovery has also been slower.

Moreover, within the same city, some restaurants were allowed to start services while others had to suspend operations due to containment zones related restrictions.

With no sales happening at the restaurants and closure of restaurants during first few months of lockdown, real estate sector stepped up to support the food services industry by proposing rent waivers for first few months of the lockdown. It was largely observed on a case-to-case basis and rent waivers were as high as 100% for first few months. As economy started opening, and restaurants sales started going up, mall owners and restaurants moved to a revenue-sharing basis in a number of instances.

Moreover, in H2 FY 2021 as cinema halls, entertainment zones etc. are opening, it will drive more traffic to the chain restaurants and other organized players. Also, the festive season in H2 FY 2021, is expected to drive sales of organized players

Impact of COVID 19 on various formats of the Food Services Industry

QSR: - QSR formats, primarily chained, were the first to demonstrate recovery. Home delivery from these formats started as early as April 2020 in several states as most of the QSRs had the option of "Delivery and Takeaway services". Chains like McDonald's, Dominos, and Burger King had modelled deliveries, drive-through and Over the Counter (OTC) pick-ups into their business long before the present crisis. So, while dine-in had been affected even for these businesses, the altered version to a delivery-based structure was not new for them and they quickly adapted to the alternate model to drive growth and revenues. Moreover, people prefer to order from reputed and international QSR chains given the highest level of hygiene and safety standards maintained by these chains.

Casual Dining Restaurant: Casual Dining restaurants were primarily built for 'Dine in experience' but as situation demanded most of the chain CDR also started delivery. This helped them in starting of their business in initial few months of lockdown. As restaurants started opening during July-Aug 2020, sales started rising. Players such as Barbeque Nation started delivery apart from dine-in buffet which provided additional revenue stream.

Café : Café was primarily not designed for the "Delivery and takeaway model". The share of home delivery and takeaways has been small for these players. Cafés typically known for their dine-in experience sometimes take a fair bit of time to incorporate new safety measures, social distancing, and new ways of customer service and engagement. As the situation demanded, this format has introduced/enhanced the delivery segment. This segment has also been recovering albeit slowly.

PBCL and Fine Dining: Pubs, Bars, Lounges, and Fine Dining restaurants are the facing recovery issues primarily because most of them were shut till the end of July 2020 and in some parts of the country till Oct 2020. Moreover, even when they restarted operations, customers have been hesitant to visit and dine in pubs, bars, and fine dining restaurants.

Cloud Kitchens and Food Delivery Platforms: Cloud Kitchens and food delivery platforms such as Zomato, Swiggy played an important role during the lockdown. As of October 2020, Zomato and Swiggy have recovered to nearly 100% of the pre-COVID levels.

Unorganized Segment: The unorganized segment, which primarily includes dhabas, roadside small eateries, hawkers and street stalls, is the worst hit among all formats within the food services market. It is also estimated that this segment will be the last to start on the recovery path primarily due to hygiene and food safety issues and lack of working capital with the small entrepreneurs. The void created by this segment can be addressed by emergence of organized value segment that can address the basic food safety concerns or by the existing QSR and ACDR (Affordable Casual Dining Restaurants) players in the organized play.

Way Forward

With the reducing COVID cases in the country, progress made in vaccine development, clubbed with government official data indicating that India might have reached the peak of COVID 19 cases, opening up of economy is expected in the near future. It is estimated that by Q2 FY 2022, the Food Services Market is expected to regain almost 99% of the market on a base of 2020 and by Q3 and Q4 it is estimated to be 110% of the base of FY2020. However, based on market projections that were made before the pandemic, the Food Services Market is estimated to reach 90% levels of the projections by Q3 of FY 2022.

Quarter wise Analysis of Food Services Market: FY 2020-2022 (INR Bn.)

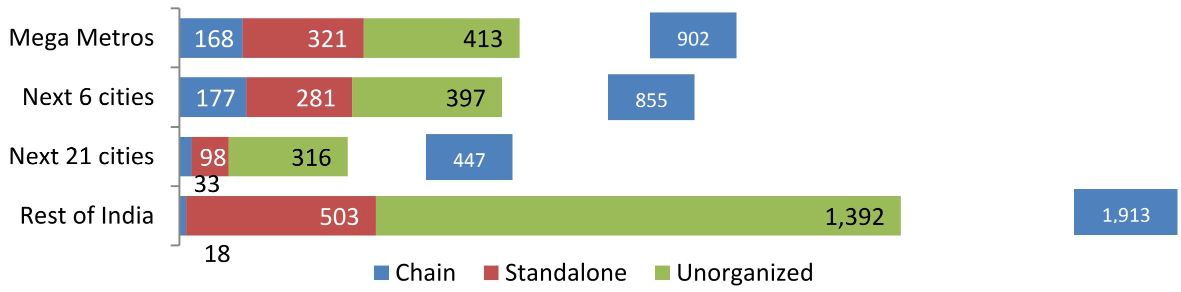
	Q1	Q2	Q3	Q4
FY 2020	900	1,125	1,350	1,125
FY 2021 (Pre-COVID)	992	1,240	1,488	1,240
FY 2022 (Pre-COVID)	1,096	1,370	1,644	1,370
FY 2021 (Post COVID)	91	277	726	914
FY 2022 (Post COVID)	883	1,111	1,489	1,241
Market Comparison FY 2020 and FY 2021	0.10 X	0.25 X	0.54 X	0.81 X
Market Comparison FY 2020 and FY 2022	0.98 X	0.99X	1.1X	1.1X

Source – Technopak Analysis

City wise Market Size

- The two mega metros, Delhi & Mumbai, contribute a total of 21.9% to the food services market. The 6 Mini-Metros constitute 20.8%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 FY 2020 (INR Bn.)



Source: Technopak Analysis
List of Mega Metros cities includes Delhi NCR and Mumbai
List of Mini Metros cities like Ahmedabad, Pune, Kolkata, Hyderabad, Bangalore, Chennai
List of Next 21 cities is mentioned in annexure
The City wise market size does not include 'Restaurant in Hotels' market

- The top eight cities in India have been the centre of development, especially for the organized food services. Due to increased economic activity, rising disposable incomes, a greater need for convenience and an increasing women workforce, the chain food services brands have done well in these cities. The two mega metros: Delhi NCR & Mumbai contribute to around 42% of the chain food services market in India. The next six cities: Kolkata, Bengaluru, Chennai, Hyderabad, Pune and Ahmedabad along with Delhi NCR & Mumbai contribute around ~87% 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 27% of the standalone market segment.
- The growth of food services has moved beyond the metros and mini metros, the same could be witnessed increasing presence of QSR and CDR chains in Tier I & II cities. This shift has happened primarily due to non-availability of quality real estate in mega metros and mini metros and increasing competition within these cities. The Tier I & II cities have now emerged as new Urban powerhouses with higher disposable incomes clubbed with high aspirational value of the youth, fuelling growth of food services.

Growth Drivers and Trends in Food Services Market

Increasing eating out behaviour

- Rising urbanization and rising disposable income are fuelling the growth of Indian food services market.

- The trend of eating out is increasing in urban India and the urban consumers don't need a special occasion to eat out. The occasion for eating out can vary from shopping & casual outing to spending free time.
- Indians are eating out not only to consume food but also to socialize and to experiment various cuisines. The trend of eating out is increasing across all section of society irrespective of economic class.
- Increase in flow of tourism in India and increase in Indians travelling abroad who are developing tastes for western cuisines.
- Increase of women in workforce has seen a shift of patterns in terms of household activity including a downward trend in home cooked meals and an increase in demand for "out of home" meals.
- ~60% of Indians eating out are the Millennials in the age group of 15-34 years. 58% of the global millennials reside in Asia and out of which the maximum number of millennials are in India. India has the maximum number of millennials in the world followed by China, USA, Indonesia and Brazil. The millennial population of India is expected to increase at a faster rate signifying the further growth in eating out behaviour among Indians. The same has grown from 418 Mn. in FY 2011 to 447 Mn. in FY 2019.

Spending pattern among consumers

City Type	Eating-out Frequency per Month			Average Spend per Outing (₹)			Ordering-in Frequency per Month			Average Spend per Ordering-in (₹)		
	2014	2017	2020	2014	2017	2020	2014	2017	2020	2014	2017	2020
Mega Metros	5.7	6.1	6.3	902	998	1039	1.0	1.7	2.1	410	466	495
Mini Metros	5.0	5.3	5.5	752	829	861	0.9	1.4	1.9	360	410	433
Tier I & II	4.3	4.6	4.8	612	674	706	0.6	0.9	1.1	263	299	316

Source: Technopak BoK, Technopak Research & Analysis
Year Indicates FY
*Avg. Household size was 4.02 during the course of research

Conscious indulgence

Indian consumer has been long exposed to the global food trends in terms of newer cuisines and formats through seamless interaction facilitated by the growth of multiple communication channels such as the internet, mobiles etc. Due to this continuous exposure, the phase of experimentation has changed to indulgence. Consumers are now aware about the various cuisines and formats even before visiting the outlet offering the same through restaurant rating and discovery platforms and take an informed decision to visit a particular format. Based on their mood, accompanying group, time of the day, they take a conscious decision where they want to indulge.
Indulgence is not only limited to eating-out but is picking up for dining-in as well. With delivery aggregators such as Zomato and Swiggy having multiple formats and brands associated with them, provide the consumer options to choose from.

Increasing availability of organized 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 intent to leverage on higher revenues generated by the segment, malls are leasing out prime floor spaces to bring new F&B brands within their fold. On an average, ~20-25% of the mall space is dedicated to food services outlets. By the end of FY 2023 an additional supply of 9.3 Mn. Sq. Ft. of mall space is expected to get added to the existing supply of ~75 Mn. Sq. Ft. in top 7 cities in India resulting in availability of an additional space of ~2 Mn. Sq. Ft. for expansion of Food Services play.
- Continuing growth of e-commerce has resulted in B&M retailers rationalizing their store size. This has further made more space available for the food services players in organized retailing environment.
- The concept of mall spaces dedicated completely to food services is also coming up. Some key examples being Epicuria, Cyber Hub and Sangam Courtyard in Delhi NCR.

Opportunities & Challenges for a Location

Destination Type	Opportunities	Challenges
Malls	• Steady & reliable stream of footfall • Well laid out services with ample parking space Safe & secure environment for both consumers & operators	• High rentals and Common Area Maintenance (CAM) • Presence of strong competition within proximity
High Streets	• A destination in itself • High footfalls • Lower concentration of competition	• Lack of parking space • Safety & security might be a challenge • Less reliability on footfall conversion within the outlet
Food Hubs	• A destination in itself • Steady & reliable stream of footfall • Well laid out services with ample Parking space Safe & secure environment for both consumers & operators	• High rentals and Common Area Maintenance (CAM) • Presence of strong competition within proximity

Emerging Urban Powerhouses

According to a global economic research report done by Oxford Economics in 2018, the top 10 fastest growing cities in the world are from India. The report ranks cities that will have the highest year-on-year gross domestic product (GDP) growth in next 15 years.

Fastest Growing Cities across the Globe

Rank	City	State	Average Annual GDP Growth (y-o-y 2019-2035)	GDP* Fiscal 2018 (USD billion)
1	Surat	Gujarat	9.2%	28.5
2	Agra	Uttar Pradesh	8.6%	3.9
3	Bengaluru	Karnataka	8.5%	70.8
4	Hyderabad	Telangana	8.5%	50.6
5	Nagpur	Maharashtra	8.4%	12.3
6	Tirupur	Tamil Nadu	8.4%	4.3
7	Rajkot	Gujrat	8.3%	6.8
8	Tiruchirappalli	Tamil Nadu	8.3%	4.9
9	Chennai	Tamil Nadu	8.2%	36.0
10	Vijayawada	Andhra Pradesh	8.2%	5.6

Source: Oxford Economic, 2018
* *at constant 2018 prices*

This high growth reinstates the trend that the future of growth for food services brands in India is from these emerging urban powerhouses. With increasing investments in infrastructure, business services and industries, the spending power of consumers is increasing in smaller cities. Consumers in these cities are also emerging as a strong new segment that is open to trying out branded and organized F&B dining options.

Consistent growth of Indian and International brands

The vast untapped potential in the Indian market to cater to the needs of its growing population have encouraged the entry of key international players into the domestic food services sector. These brands are not only concentrating on Mega metros, Mini Metros and Tier I cities, but over the past 2-3 years, have established their presence in the Tier II and Tier III cities as well. With the highest number of organized players, currently the QSR formats dominate the chain market, followed by the CDR and Café formats. In the CDR segment, the market in Tier I & II cities had been well penetrated by some brands with lower APC operating in the Casual Dining space such as Moti Mahal and Sagar Ratna. However, in recent past brands with higher APC like Barbeque Nation have increased their presence in Tier II cities and beyond.

Food Trends

Larger Focus on Value Meals: In the Indian food services market, value for money will continue to be the order of the day as Indians are eating-out and ordering-in much more at an average of 6-7 times per month per household. Indian consumers, irrespective of their economic class and the type of city they live in, are eat out/ ordering-in more. This is primarily to experiment, prefer to socialize and unwind over food. Indian consumers, though willing to spend more and more on experiential eating, are cost-conscious and look at value for money concepts, or for cost efficient functions when ordering-in.

- With a depressed inclination on consumer expenditure on non-essential goods, post COVID 19 consumer focus is on availing low cost meals, moving away from the need of experiential eating.
- The work from home culture and reduced availability to domestic help, a larger segment of millennials is compelled to order in or takeaway meals at their convenience. Thus, demanding high speed of service.
- Demand for 'freshly produced' and prepared meals have increased in order to avoid possibilities of food borne diseases and ensure high immunity to tackle COVID 19.
- Due to the demand for quality, consistency and trust branded internationally known establishments in the organized sector i.e. QSRs such as McDonald's, KFC are in higher demand than domestic unorganized F&B services.

Unlimited Food at a Limited Price & DIY: The recent years have witnessed 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 to indulge the "foodie" in them. 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 & FDR formats are now coming up with fixed buffet menu range that offers medium to large spread of options in various meal course at a fixed price. These formats are just not limited to food experience but are going a step ahead in consumer engagement by "Do it yourself" concepts, where brands place "over the table barbeques" for consumers to cook their own food items. Partially or fully cooked food is supplied from the kitchens and consumers give the final touches at their tables. Some of the prominent restaurant chains that are tempting their consumers with these offerings are The Great Kebab Factory, Barbeque Nation, Absolute Barbeque, Sigree Global Grill etc. In the CDR segment, Barbeque Nation is the pioneer in establishing a format built around "DIY over the table barbeque". Today it is the largest chain offering such a service in terms of stores as of Sep 30, 2020. However, in the FDR segment, The Great Kebab Factory has been offering similar menu since 1996 and has around 23 outlets presently.

Contemporising Indian Cuisine: A new development is being crafted in Indian restaurant industry where consumers can experience the traditional and regional specialities of Indian food prepared by using differentiated techniques and new world presentations. Few of the trendsetters in this category are 'The Bombay Canteen', 'Farzi Café' and 'Soda Bottle Openerwala'

Beverage Remains the Game Changer

- Beverages, both alcoholic and non-alcoholic are a good source of boosting the bottom line of a restaurant. The beverage cost remains low at 15-20% as compared to the cost of other food items on the menu which is between 25-30% in most cases and as high as 35-40% in certain cases. A healthy sales mix of beverages in the menu certainly helps in attaining higher profitability.
- Also, an increasing trend towards higher beverage consumption is witnessed among the consumers, who are continuously looking for new ingredients, flavours and techniques to enhance their experience. Cashing

in on these trends and getting inspiration from the western counterparts, the Indian QSR and casual dining chains are revamping their beverage offerings and introducing exotic and differentiated beverages to consumers.

Key Cuisines Offered across Food Services Segments

The Indian diner is also becoming more experimental in his 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 contributed ~54% of the total market offerings and American, Pizza, Italian and other western cuisines contributed ~22% of the total offerings in FY 2019. 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 ~3.5% and 6% respectively. To sum up, one can say that 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 Fiscal 2019

Cuisines	Share of Cuisine	Cuisines	Share of Cuisine
North Indian	26.6%	Street Food	6.3%
Chinese	19.0%	Italian	4.5%
South Indian	7.7%	Regional Food	3.7%
American	7.2%	Continental	3.5%
Pizza	7.2%	Pan Asian	2.0%
Bakery & Dessert	6.6%	Others	5.8%

Source: Zomato Data, Technopak Analysis

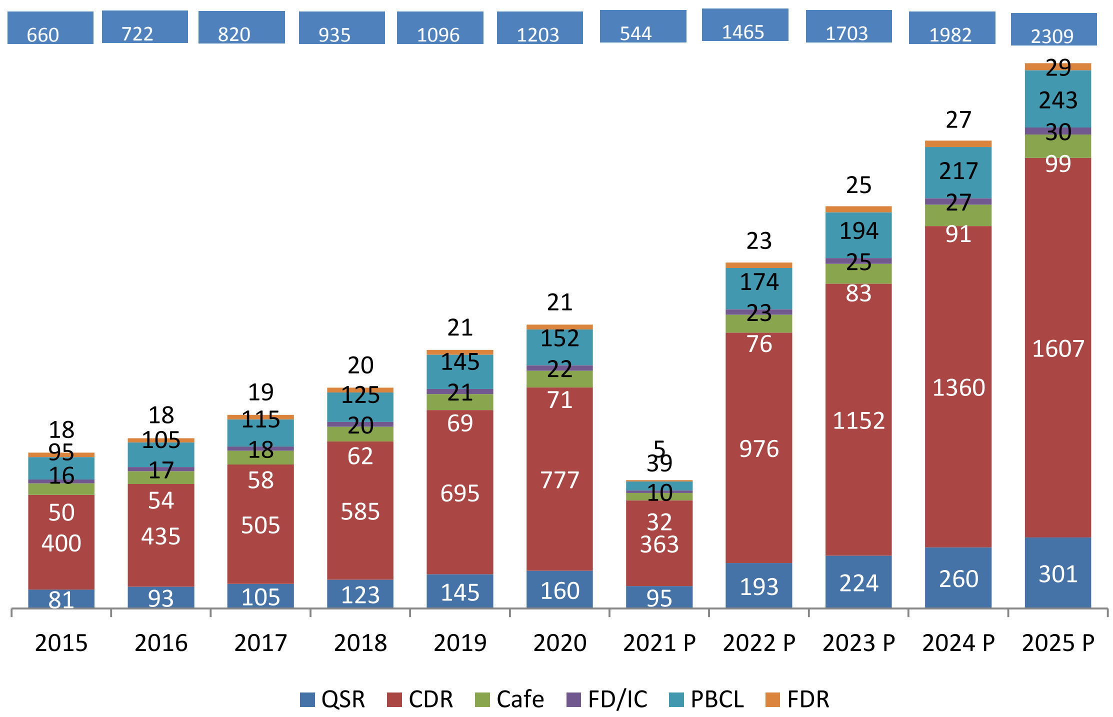
Organized Food Services Market

Organized Standalone Market

The organized standalone market is the largest organized segment with a market share of 28% in FY 2020.

The segment is expected to grow at a CAGR of 14% from INR 1,203 Bn in FY 2020 to INR 2,309 Bn by FY 2025

Organized Standalone Market Size in INR Bn. (FY)



Source: Technopak BoK, Technopak Analysis
Year mentioned is FY

The casual dining restaurants estimated at INR 777 Bn in FY 2020 formulate around 64.5% of the organized standalone market and is expected to grow at a CAGR of 16% to reach INR 1,607 Bn (70%) in FY 2025 followed by QSRs estimated to grow at 14% to reach INR 301 Bn in FY 2025.

Organized Standalone Format CAGR

Format	CAGR FY 2015-20	CAGR FY 2020-25
Quick Service Restaurants	15%	14%
Casual Dining Restaurants	14%	16%
Café	7%	7%
Frozen Dessert/ Ice Cream	7%	6%
PBCL	10%	10%
Fine Dining Restaurants	3%	7%

Source: Technopak BoK, Technopak Analysis

Organized Standalone Format Share

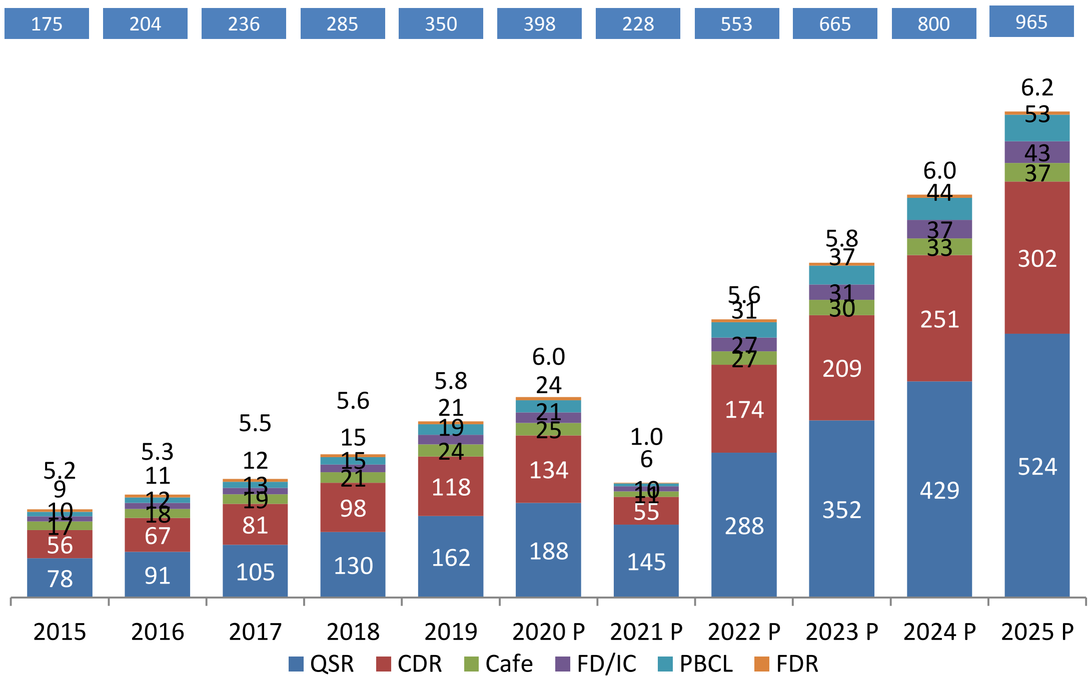
Format	Market Share (FY 2015)	Market Share (FY 2020)	Market Share (FY 2025P)
Quick Service Restaurants	12%	13%	13%
Casual Dining Restaurants	61%	65%	70%
Café	8%	6%	4%
Frozen Dessert/ Ice Cream	2%	2%	1%
PBCL	14%	13%	11%
Fine Dining Restaurants	3%	2%	1%

Source: Technopak BoK, Technopak Analysis
Marker share percentages are rounded-off

Chain Market

With INR 398 Bn in FY 2020, the chain market is expected to grow at a CAGR of 20% to reach INR 965 Bn by FY 2025. QSRs (47%) have the maximum market share followed by Casual Dining Restaurants (34%).

Chain Market Size in INR Bn. (FY)



Source: Technopak BoK, Technopak Analysis
Year mentioned is FY

- In the chain market, QSRs and the CDRs constitute 81% in FY 2020 and the same is expected to grow to 86% by 2025.
- The market share of CDRs will decrease to 31% in FY 2025. However, the segment is expected grow at a healthy CAGR of 18% to reach INR 302 Bn. The growth for CDRs will be fuelled by more CDRs in the chain segment making inroads in Tier II and Tier III cities.
- Also, as the food services market has evolved over time, each format caters to a distinct primary TG and occasions. Within the eating out space, the CDR segment is best placed in the overall chain segment based on pricing, wholesome offer, and involvement of the entire family. Apart from convenience and quick bites, the consumers are also looking at experiential format 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 Mega Metros and Mini Metros.

Chain Market Format CAGR

Format	CAGR FY 2015-20	CAGR FY 2020-25
Quick Service Restaurants	19%	23%
Casual Dining Restaurants	19%	18%
Café	8%	8%
Frozen Dessert/ Ice Cream	16%	15%
PBCL	22%	17%
Fine Dining Restaurants	3%	1%

Source: Technopak BoK

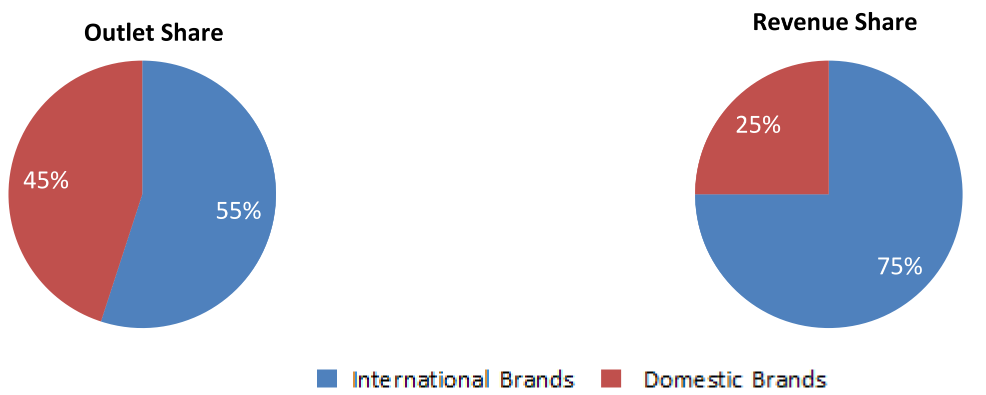
Chain Market Format Share

Format	Market Share (FY 2015)	Market Share (FY 2020)	Market Share (FY 2025P)
Quick Service Restaurants	45%	47%	54%
Casual Dining Restaurants	32%	34%	31%
Café	10%	6%	4%
Frozen Dessert/ Ice Cream	6%	5%	4%
PBCL	5%	6%	5%
Fine Dining Restaurants	3%	2%	1%

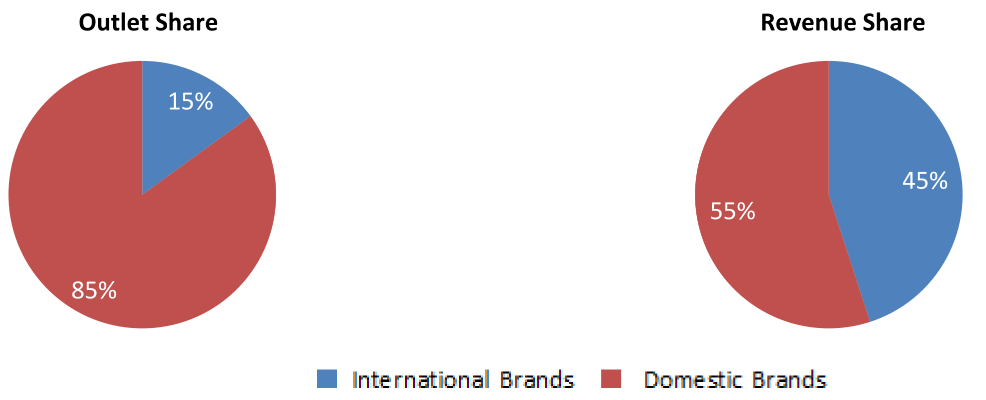
Source: Technopak BoK

The chain market is dominated by the international QSR brands operating in India such as Domino's, McDonald's, KFC, Subway, Burger King etc. The overall share of these key international brands in terms of outlets in the chain market is around 45%, contributing 57% share to the total revenue in QSR chain market. For the international brands, the QSR segment is the maximum revenue contributor with around 70-75% share followed by CDR, whereas in the domestic segment, the market is dominated by CDRs with around 50-55% revenue share. Home grown players like Moti Mahal Delux and Barbeque Nation dominate the Chain CDR market along with some key players like Sagar Ratna, Sigree and Mainland China.

Chain QSR Market Construct: Contribution of International & Domestic Brands FY 2020



Chain CDR Market Construct: Contribution of International & Domestic Brands FY 2020



Format wise Opportunities & Challenges

Other than the above listed challenges, the chain food services players have certain specific opportunities and challenges specific to their business. The below table summarizes the same:

Food Services Chain Market- Opportunity & Challenges

Type of Chain	**Opportunities**	**Challenges**
Café	• Increase in "hang out culture", a place for socializing • Scalable model in smaller format • Large play in food and beverage based innovation	• Low margins • Limited brand salience and loyalty • High table turn around time vis a vis per table spend
QSRs- International Brands	• Increasing time poverty among youth • Popularity of international cuisines • Improved supply chain	• Highly price-competitive market • High investment in equipment • Highly price-competitive market
QSRs- Domestic Brands	• Increasing popularity of the format • Increasing focus on convenience • Menu that caters to the Indian masses	• 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)	• Popularity across age segments with increasing spends on desserts • No more a seasonal business • Scalable model as they require smaller formats	• Low transaction value • Competition from FMCG products in FD/IC segment
Casual Dining Restaurants (CDRs)	• 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	• 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)	• Rising disposable income • Increasing focus on premium lifestyle	• Shorter shelf life • Require constant innovation and differentiation • High fixed operating costs
Pubs, Bar Café & Lounges (PBCL)	• Favourable Indian demographics with 65% of population below 35 years • Increasing incidence of alcohol consumption • Changing lifestyle	• Price competitive segment with competition from in-home consumption • Setting up process is cumbersome with extensive licensing process

Source: Technopak BoK

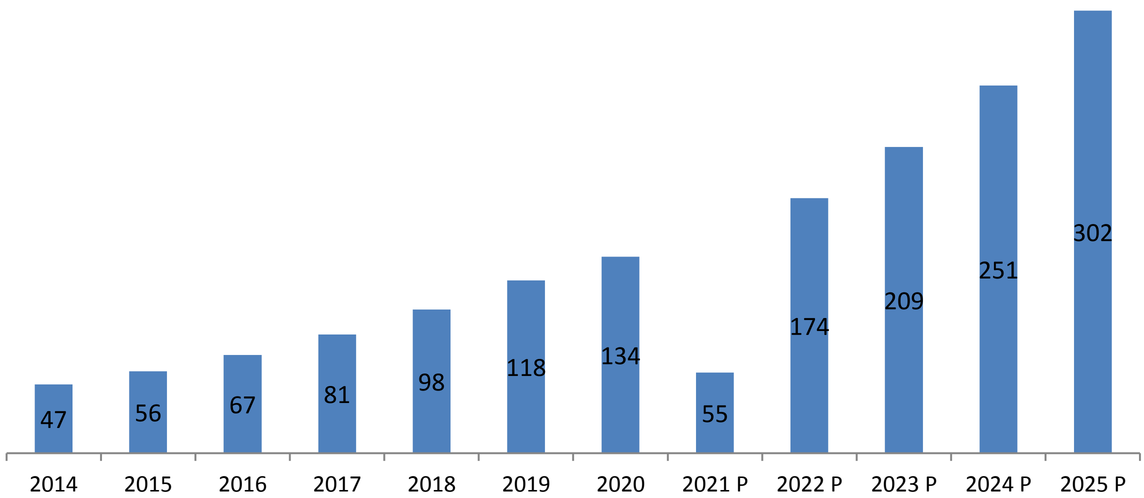
Chain Casual Dining Market

Market Overview

- The Chain Casual Dining market in India has been flourishing over the last few years. The Chain CDR segment represents the 2nd largest share in the chain food services market in India after QSR. It has also seen an evolution of sorts in the preceding years and now there are a few players generating revenue of more than INR 5 Bn. 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 buffet.

- In FY 2020, the size of the Chain Casual Dining market is estimated at INR 134 Bn. The share of CDR market in the food services sector is expected to reach 31% in FY 2025, from the current 34% in FY 2020. However, the segment is expected grow at a healthy CAGR of 18% to reach INR 302 Bn. by FY 2025.
- The Chain casual dining segment caters to the various needs of consumers by offering different service styles, cuisines, ambiance, price points such as Sagar Ratna & UBQ by Barbeque Nation having an APC of INR 200- 300 caters to the value seeking consumer whereas a Barbeque Nation, Mainland China with an APC of INR 775- 800 caters to the experiential consumer who would like to enjoy a sumptuous meal with great ambience. Also, outlets like Farzi Café (APC of INR 1,100-1,250) caters to consumers looking for experimenting with Indian food in a lively and eclectic environment

Chain CDR Market Size in ₹ billion



Source: Technopak BoK, Technopak Analysis
Year mentioned is FY

CAGR

Year	CAGR FY 2015-20	CAGR FY 2020-25
Casual Dining Restaurants	19%	18%

Source: Technopak BoK

Key Players

- Domestic players dominate the Chain CDR market though there are a few international players also present in this segment. Since the Chain CDR sector has seen high growth, quite a few new players have entered the market. As a result, the existing players are innovating on a larger scale than before. Moreover, many successful domestic players like Moti Mahal, Barbeque Nation and Sagar Ratna have turned their attention to the national and international stage.
- The competition in chain CDR space is based on a number of factors, including price, type of cuisine, quality of food, quality of customer service, value, brand recognition and location of restaurants

Cuisine Type Wise Market

North Indian cuisine contributes highest share 26.6% (INR 426 Bn) to the Indian Organized Food Services market followed by Chinese 19% (INR 304 Bn) and South Indian 7.7% (INR 123 Bn) cuisines. North Indian restaurants brands like Barbeque Nation, Moti Mahal, Pind Balluchi etc. are fuelling the growth of casual dine space. Due to their regularity among different restaurants formats, these cuisines have broad appealing among consumers. Also, factors like young population, increase in working women population, disposable income are helping the growth of Indian Food Services market.

Share of Key Cuisine in Indian Organized Food Services FY 2020

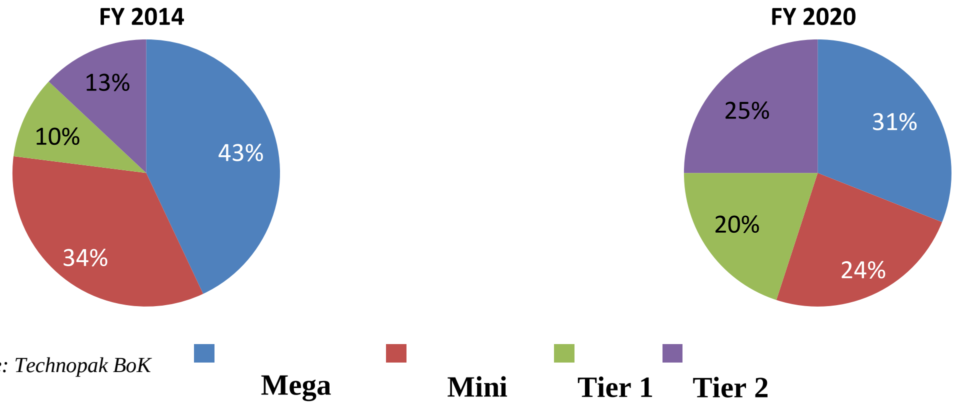
Cuisine	**Market Size FY 2020 (INR Bn)**	**Market Share FY 2020**	**CAGR (2016-20)**	**Key Chain Players**
North Indian	426	26.6%	18%	Barbeque Nation, Moti Mahal, Pind Balluchi
Chinese	304	19.0%	20%	Wow Momos, Mainland China, Yo China
South Indian	123	7.7%	14%	Sagar Ratna, Saravana Bhavan, Shree Rathnam, Naivedyam
Regional Indian	59	3.7%	27%	Dindigul Thalappakatti, Vasudev Adigas
Street Food	101	6.3%	23%	Goli Vada Pav, Jumboking, Haldiram, Bikanerwala
Bakery & Dessert	106	6.6%	27%	Café Coffee Day, Starbucks, Keventers, Chaayos
American	115	7.2%	21%	McDonald's, Burger King, Subway, Chili's
Pizza	115	7.2%	25%	Domino's, Pizza Hut, UNO's, PizzaExpress
Italian	72	4.5%	20%	Jamie's Italian,Tonino
Continental	56	3.5%	20%	Le Pain Quotidien, Indigo Delicatessen
Pan Asian	32	2.0%	20%	Yum Yum Cha, Mamagoto, Pa Pa Ya, Bo Tai
Others	93	5.8%	22%	

Source: Technopak BoK, Technopak Analysis

Outlet Presence

- It is estimated that presently, the chain CDR segment has ~4,700 -5,200 outlets in FY 2020 across India which was ~1800-2000 in FY 2014. A few examples are Moti Mahal, Barbeque Nation, Toscano, Café Zoe, Flavours of Italy, Rajdhani, Pizza Hut, Sarvana Bhavan etc. Newer formats like Chilli's, Farzi Café, Carl's Jr. and Soda Bottle Openerwala have also taken a share of the pie. With the thinning lines between each format type, some players from the QSR and FDR segment have started venturing into the chain CDR segment. These transitions between various players within the chain CDR market have only added to its burgeoning growth.
- Mega Metros have the highest presence of chain CDR outlets at 31% while Mini-metros are next with a share of 24%. The remaining 45% 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 chain CDR formats have taken cue from the QSR players like Domino' s and McDonald's and have ventured into Tier I & II cities

Chain CDR- City Type Outlet Presence

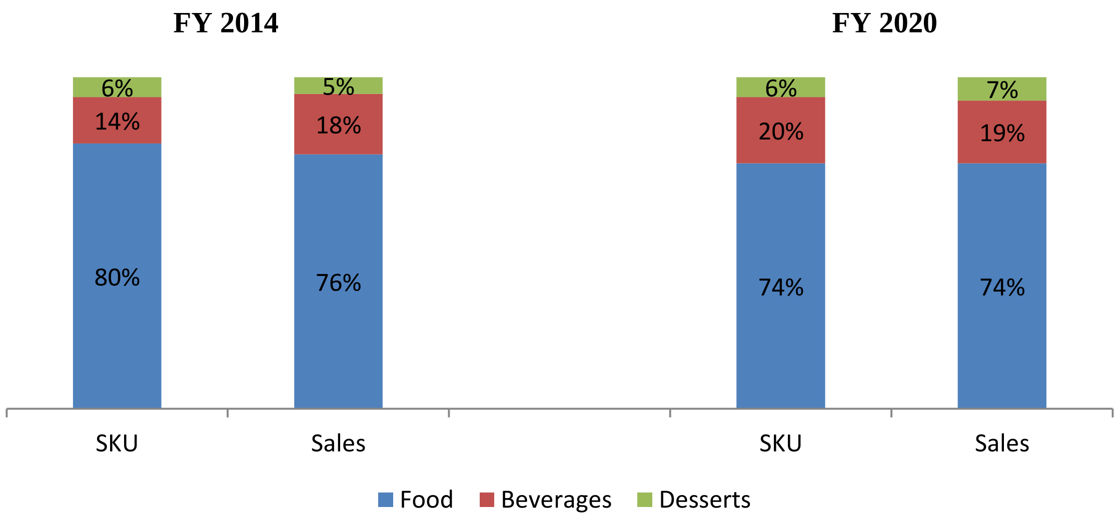


Source: Technopak BoK

Trade Dynamics

- **Product Sales and SKU mix:** Food dominates the Sales and SKU mix at 74% and 74% respectively for FY 2020. It is followed by beverages and desserts, where the share of beverages SKUs has increased from 14% in FY 2014 to 20% in FY 2020. Beverages having less food cost as compared to food items, the increase in beverage-based SKUs helps brands in maintaining healthy profit levels at the outlet level.

Chain CDR: SKU-Sales Mix

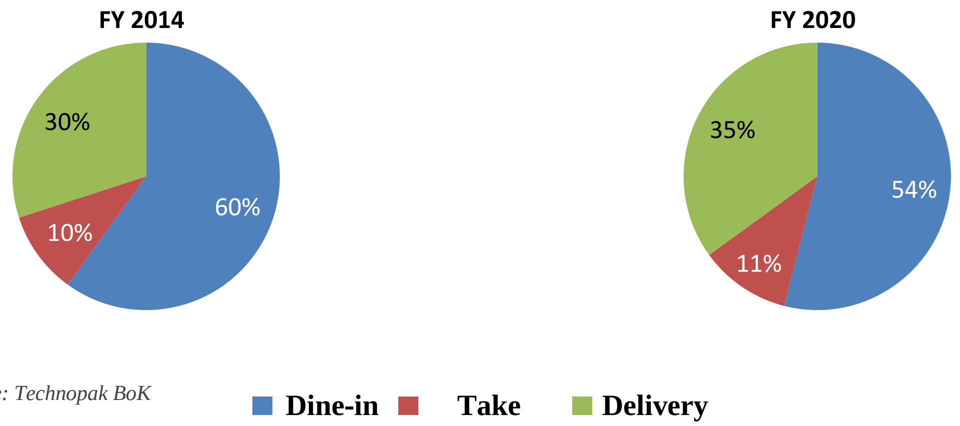


Source: Technopak BoK

Sales Mix: Dine-in & Non-Dine-in: Paucity of time among the consumers residing in metros has fuelled the growth of delivery in these cities. Also, in FY2020 delivery services have gained traction primarily in office areas or residential complexes as evidenced by their increasing market share, currently at 35%. However, most consumers prefer to savour their meal experience, & dine-in is the preferred option at 54% in FY2020. This holds true for Chain CDRs in segments, which boasts of superior-quality interiors, variety of flavours and wide mix of food and beverage items. Due to COVID, dine in has been affected in FY 2021, and trend of Delivery and Takeaway has increased, but things are expected to get back close to normalcy post vaccination & reduction in Covid cases. Though there is expected to be a traction towards Organised food services for Quality & Hygiene reasons.

With respect to weekday and weekend sales, most of the CDRs register higher sale during the weekends as compared to weekdays. Whereas, based on the timeslots, lunch and dinner contribute to 80-81% of the overall sales. The share of Lunch sales ranges between 37-39% during the weekdays and 42-44% during weekends. As a trend the lunch sales is lower than the dinner sales across most CDR formats. However, brands like Barbeque Nation have higher proportion of the total revenues from weekday sales and lunch covers as compared to the industry average.

Chain CDR- Dine in vs. Non Dine-in



Source: Technopak BoK

Chain Casual Dining Market: Key Trends

Varied Offerings and Shifting Consumer Need to Drive CDR Market

- The Chain CDR segment based on its varied cuisine offerings along with higher APC, has more chances of a faster growth as compared to other food services segments such as FDR, PBCL and even to the extent QSRs which primarily offer American cuisine based on burgers and pizzas. QSRs have a price and volume advantage over CDRs. However, the same is anticipated to undergo changes in the coming years based on shifting consumer habits, higher disposable income, increasing experimentation and urge to try new different things.
- The experimental Indian consumer is becoming increasingly demanding and gets bored with one type of restaurant/ concept/ food very fast and is continually looking for different options and newer concepts. This very nature of the consumer has reduced the life of a restaurant to 7-8 years presently from 10-12 years a decade back. To cater to this changing ecosystem, the brands have to continuously offer something different to keep on calling back consumers again and again. Brands like Pizza Hut, Barbeque Nation, Mainland China etc. keep on organizing different themes & in-store food festivals and add new products in the menu to keep the consumer loyal to the brand.

Multiple Brands vs. Single Brand

Going forward, the brands operating in the Chain CDR segment are continuously introducing newer concepts based on ambience and food offerings. These brands are just not limiting to a single brand or format and are venturing into different formats such as QSR, PBCL etc. Companies like Massive Restaurants, Impresario Hospitality and Specialty Restaurants not only have different brands in the same formats but are also venturing into different formats.

Companies Operating Different Formats

Formats	Massive Restaurants	Impresario Hospitality	Specialty Restaurants	Barbeque Nation Hospitality
CDR	• Farzi Café • Made in Punjab • Pa Pa Ya	• Salt Water Café • Prithvi Café	• Oh! Calcutta • Mainland China • Global Sigree • Café Mezzuana	• Barbeque Nation • Toscano
PBCL	• Masala Bar	• Social • The Tasting Room	• Hoppipola • Kix • Shack	
Café	-	• Mocha	-	
FDR	• Masala Library	• Smoke House Deli • Salt Water Grill	-	

Streamlined Standard Operating Procedures

With high focus on craftsmanship and fresh produce, the very format of Chain CDR with limited usage of standardized products in the ready to cook/ eat food, restricts the fast scalability of this format along with expansion in smaller cities. Brands like Pizza Hut have been able to penetrate the Tier II market due to its robust supply chain and central commissary. However, CDR brands can also expand at a faster pace without the backing of centralized commissary and supply chain, brands such as Barbeque Nation, Moti Mahal have developed strong SOPs for every aspect of their business and ensure that all their franchisee follow the guidelines properly. The usage of SOPs clubbed along with strong training and monitoring system has helped Moti Mahal to expand fast in Tier II cities.

Efficiency Staff Development Initiatives

Also, it would be very important for the brands to communicate the same to its staff through regular training programme. Taking cue from the international brands such as Domino's, Pizza Hut, McDonald's etc., most of the home grown brands in India have started investing in various training programmes for their staff at regular intervals e.g. Barbeque Nation, one of the biggest chain in the CDR segment, has in-house training centers for its chefs, where each chef is trained prior to joining his/ her outlet and the centers also becomes the hubs for innovation and developing new recipes. These training programmes by brands are also helping in reducing the attrition rate and attracting new talent.

The Digital Connect

- The connection between end-consumers and businesses has always played a pivotal role in the development and growth of any business. For consumer-driven segments, such communication becomes ever more important as it provides a platform by which operators can gauge the pulse of consumers. This helps businesses pull the right strings in terms of tapping into consumer behaviour. Food services is no exception to this, and the operators are increasingly using options like website, social media platforms, apps etc. for continuously communicating with consumers. The instant turnaround time is one of the biggest advantages of digital media over traditional media. The offers, incentives, product information, and promotions can be communicated in real time and the responses are also received quickly. Brands are also able to see feedback and reviews generated by consumers instantly and are able to take immediate corrective actions and carry out recoveries.
- Going a step ahead in this, Barbeque Nation launched a chat bot named #Sayhi in Jan 2017 to address enquiries by consumers and to reserve tables through Facebook Messenger. The chat bot, on the chain's official Facebook page, also lets users enquire about locations and pricing and answers queries about ongoing festivals and menus. Hence, reducing the time customers spend on the telephone or the chain's website. The chat bot also helps in building greater transparency in the reservation process. Simple and moderate issues are resolved faster, leading to greater customer satisfaction and long-term loyalty. These bots can help deflect calls from the call-centre and the interactive voice response (IVR) software, which further saves customers' time and telephonic cost. Table reservations can be made by simply sending a

message on Facebook, as the bots direct customers to the preferred location, available slot, etc. Thus, it accelerates easy interaction between the restaurant and a customer, as Facebook Messenger is user-friendly and widely used.

- During COVID, digital means for ‘table booking’, ‘food ordering’, and ‘payment’ have seen rapid growth because people try to avoid touching surfaces in public places, and to minimise personal contact owing to social distancing.

To summarize, the following factors might help in rapid scalability of Chain CDRs in India

- Increasing experimentation, increasing spending capacity of the Indian consumer esp. in the Tier II and III cities
- Continuous innovation in terms of formats, themes and cuisines, to attract and retain consumers
- Opting 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 food cost, manpower cost etc.
- Focus on developing strong SOPs and training programme to attract and retain quality staff
- Developing a mechanism to interact with the consumer in real time using the digital platforms
- Extreme hygiene to be maintained in kitchen area as well as dining area

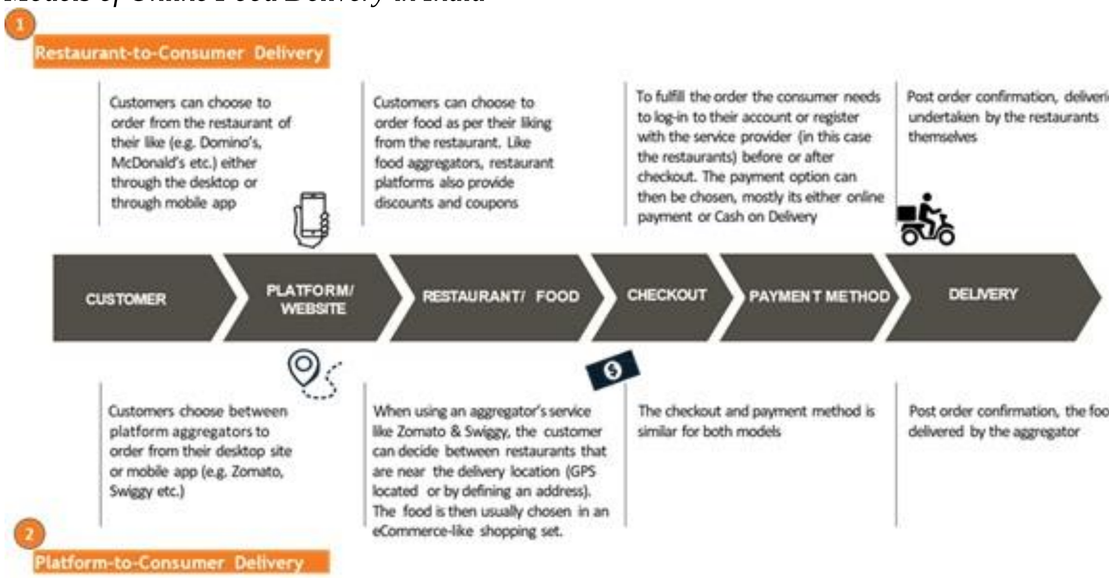
Key Trends Influencing the Food Services Market

Continuing Growth of Online Food Delivery and Food Tech

The online food delivery market is segmented into two business models with different delivery methods:

- **Restaurant to Consumer Delivery:** Meals ordered online through a restaurant website and directly delivered by the restaurant e.g. Domino’s, McDonald’s etc.
- **Platform to Consumer Delivery:** Online meal order and delivery both carried by a platform e.g. Zomato, Swiggy etc.

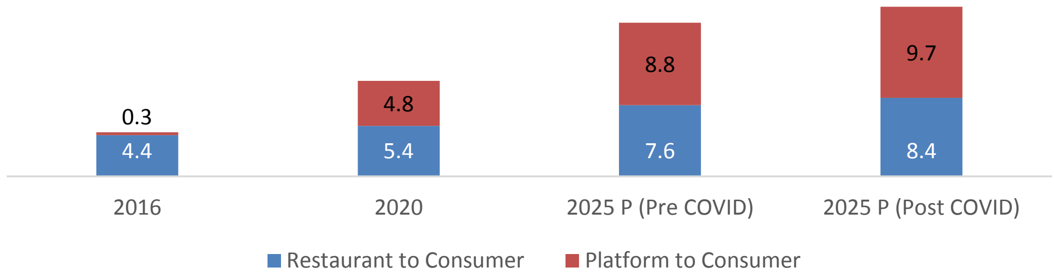
Models of Online Food Delivery in India



Source: Statista, Technopak Research & Analysis

Busy lifestyle, rising smartphone users, growing disposable income will continue to drive the growth of Indian Food space. Internet in India had a reach over 627 million users in FY 2019 & it has reached to 697 million in FY 2020. Smartphone penetration is also growing at a similar pace, with the user base estimated to have reached 408 million by FY 2019 and projected to over 500+ million in FY 2020.

Online Food Delivery Market in India in FY 2020 (US $ Bn)



Source: Statista, Technopak Research & Analysis

- The overall food delivery market in India is expected to grow at a CAGR of 12.2% to reach US$ 18.1 Bn by FY 2025 from US$ 10.2 Bn in FY 2020. Overall food delivery market in India was US$ 4.7 Bn in FY 2016 and has grown at a CAGR of 21.4% between FY 2016 and FY 2020
- In the overall food delivery market, the delivery through Platform to Consumer is at US$ 4.8Bn in FY 2020. Delivery through Platform to Consumer has registered a CAGR of 100% between FY 2016 and FY 2020 and is expected to grow at a CAGR of 15.1% to reach US$ 9.7 Bn by FY 2025
- The delivery through Restaurant to Consumer is at US$ 5.4 Bn in FY 2020. Delivery through Restaurant to Consumer has registered a CAGR of 5% between FY 2016 and FY 2020 and is expected to grow at a CAGR of 9.2% to reach US$ 8.4 Bn by FY 2025
- Pre COVID, the growth of "Platform to Consumer" between 2020 and 2025 was estimated to be 13% but due to COVID, the projected growth rate has increased to 15.1%. This is primarily due to people's preference for delivery over dine-in during COVID time
- Similarly, pre COVID, the growth of "Restaurant to Consumer" between FY 2020 - FY 2025 was estimated to be 7% but due to COVID now it has increased to 9.2%. The primary reason for this increased growth is due to increased focus of the restaurants on hygienic and safe delivery. The restaurants have taken a lot of initiatives to ensure safe delivery, which motivated a lot of consumers to order directly from restaurants websites / app
- Growing user base of smartphone in India is allowing online food delivery platforms to capture market by offerings a wide range of food products. The rise of digital technology is shaping the online delivery market in India which is further helping the restaurants to improve their topline.

Technology has impacted all aspects of food services market and is not just limited to Platform to Consumer delivery formats. It has also led to the emergence to new business models, such as restaurant discovery platforms, cloud–based kitchens that support home cooks and online table reservation.

- **Food Discovery/Restaurant Search:** Earlier food enthusiasts had to wait for annual food guides and eating out directories of restaurants. These publications had expert reviews, opinions, and vital information to dine in the city. Now, these directories, expert reviews and opinions are made available by food discovery or restaurant search players on just a few clicks, a feat attained by food discovery players.

  Post COVID, role of food discovery/restaurant search is expected to grow. People have now become extremely cautious about the safety and hygiene of the restaurants, and try to find reviews regarding restaurant hygiene before visiting. Role of influencers has also increased now on food discovery apps, as people now take their consideration regarding hygiene and safety norms being followed in the restaurants.

- **Table Reservation:** Of late it has become common for Casual & fine dining restaurants to offer table reservations to their clients. In fact, this service has become an integral part of a restaurant's operation. With this service, outlets can estimate demand more accurately and improve on sourcing & staffing and can manage costs more efficiently. It is beneficial to a customer as reservation will guarantee one's table at the time and place planned, and likely to receive better service at the outlet as details like time of arrival, no of persons etc. will be shared with the outlet in advance.

  During the initial months of lockdown, as the restaurants were closed, hence there were no table reservations**.** Apps/websites offering table reservation features had to lay off staff to save cash and survive the pandemic. These apps also started coming with innovative ideas to have cash flow during lockdown, for example EazyDiner launched pre-paid dining vouchers which could be redeemed anytime until Dec 2020, this was an initiative of Eazydiner to support closed restaurants.

Once the lockdown restrictions were eased and restaurants started opening up, number of table reservations started increasing, & Table reservation apps such as Dineout and EazyDiner started recording an increase in table reservations. This is helping both the restaurants and consumers in the following ways:

- As customers reserve table in advance, restaurants plan accordingly for the number of walk-ins at a particular time, and are able to maintain the social distancing norms. App/websites providing table reservations are expected to grow in coming future
- On the other hand, as consumers have reserved the table, they expect restaurants to be prepared for them in terms of hygiene, sanitization and social distancing

Restaurant technology platform Dineout, collaborated with an AI based firm to help the partner restaurants in maintaining social distancing. Also, Dineout aims to provide live feed of kitchens to customers with the help of AI.

- **Cloud Kitchens:** Cloud kitchens are emerging as alternative channel for food delivery. In 2015, the food tech space went through a period of disruption. Due to significant rise in the awareness of healthy eating among consumers, the healthy food offerings-based restaurants are gaining traction among consumers. Urban markets are expected to see a continuing emphasis on health and wellness. Indeed, as consumer health-awareness becomes more sophisticated, especially amongst younger demographics, brands targeting health issues are expected to become more refined, focusing on particular conditions and nutritional requirements. Given the high rental and capex required for dine-in restaurants, the space for delivery-only kitchens is bound to increase, which can give better quality meals at more affordable prices to customers – all in the convenience of customers' homes and offices. Due to time scarcity, Time, speed and convenience are going to matter more than ever and that is going to lead to the growth of delivery-only kitchen models. Some of the players who are into cloud kitchens are Faasos, FreshMenu, Biryani by Kilo etc.

Due to accelerating internet and smartphone penetration in India, online food delivery market is witnessing an explosive growth over last 3-4 years which is further fuelling the growth of cloud kitchens. The kitchen-only format model has certainly removed the pressure from the bottom line due to lower rentals, manpower cost and reduced cost of utilities. However, due to lack of physical presence, these brands have lower brand recall and have floating loyalty based on discounts provided against established brands such as Domino's, McDonald's etc. which command strong consumer loyalty, have top of the mind recall and well accepted product categories. Going forward, kitchen-only brands will be able to disrupt the market if they have strong and loyal consumer base and are able to create a brand that is scalable and well accepted across consumers in different cities.

During initial months of lockdown, when only delivery from restaurants was allowed, cloud kitchen played an important role in providing safe and hygienic food to customers at home. During the pandemic, when number of restaurants were closing permanently, cloud kitchens were showing sales growth even during Q2 2020. Cloud kitchens capable of providing both the hygiene and delivery are expected to grow Post COVID also.

Few other technology trends are as below:

- Data analysis to improve management and the customer experience
- Leveraging tools like mobile apps, messaging and social media to provide customers with a more targeted and customized virtual experience
- Allowing customers to take care of their bill expense and tip through their app
- Using point of sales tablets to take orders which intercommunicate flawlessly and right away to kitchen display screens through cloud system
- Brands are furnishing their restaurants with self-order kiosk, digital menu board, free Wi-Fi and wireless chargers

COVID Impact on Ordering & Delivery

COVID has caused the CDR & QSR chains to move to digital platforms for ordering food. Several chain restaurants already had apps and websites for online food ordering, and those who earlier did not have apps/websites, have launched new apps/websites in the last few months.

Moreover, most of these brands have started dine-in through digitization/app to develop contactless dining. Now customers have an option of ordering and making payment through app only.

Brands are noticing the major traffic of online ordering coming through their mobile application. The demand for online delivery is significantly driven by food aggregator platforms like Zomato, Swiggy, etc. These aggregators offer deep discounts and offers to increase the order density. This has helped the restaurants in increasing their reach and has positively impacted the sales. However, the discounts offered by the aggregators are putting pressure on the overall profitability of these restaurants.

During COVID, key aggregator platforms such as Zomato, Swiggy etc., played an important role in delivering food and helping the food services industry survive. Delivery was started in a number of locations in the country in April, and since then Zomato, Swiggy came into play.

Casual Dining restaurants were primarily built for 'Dine in experience' but as situation demanded, most of the chain CDR also started delivery. This helped them in restarting their business in initial few months of lockdown.

As restaurants started opening during July-Aug 2020, sales started rising. Players such as Barbeque Nation started delivery apart from dine-in buffet which provided additional revenue stream. Also, 'Barbeque in a Box' initiative led to channelising the delivery-takeaway space.

Hygiene and Safety Concerns

COVID has changed eating habits of people to a very large extent. People have now become concerned about hygiene and safety issues. This change in habit of people is bound to stay post COVID. When things will go back to normal, there will be an increased demand for safe, hygienic and clean places for eating out. Organised formats like ACDR and QSR chains are well equipped to cater to the demand of safe and hygienic places and are estimated to grow in near future.

Market share shift from unorganized market to organized market

Due to COVID, behaviour of consumers has changed regarding hygiene and safety standards of the restaurants. Now consumers prefer a place with hygienic kitchen and seating area, with all safety procedures being followed. While organized market had this capability of maintaining clean & hygienic kitchen and dining area, the unorganized sector lacked it, hence unorganized sector took worst hit during lockdown. When things will move towards a new normal, a section of the customer base will again move back to unorganized sector, however there will be a section of customer base of the unorganized market that will move to the organized market due to change in preferences toward hygiene and safety.

Thus, there will be a gap created by unorganized market and share of organized market in the total food services will increase more rapidly in comparison to Pre COVID estimates. Moreover, in the organized sector, QSR and ACDR are the formats which have the capabilities to fill the gap created by unorganized market.

Digital Marketing

With increasing ubiquity of mobile and other smart devices, digital media has become quite indispensable, and the use of the medium for marketing initiatives has been on the rise. While traditional media offers mass reach and visibility, digital media provides quick response time, direct consumer feedback on the efficacy and effectiveness of the initiatives and enables dynamic campaigns targeting extremely focused audience groups. Also, the investment in creating a digital campaign that reaches out to specific target group is much lower when compared to traditional media, i.e. television and print.

The hectic pace of life and paucity of time has made convenience and ease of access through digital options a very attractive proposition. A lot has changed with the advent of digital media in India and people are increasingly becoming well versed with the global trends and well-travelled and more aware of the options they can avail through various mediums.

Brands / Outlets have started tying up with food delivery and hyperlocals as this segment of the industry is also growing at good rate and getting listed on Third Party Aggregators is proving fruitful for them.

Restaurant reviews and food blogging have gained popularity with food enthusiasts exploring new places and writing not only about the food but the entire experience. Responsiveness on the social space has become extremely crucial. Restaurants are taking Online Reputation Management (ORM) very seriously as it is an integral part of its image management now. Most restaurants are open to feedback since it helps them improvise the food and the services and lets the consumer feel like they are an integral part of the system. Digital media helps with quick feedback not only for the quality and service but also for the marketing initiatives. Word of mouth referrals, recommendations are probably second to new lead generation through online search now.

In the food services market, marketing spends constituted 4-6% of the total revenue for majority of the players. The large players especially the chains observe 60-65% of the marketing budget being spent on traditional media and the balance 35-40% on digital media. However, for the rest of the industry 20-30% of the marketing budget is spent on traditional media whereas 70-80% is 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 Café segment invests heavily on Third Party Aggregators as it makes the discovery for consumers easier followed by spends on Social Media, SEO/SEM/Email Marketing and Display Marketing.
- For the QSR segment, Digital Video is the most important avenue for investment followed by Online Search / Email Marketing, Social Media and Display Marketing.
- The Casual Dining segment invests most of their marketing budget on Search / Email Marketing majorly for discovery and communicating promotional offers. This is followed by Mobile Ads / SMSs as these can be used to communicate personalized and location based promotional offers. The rest of the marketing budget is distributed between Social Media, Digital Video, Display Marketing and Third-Party aggregators.

The trend reflects that the percentage share of marketing budgets spent through digital initiatives is only going to increase over the years, given the cost effectiveness and efficacy of the medium.

Social Media & Tech-savvy Consumers

The trend of greater technology usage by consumers has led food services players 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 players have established a presence on social media platforms as Facebook and Twitter. They have also developed exclusive mobile applications to connect with customers and adopted tools 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 blogging platforms, have become a core marketing medium to engage customers with interesting content, useful information (event, shows and latest offers), etc. Many players are also using social media platforms to encourage open consumer communication by addressing customer reviews, complaints, and grievances. Key International brands across formats (QSR, Café, CDR etc.) have adopted a mix of social media and traditional media. They, however, leverage online media significantly to offer schemes and discounts to consumers. Among key Indian brands such as Café Coffee Day, Barbeque Nation and Mainland China leverage online platforms such as Facebook for connecting with consumers. In Café segment, Café Coffee Day leads in terms of Facebook likes whereas in CDR space, 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 important source of information about restaurants for the 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.

Impact of Advent of Capital Availability

Private investments can be broadly categorized into three stages – early stage, growth stage, and mature/ late stage. Private Equity investment in food services market is driven by increasing spend on eating out, increasing disposable income, higher proportion of working women etc.

Return on Investment

Brand	Early	Growth	Late Stage/ Mature
Return Expectations	40-50% p.a.	25-30% p.a.	18-25% p.a.

Source: Technopak BoK

Restaurant sector is a long-term play for PE investors. PE investors are typically looking at making a minimum of at least 3X in a 4-5 year timeframe. Also, there is 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. PE firms not only bring funds on table but also bring management inputs on board and facilitate in scalability, improving operational efficiency for Food Services players.

HISTORY AND CERTAIN CORPORATE MATTERS

Details regarding material acquisition or divestments of business/undertakings, mergers, amalgamation, revaluation of assets, if any, in the last ten years

Securities Purchase Agreement dated October 31, 2019, a Deed of Adherence dated October 31, 2019, executed between our Company and Samar Retail Private Limited to the Debenture Subscription Agreement and Shareholders Agreement entered into between Red Apple, Samar Retail Private Limited, Jean Michel Jasserand and Goudhaman Balasubramanian and a letter agreement dated January 19, 2021 and an amendment agreement to the Deed of Adherence dated January 20, 2021,executed between our Company, Mr. Jean Michel Jasser, Mr. Goutham Balasubramaniam and Red Apple

Pursuant to the Securities Purchase Agreement, our Company has acquired 2,964 equity shares of Red Apple and 268 equity shares of Red Apple following the conversion of compulsorily convertible debentures held by Samar Retail for a consideration of ₹574,875,840, which represents 61.35% of the issued share capital of Red Apple. Under the terms of the Securities Purchase Agreement, our Company was required to purchase additional equity shares of Red Apple based on a particular formula under the Securities Purchase Agreement. Pursuant to amendments to the Securities Purchase Agreement and the Deed of Adherence, the Company is no longer required to acquire any additional share capital of Red Apple (with effect from November 16, 2020).

Summary of Key Agreements and Shareholders' Agreements

Shareholders' Agreements with our Company

*Shareholders agreement dated June 20, 2018 between Red Apple, Samar Retail Private Limited ("**Samar Retail**"), Jean Michel Jasserand and Goudhaman Balasubramanian (**"Red Apple SHA"**)*

Pursuant to the acquisition of a majority stake in Red Apple by Samar Retail, a shareholders' agreement dated June 20, 2018 was entered into between Red Apple, Samar Retail, Jean Michel Jasserand and Goudhaman Balasubramanian setting out the relationship among the parties thereto and their rights and obligations in relation to their shareholding in Red Apple. Under the Red Apple SHA, Samar Retail was granted certain rights in Red Apple, including: (i) the right to appoint nominee directors on the board of Red Apple (the **"Red Apple Board"**); (ii) the right to appoint and maintain directors on the committees and the sub-committees of the Red Apple Board in case Red Apple fails to achieve certain financial targets; (iii) drag along rights; and (iv) the right to receive information, including in relation to the unaudited and audited financial statements, business plans and material developments in relationships with employees and sub-contractors.

A debenture subscription and share purchase agreement dated June 20, 2018 was also entered into between Red Apple, Samar Retail, Jean Michel Jasserand and Goudhaman Balasubramanian pursuant to which certain equity shares of Red Apple were transferred by Jean Michel Jasserand and Goudhaman Balasubramanian to Samar Retail and certain compulsorily convertible debentures of Red Apple were issued to Samar Retail. These compulsorily convertible debentures have been converted into an equivalent number of equity shares. Further, Red Apple agreed to issue, in or more tranches, additional compulsorily convertible debentures for a consideration of ₹170,016,000 to Samar Retail, which Samar Retail was required to subscribe to.

Pursuant to a deed of adherence dated October 31, 2019, executed by our Company, Jean Michel Jasserand, Goudhaman Balasubramanian, Samar Retail and Red Apple, our Company has acceded to the Red Apple SHA, the debenture subscription and share purchase agreement dated June 20, 2018. In the amendment letter dated January 19, 2021 and an amendment agreement dated January 20, 2021, our Company, Jean Michel Jasserand, Goudhaman Balasubramanian and Red Apple, agreed that the Company shall not be under any obligation to acquire any additional share capital of Red Apple (with effect from November 16, 2020).

Our Subsidiary, Red Apple, formed a partnership with Jean Michel Jasserand and Goudhaman Balasubramanian on February 3, 2014. Red Apple is entitled to 99.98% of the profits of this partnership. A single Italian restaurant is operated by Red Apple under this partnership under the brand name "La-Terrace."

*Restated shareholders agreement dated December 31, 2020 between our Company, SHL, SHKSL, Kayum Dhanani, Raoof Dhanani, Suchitra Dhanani, TPL, PPL, AAJVIT, Azhar Dhanani, Zuber Dhanani, Sanya Dhanani, Zoya Dhanani, Sadiya Dhanani, Saba Dhanani ("**Other Shareholders**"), Xponentia and Jubilant ("**Restated SHA**")*

Pursuant to the Xponentia SSA and the Jubilant SSA (both defined herein below), the parties agreed to restate the 2015 Restated 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.

In accordance with the Restated SHA, Kayum Dhanani, Suchitra Dhanani, Raoof Dhanani, SHL and SHKSL, TPL, PPL, Xponentia and Jubilant have the right to nominate director(s) on the Board subject to the following thresholds: (i) Kayum Dhanani, Suchitra Dhanani, Raoof Dhanani, SHL and SHKSL have the right to nominate four directors, one of whom at all times shall be Kayum Dhanani; (ii) TPL has the right to nominate two non-executive directors on the Board as long as TPL and PPL collectively hold not less than the same percentage of Equity Shares held by Jubilant in the issued share capital of the Company at the effective of date of the Restated SHA applicable to Jubilant on a fully diluted basis; (iii) TPL has the right to nominate one non-executive director on the Board as long as TPL and PPL collectively hold less than the same percentage of Equity Shares held by Jubilant in the issued share capital of the Company at the effective date of the Restated SHA applicable to Jubilant, but at least 5% of the issued share capital of the Company on a fully diluted basis except where its shareholding falls below 5% as a result of a primary issuance of shares by the Company; (iv) Xponentia has the right to nominate one non-executive director on the Board as long as Xponentia holds at least 4% of the issued share capital of the Company on a fully diluted basis except where its shareholding falls below 4% as a result of a primary issuance of shares by the Company; and (v) Jubilant has the right to nominate one non-executive director on the Board as long as Jubilant holds at least 5% of the issued share capital of the Company on a fully diluted basis except where its shareholding falls below 5% as a result of a primary issuance of shares by the Company.

Additionally, as per the Restated SHA, TPL, PPL, Xponentia and Jubilant have certain minority shareholder rights in the Company, in accordance with applicable law, including (i) TPL and Jubilant's right to nominate a person as an observer of the Board; (ii) TPL's right to nominate and maintain one member on the committees and the sub-committees of the Board; (iii) Jubilant's right to nominate and maintain one member on the audit committee and any sub-committee constituted by the Board for the purposes of a qualified initial public offering; (iv) pre-emptive and anti-dilution rights; (v) the right of first offer and tag along right against Kayum Dhanani, Suchitra Dhanani, Raoof Dhanani, SHL and SHKSL and other members of our promoter group; (vi) certain drag rights in respect of the Equity Shares of the Company; and (vii) the right to receive information, including in relation to the unaudited and audited financial statements, key operational performance indicators, business plans and capital expenditure budgets.

Further, pursuant to the Restated SHA, TPL, PPL, Xponentia, Jubilant and AAJVIT have affirmative rights in relation to certain reserved matters involving the Company and the Subsidiaries. Reserved Matters under the Restated SHA have been divided into two categories: (i) Fundamental reserved matters, which are required to be approved by the directors appointed by Xponentia, Jubilant and TPL and PPL (collectively) or adopted by the shareholders at a general meeting of the Company and / or Subsidiary without the prior written consent of each of Xponentia, Jubilant, TPL, PPL and AAJVIT ("**Fundamental Reserved Matters**"); and (ii) Operational reserved matters, which require the prior written approval of the shareholders holding at least 75% of the voting rights attached to the Equity Shares ("**Operational Reserved Matters**"). Fundamental Reserved Matters include, *inter alia*, (i) any increase or decrease in the share capital of the Company or any Subsidiary, including the reorganisation, restructuring or consolidation of share capital, if such increase in the share capital is pursuant to a subscription in the Company at a price which is less than 110% of the subscription price payable in the most recent round of preferential allotment undertaken by the Company; (ii) acquisition or investment (if the value exceeds ₹50,00,00,000) of any shares or substantial assets, business, business organisation or division, or creation of any legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs, consolidations or the creation of any new Subsidiaries; (iii) dissolution, winding-up or liquidation of the Company or any Subsidiary, or any restructuring or reorganisation that has a similar effect; and (iv) sale or transfer of the intellectual property rights owned or used by the Company or any Subsidiary except in the ordinary course of business or in any marketing, franchising, non-exclusive licensing or other business promotion activities. Operational Reserved Matters include, *inter alia*, (i) any increase or decrease in the share capital of the Company or any Subsidiary, including the reorganisation, restructuring or consolidation of share capital, if such increase in the share capital is pursuant to a subscription in the Company at a price which is least 10% higher than the subscription price payable in the most recent round of preferential allotment undertaken by the Company; (ii) acquisition or investment (if the value does not exceed ₹50,00,00,000) of any shares or substantial assets, business, business organisation or division, or creation of any legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs, consolidations or the creation of any new Subsidiaries; (iii) nomination, removal or replacement of any of independent directors; and (iv) any change in the registered office of the Company or any of its Subsidiaries.

Under the Restated SHA, the Company, Kayum Dhanani, Suchitra Dhanani, Raoof Dhanani, SHL and SHKSL are required to use their best efforts to conduct an underwritten initial public offering, with an offer size of at least ₹4,000 million, on or before December 31, 2022 or such other extended date as may be communicated in writing by each of TPL, PPL, Xponentia and Jubilant. In such offering, TPL, PPL, Xponentia and Jubilant are entitled to sell 100% of their respective Equity Shares in the Company.

Notwithstanding such obligation, TPL has the right to require the Company to complete an initial public offering at any time. Such right would also become available to Jubilant and Xponentia in the event that the Company is not able to complete an initial public offering by December 31, 2022. TPL, Jubilant and/or Xponentia, as the case may be, will have the right to require Kayum Dhanansi, Suchitra Dhanani, Raoof Dhanani, SHL and SHKSL to join them in completing such initial public offering by contributing such number of Equity Shares as may be required for such purpose. In order to ensure the minimum size that is required under applicable law is offered to the public in the event of an such initial public offering, SHL is required, under the terms of the Restated SHA, to place Equity Shares representing 15.53% of the Company's share capital in escrow on or prior to July 31, 2021 with an escrow agent and under an escrow agreement pursuant to which such escrow agent shall be obligated to transfer such Equity Shares in accordance with TPL's instructions. A failure by Kayum Dhanani, Suchitra Dhanani, Raoof Dhanani, SHL and SHKSL to execute any documents necessary to complete an initial public offering as described above, would entitle TPL to certain drag along rights.

In case of a liquidation, merger, amalgamation or a change in control of SHL or in the event that the Sayaji Shareholders (as defined in the Restated SHA) hold less than 50% of SHL's share capital, Kayum Dhanani, Suchitra Dhanani, Raoof Dhanani, are required to use their best efforts to purchase all of SHKSL's Equity Shares in the Company. In the event that they are unable to purchase all such Equity Shares, TPL, PPL, AAJVIT, Xponentia and Jubilant will have the right to: (a) transfer all of their respective Equity Shares to Kayum Dhanani, Suchitra Dhanani, Raoof Dhanani, SHL and SHKSL and other members of our promoter group; or (b) acquire control of the Company by subscribing to the Company's Equity Shares.

The Restated SHA will terminate upon consummation of an initial public offering by the Company. The Restated SHA requires certain amendments to the articles of association to reflect the terms of the Restated SHA to be approved at a general meeting of the Company on or prior to March 31, 2021. No amendments to the articles of association of the Company have been made as at the date of this Second Addendum to reflect such amendments as a consequence of the Restated SHA and any such amendment to the articles of association of the Company will only be adopted if the Offer is not completed on prior to March 31, 2021.

*Share subscription agreement dated December 9, 2020 executed between our Company, SHL, SHKSL, Kayum Dhanani, Raoof Dhanani, Suchitra Dhanani and Xponentia ("**Xponentia SSA**")*

Our Company entered into the Xponentia SSA, whereby Xponentia agreed to subscribe for 1,587,302 Equity Shares for an aggregate consideration of ₹400 million.

*Share subscription agreement dated December 31, 2020 executed between our Company, SHL, SHKSL, Kayum Dhanani, Raoof Dhanani, Suchitra Dhanani and Jubilant ("**Jubilant SSA**")*

Our Company entered into the Jubilant SSA, whereby Jubilant agreed to subscribe for 3,650,794 Equity Shares for an aggregate consideration of approximately ₹920 million, payable at the time of closing under the Jubilant SSA.

OUR PROMOTERS AND PROMOTER GROUP

Out of the Promoter Group listed in the DRHP, the name of Squadron Leader SS Yadav has been removed since he has passed away after the filing of the DRHP. Further, Maan Tubes Limited has been removed from the list of entities forming part of Promoter Group as a result of divestment by one of our Promoters, Raoof Dhanani and certain members of the Promoter Group, of all of their shares in Maan Tubes Limited pursuant to transfers that commenced on February 20, 2020. One entity, Alter Vegan Foods Private Limited, has been included as a new member of the Promoter Group since it was incorporated on October 21, 2020, *i.e.*, after the date of filing of the DRHP.

OUR GROUP ENTITIES

Pursuant to a Board resolution dated January 25, 2021, our Board formulated a policy with respect to companies which it considered material to be identified as group companies and based on the updated Restated Financial Consolidated Information, identified Liberty Restaurent Private Limited as a group company in addition to Sara Suole Private Limited, Samar Retail Private Limited, Samar Lifestyle Private Limited and Sana Reality Private Limited.

Information Regarding Significant Adverse Factors Related to the Group Entities

Except as stated below, our Group Entities do not fall under the definition of sick companies under SICA and are neither under winding up / insolvency proceedings under the Insolvency and Bankruptcy Code, 2016:

Certain applications for initiating the corporate insolvency resolution process have been filed by operational creditors of two of our Group Entities, Sara Suole Private Limited and Samar Lifestyle Private Limited. These applications have not been admitted by the National Company Law Tribunal and accordingly the 'insolvency commencement date' (as defined in the Insolvency and Bankruptcy Code, 2016) has not occurred in respect of such applications. Applications for initiating the corporate insolvency resolution process have been filed by operational creditors of a member of our Promoter Group that is not a Group Entity. Some of these applications have been admitted and accordingly the 'insolvency commencement date' (as defined in the Insolvency and Bankruptcy Code, 2016), in respect of this member of our Promoter Group has occurred.

Litigation

Except as disclosed below, there are no legal proceedings involving the Group Entities which may have a material impact on our Company:

a) Income tax demands under section 156 of the Income Tax Act, 1961 have been made against SSPL.

Nature of the Proceedings	Assessment Year	Amount involved (in ₹ million)
Demand under 156 of the Income Tax Act, 1961 dated December 30, 2019	2018-19	23.15
	2017-18	10.18
	2016-17	9.44
	2015-16	11.47
	2014-15	82.80
	2013-14	2.37
	2012-13	1.87

SSPL has preferred an appeal before the Appellate Tribunal.

b) SSPL has received a notice under section 143(1) of the Income Tax Act, 1961 with a demand for payment of ₹ 36.50 million for the Assessment Year 19-20 and the same is pending for payment as on date.

c) Llyod Shoes, GmbH, Germany has filed a trademark infringement suit under section 151 of the Civil Procedure, 1908 against SSPL in October 2019. The matter has been adjudicated by the High Court of Delhi and liability of SSPL has been quantified as ₹14.96 million out of which, SSPL has made a payment of ₹ 3.94 million as on date. The amount payable by SSPL is currently ₹11.02 million.

d) Income tax demands under section 143(3) of the Income Tax Act, 1961 have been made against Catwalk Worldwide Private Limited, a subsidiary of SSPL for the following assessment year:

Nature of the Proceedings	Assessment Year	Amount involved (in ₹ million)
Demand under 143(3) of the Income Tax Act, 1961 dated December 27, 2019	2017-18	150.33

Catwalk Worldwide Private Limited has preferred an appeal before the Appellate Tribunal.

e) Demands under the Central Excise Act, 1944 have been made against Catwalk Worldwide Private Limited, a subsidiary of SSPL for the following assessment year:

Nature of the Proceedings	Assessment Year	Amount involved (in ₹ million)
Demand under the Central Excise Act, 1944	2006-2011	54.72

Catwalk Worldwide Private Limited has preferred an appeal before the Custom, Excise & Service Tax Appellate Tribunal.

f) Clover Technologies Private Limited had leased a property for an Onesta outlet at Phoenix Market City, Pune in November 2017. Brown House Baking Private Limited, the subsidiary of SRPL that operates the Onesta restaurants, decided to shut down the outlet in December 2018. Clover Technologies Private Limited has raised a demand of ₹8.64 million to recover the rent for the period up to June 30, 2021, the date of expiry of the lock in period under the leave and license agreement entered into by Clover Technologies Private Limited. The matter is being heard at the Small Causes Court, Pune. During the proceedings, Brown House Baking Private Limited has sought for the matter to be referred for arbitration in accordance with the terms of the leave and licence agreement entered into by Clover Technologies Private Limited. The matter is currently pending.

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries have obtained loans in the ordinary course of business for the purposes of setting up 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 documentation for undertaking the activities contemplated by the Offer, 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. Certain other consents from our lenders have not yet been obtained. For details, see *"Risk Factor - We have not been and may continue to not be in compliance with certain covenants under some of our loan agreements and if the relevant lenders were to call an event of default, such an event may adversely affect our business, results of operations and financial conditions."* on page 3 of this Second Addendum.

Set forth below is a brief summary of the financial indebtedness of our Company and our Subsidiaries, as of January 31, 2021:

(In ₹ Million)

Particulars	Sanction amount	Outstanding amount (As on January 31, 2021)
Secured Loans		
Fund Based		
Rupees Term Loan	996.06 *	792.30 **
Working Capital Demand Loan	50.00	50.00
Unsecured Loans		
Overdraft/ Commercial Paper	150.00	93.90
Secured Loans		
Overdraft/ Commercial Paper	104.88	8.74
Non-Fund Based		
Bank Guarantees to third parties	-	-
Sub Total	**1,300.94**	**944.93**
Our Subsidiaries:		
Fund Based		
Term Loan (BNHL)***	717.90	475.83
Working Capital Demand Loan (Red Apple)	10.00	(0.99)
Unsecured Loans		
Business Loan (Red Apple)	5.00	1.94
Secured Loans		
Red Apple	10.00	9.49
Sub Total	**742.90**	**486.27**
Grand Total	**2,043.84**	**1,431.20**

This includes facilities from Axis Bank Limited which can either be availed either as rupee term loans or foreign currency term loans ("FCTL**") to the extent of ₹400 million.*

*** This includes ₹16.94 million outstanding in USD (conversion rate – ₹72.95 as on January 31, 2021, source:* https://rbi.org.in).

**** The Axis Bank term loan is secured by a stand by letter of credit issued by Axis Bank India in terms of the sanction letter dated September 26, 2016. The Yes Bank term loan is secured by a corporate guarantee provided by Barbeque Nation Hospitality Limited in terms of the sanction letter dated September 29, 2017.*

Inter-corporate Loans

Pursuant to the approval of Board dated February 28, 2017, August 1, 2017, September 19, 2017, May 21, 2018 and June 5, 2020, our Company has approved to grant a loan to one of our Subsidiaries, BHL, for an amount not exceeding ₹660,000,000 which is payable on demand at a rate of interest of 0.25% more than the lending rate, charged to the company by the bank. As on January 31, 2021, the aggregate outstanding amount under this loan is ₹65.26 million.

Further, BHL has granted the following loans:

1. to Barbeque Nation International LLC at a rate of interest of 0.25% more than the lending rate, charged to the company by the bank. As on January 31, 2021, the aggregate outstanding amount under this loan is ₹55.50 million;

2. to Barbeque Nation Restaurant LLC at a rate of interest of 0.25% more than the lending rate, charged to the company by the bank. As on January 31, 2021, the aggregate outstanding amount under this loan is ₹730.61 million; and

3. to Barbeque Nation (Malaysia) SDN. BHD at a rate of interest of 0.25% more than the lending rate, charged to the company by the bank. As on January 31, 2021, the aggregate outstanding amount under this loan is ₹71.11 million.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

(a) outstanding (i) criminal proceedings, (ii) actions by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, or (iv) material litigations determined to be material as per the policy adopted by our Board, in each of the above cases involving our Company, our Promoters, our Directors or our Subsidiaries; and

(b) disciplinary actions including penalty imposed by SEBI or any stock exchanges against our Promoters in the last five financial years, including any outstanding action.

For the purpose of material litigation in (a)(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 this Second Addendum:

(a) Criminal, tax proceedings and actions by statutory authorities/regulatory authorities: All criminal, tax proceedings, actions by statutory/ regulatory authorities involving our Company, our Promoters, our Directors or our Subsidiaries shall be deemed to be material;

(b) Disciplinary actions, including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years, including outstanding actions, shall be deemed to be material;

(c) Pre-litigation notices: Notices received by our Company, our Promoters, our Directors, our Subsidiaries or our Group Entities, from third parties (excluding matters identified in paragraphs (a) and (b) above) shall not be evaluated for materiality until such time that our Company, our Promoters, our Directors or our Subsidiaries or our Group Entities are impleaded as defendants in litigation proceedings before any judicial forum; and

*(d) De minimis monetary threshold for civil litigation: Civil litigation involving our Company, our Promoters, our Directors or our Subsidiaries before any judicial forum and having a monetary impact exceeding the lower of ₹5 million or 5% of the net worth of the Company on a consolidated basis as on March 31, 2020, (i.e., ₹2.96 million based on the Restated Consolidated Financial Information disclosed in the Addendum), shall be considered material (the "**Materiality Threshold**"). Further, litigation proceedings where: (i) the decision in one case is likely to affect the decision in similar matters, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; and (ii) which do not exceed the Materiality Threshold (individually or taken together with similar matters in terms of (i) above) or where the monetary impact involved is not quantifiable, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company or any of our Subsidiaries, shall be considered material.*

(e) Pending litigations involving our Group Entities which have a material impact on the Company.

Further, except as stated in this section, there are no outstanding dues to material creditors, other creditors and micro, small and medium enterprises.

Litigation involving our Company

Civil Litigation against our Company

Amit Rai Sood, a landlord had filed a suit against our Company for eviction, recovery of possession, arrears in rent and mesne profits before the District Judge (Commercial Court), South-East District, Saket District Court, New Delhi. The Saket District Court passed an order dated September 1, 2020 directing our Company to deposit a sum of ₹3.15 million before the Court within fifteen days from the date of the order. Aggrieved by the order, our Company filed an appeal before the High Court of Delhi. The High Court of Delhi *vide* order dated November 24, 2020, referred the dispute between the parties before the Delhi High Court Mediation and Conciliation Centre. Our Company has since vacated the premises, and on January 22, 2021, the parties entered into a settlement agreement by which the Company agreed to pay Amit Rai Sood a total amount of ₹3.92 million (by adjusting the security deposit and paying an additional sum of ₹0.95 million) which provides for full and final settlement of Amit Rai Sood's claims.

Criminal Litigation against our Company

1. Rahul Yadav has filed a criminal complaint against the Company on July 14, 2020 with the SHO, Medical College Police Station, Meerut alleging that he was served non-vegetarian food instead of vegetarian food at the Barbeque Nation Restaurant in Meerut. Rahul Yadav has also filed a complaint before the District Consumer Disputes Redressal Forum, Meerut on July 20, 2020 seeking compensation of ₹1.60 million and ₹0.10 million as legal fees. It also states that Rahul Yadav filed a complaint before the Sub-Divisional Magistrate, Meerut on December 27, 2019 and has sent a legal notice to the Company alleging deficiency in service and negligence and demanding compensation of ₹2.40 million and ₹21,000 as legal fees. Further, the compliant states that the Company in response to the legal notice has stated that the complainant had accepted a sum of ₹50,000 as the full and final settlement, which fact has been disputed by the complainant. Additionally, our Company has filed its written statement in this matter before the District Consumer Disputes Redressal Forum, Meerut on January 2021. The matter is currently pending.

2. Madanlal has filed a police complaint against the Company with the SHO, Janakpuri Metro Police Station, New Delhi alleging that he was served non-vegetarian food instead of vegetarian food at the Barbeque Nation Restaurant in Janakpuri, New Delhi. An FIR has been registered in this matter and our Company has provided CCTV footage in response to such information sought by the investigating officer. The matter is currently pending.

Civil Litigation by our Company

Our Company had entered into a Business Conducting Agreement dated November 24, 2011 under which our Company was permitted to operate its restaurant in Andheri, Mumbai in the premises owned by Automatic Hotels & Restaurants (I) Limited ("**AHRL**"). On March 20, 2020, our Company issued a notice of force majeure, requesting AHRL for waiver of payment during the lockdown period, which request was not acceded to. Subsequently, our Company issued a notice of termination of the business conducting agreement on May 21, 2020, however, AHRL refused to return the furniture, fixtures and service equipment of the Company lying within the premises. Consequent to this, our Company has filed a suit dated October 21, 2020 before the High Court of Bombay against ARHL claiming wrongful dispossession. In addition to this, our Company has sought specific relief by way of restoration and handover of peaceful possession of the said premises till such time the defendant settles the claims, and in the alternative, claimed a sum of ₹25.59 million as liquidated damages to be paid to our Company along with refund of ₹5.30 million being the refundable security deposit together with a rate of interest of 15%. Thereafter, our Company had filed an additional affidavit and certain amendments to the plaint on November 3, 2020 alleging that AHRL has inducted a third party and has commenced operations of a restaurant in the name and style of 'Indian BBQ Co., by Chef Harpal Singh Chokhi'. The High Court of Bombay passed an order on November 23, 2020, directing AHRL to file a reply to our interim application and additional affidavit. AHRL filed an affidavit in rejoinder in the suit on December 10, 2020. The matter is currently pending.

Criminal Litigation by our Company

In relation to our Company's restaurant at Lokhandwala, Mumbai, as stated in "*Outstanding Litigation and Material Developments – Litigation involving our Company – Civil Litigation by our Company*" on page 66, after the termination of the Business Conducting Agreement dated November 24, 2011, Rajesh Chowdhury, the owner of AHRL, refused to return the furniture, fixtures and service equipment of the Company in the premises formerly used by the Company. In addition to this, it came to our attention that the restaurant premises had been refurbished and the outlet had been renamed as "India BBQ Co. By Chef Harpal Singh Chokhi". Our Company has filed two complaints dated October 16, 2020 and October 24, 2020 respectively, before the Amboli Police Station for taking necessary action against Rajesh Chaudhary, the owner and Harpal Singh Chokhi for using the Company's properties in an unauthorised manner. The matter is currently pending.

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 and was therefore sub-standard in terms of the requirements prescribed under these Regulations. 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 along with some of our Directors, namely Kayum Dhanani, T Narayanan Unni, Tarun Khanna, Raoof Dhanani and Suchitra Dhanani along with an erstwhile director of the Company and others had received a notice dated April 29, 2016 from the Mahanagar Seva Sadan, Health Department, Ahmedabad Municipal Corporation forwarding the report of the Food Analyst to the Ahmedabad Municipal Corporation 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. Subsequently, there has been no communication from the Ahmedabad Municipal Corporation in this regard.

3. The New Delhi Municipal Council ("**NDMC**") has issued notices, and in one instance, taken action in relation to the Barbeque Nation Restaurant located at Connaught Place, New Delhi regarding the following matters:

   (a) NDMC had sealed the terrace at this outlet. Our Company has subsequently submitted two letters requesting NDMC to de-seal the terrace at this outlet, stating that the Company had not undertaken any unauthorized construction.

   (b) notice dated August 24, 2018, directing submission of the effluent test report and proper maintenance of the kitchen effluent discharge. Our Company has responded to this notice on August 29, 2018.

   (c) notice dated October 12, 2018, directing the Company to remove encroachment from the back courtyard of the outlet premises and keep the area in hygienic condition. Our Company has responded to this notice on October 16, 2018.

   Subsequently, there has been no communication from NDMC in respect of these matters.

4. Our Company had received a notice dated September 30, 2019 from the National Anti-Profiteering Authority (GST), Department of Revenue, Ministry of Finance, Government of India ("**NAA**") forwarding the report of the Director General of Anti-Profiteering ("**DGAP**") dated September 4, 2019, which has alleged profiteering, amounting to ₹325.88 million against the Company under Section 171 of the GST Act. The matter was initiated to investigate whether GST reduction benefit from 18% to 5% was passed on to the end customer. The period for which such investigation was carried out was from November 15, 2017 to March 31, 2019. The notice issued by the NAA directs the Company to show cause as to why the report should not be accepted and the liability for profiteering should not be determined. Our Company appeared before the NAA for hearings on various dates and has made its written submissions to the NAA on November 14, 2019, December 2, 2019, and February 15, 2020. The NAA passed an interim order in the matter on May 20, 2020 stating that the report of the DGAP could not be accepted and directed the DGAP to submit a fresh report after conducting further investigation, and also recompute the profiteered amount, which investigation should be completed within a period of three months from the date of this order. Pursuant to the order of the NAA, the DGAP issued various notices to our Company, seeking information or documents in relation to the alleged profiteering. Our Company has filed a writ petition before the High Court of Karnataka challenging the order of the NAA dated May 20, 2020. On July 15, 2020, the High Court of Karnataka granted interim relief to the Company and granted a stay of the order passed by the NAA for a period of eight weeks, which interim stay was extended till further orders on August 12, 2020. On September 10, 2020, the NAA has filed a transfer petition before the Supreme Court of India, for transfer of the writ petition to the Delhi High Court. In December 2020, the respondents filed their statement of objections to the writ petition filed by the Company before the High Court of Karnataka. The matter is currently pending.

5. The Income Tax Department, Bengaluru conducted search operations at the residences of certain Directors, certain Promoters, and one KMP and at the Registered and Corporate Office between January 10, 2018 and January 12, 2018. Pursuant to such search operations, our Company had received certain notices from the Office of the Assistant Commissioner of Income Tax, Bengaluru ("**ACIT**") on

February 5, 2019 under section 153A of the IT Act, directing the Company to prepare correct returns of total income for the assessment years 2012-13 till 2017-18. Our Company had filed returns in response to the notices for these assessment years. Thereafter, our Company received further notices from the ACIT under Section 142(1) of the IT Act on July 19, 2019, directing the Company to furnish certain accounts and documents. Subsequently, assessment proceedings were initiated against the Company. Pursuant to this, assessment orders were passed by the Deputy Commissioner of Income Tax, Bengaluru on December 30, 2019 for each of the assessment years, with tax demands aggregating to ₹150.03 million. Separately, in respect of assessment year 2018-19, an order was passed by the ACIT on December 31, 2019 under Section 143(3) of the IT Act with a tax demand amounting to ₹2.84 million. Our Company has filed appeals against these orders before the Commissioner of Income-tax (Appeals). Consequent to these orders, penalty proceedings have been initiated against the Company on December 31, 2019, on grounds such as concealment of income, misreporting of income and furnishing inaccurate particulars of income in relation to certain assessment years. Additionally, in relation to the order passed for the assessment year 2012-2013, the Joint Commissioner of Income-tax (OSD) passed an order on June 9, 2020, rectifying the demand payable for the assessment year 2012-13 to ₹114. Our Company has since paid the revised demand in relation to assessment year 2012-13.

6. Our Company along with some of our Directors received two notices from the Food Safety Officer, Food and Drug Administration, Nagpur dated January 7, 2020. One of the notices pertains to the noodles sample and the other notice pertains to a paneer sample taken for testing from the Barbeque Nation Restaurant at Nagpur on May 29, 2019. The notices state that the samples collected were not as per the prescribed standards. Our Company has filed reply to both notices on October 27, 2020. The matters are currently pending.

7. On August 5, 2020, our Company received a notice from the Department of Registration and Stamps, Government of Maharashtra, Pune directing the Company to pay deficit stamp duty of ₹1.62 million along with a penalty of 2% per month from the date of execution of the agreement in relation to a leave and license agreement for its restaurant at Pune. On October 8, 2020, Our Company has filed a response with the Joint Sub Registrar-In-Charge (Class - 2), Haveli No. 3, Hadaspur, Pune stating that the duty paid on the document is correct and sufficient, and that there is no deficit duty as claimed in the notice. The matter is currently pending.

8. On September 25, 2020, our Company received a notice from the Office of the Joint District Registrar Grade-1 and Stamp Collector, Pune City, Pune ("**District Registrar**") directing the Company to pay deficit stamp duty of ₹1.00 million in relation to a lease deed. Our Company has filed a response dated December 22, 2020 with the Office of the District Registrar stating that it has paid the stamp duty as per the calculation by the owner of the property during registration and also requested for details of deficit payable by the Company as per the calculations done by the authority. The matter is currently pending.

9. Our Company has received a notice from the Municipal Corporation, Ghaziabad on December 31, 2020 alleging that the Barbeque Nation Restaurant in Ghaziabad was not in compliance with Section 31A of the Air (Prevention and Control of Pollution) Act, 1981 for use of coal which was banned by the National Green Tribunal. Our Company has filed a response with the Nagar Nigam Health Officer, Ghaziabad, on January 4, 2021, clarifying that coal is not used at the restaurant, and instead wood charcoal is used, which is permitted. The matter is currently pending.

10. Our Company had received a notice dated November 27, 2020 from the Assistant Food Controller & Food Safety Designated Officer, Krishna District, Machilipatnam forwarding the report of the Food Analyst, State Food Laboratory, Hyderabad, pertaining to the coloured sugar sprinkles sample collected from our Barbeque Nation Restaurant located at Vijaywada. The report of the Food Analyst stated that sugar sprinkles sample were not in conformity with the standards prescribed under the Food Safety and Standards (Packaging and Labelling) Regulations, 2011. Our Company has filed a reply dated December 23, 2020 with the Assistant Food Controller & Food Safety Designated Officer, Krishna District, Machilipatnam submitting that upon being notified by Assistant Food Controller & Food Safety Designated Officer, Krishna District, Machilipatnam, the remaining packets of the product have been discarded and their usage have been discontinued. The matter is currently pending.

11. Our Company received a notice from the Deputy Commissioner (License), Navi Mumbai Municipal Corporation dated January 5, 2021 in relation to the Barbeque Nation restaurant at Vashi, Navi Mumbai relating to the alleged use of solid fuels / kerosene, which is prohibited in terms of the license. Our

Company has filed a response with the Deputy Commissioner (License) on January 11, 2021, clarifying that prohibited solid fuels or kerosene are not used at the restaurant, and instead, wood charcoal is used, which is permitted. The matter is currently pending.

12. Our Company received a notice dated January 27, 2021 from the Directorate of Enforcement, Vigilance and Disaster Management, Greater Hyderabad Municipal Corporation directing the Company to pay an amount of ₹0.1 million within three days of receipt of the notice for the violation of advertisement rules. The matter is currently pending.

13. Our Company received summons dated January 22, 2021 from the Employee's Provident Fund Organisation, Karnataka, imposing a penalty of ₹2.46 million along with interest amounting to ₹1.18 million in relation to an alleged delay in payment of contributions for the months July 2019 and March 2020. Our Company was issued a notice on January 27, 2021 directing the Company to appear for an inquiry and present its case in the proceedings. Subsequently, our Company also received another summons from the Employee's Provident Fund Organisation, Karnataka in relation to alleged delay in contribution for the months April 2020 till December 2020, imposing a penalty of ₹3.72 million along with interest amounting to ₹2.44 million. Our Company has filed responses to both the summons by letters dated January 29, 2021 and February 15, 2021 in these proceedings stating that our Company had promptly remitted the provident fund contributions for the above-mentioned periods and requested the Regional Provident Fund Commissioner to waive the interest and damages levied for the delays. By an order dated February 17, 2021, the Assessing Officer stated that there was no provision for waiver of the interest but noted that the contentions with respect to waiver of damages will be considered before passing the final order. Our Company has remitted the interest amounts of ₹1.18 million and ₹2.44 million on February 19, 2021. The matter is currently pending.

14. Our Company was issued a notice by the Senior Labour Inspector, Labour Department, Government of Karnataka dated January 22, 2021 relating to certain violation under and non-compliances observed during an inspection of our Registered Office on January 22, 2021. The matter is currently pending.

15. Our Company received a notice dated October 30, 2017 from the Pune Municipal Corporation ("**PMC**") under Section 478(1) of the Maharashtra Municipal Corporation Act, 1949 in relation to the restaurant at Deccan Mall, Pune, directing removal of an alleged unauthorised construction on the terrace. Our Company filed a reply to the notice on November 7, 2017 requesting PMC to cancel the notice and grant an opportunity to regularize the construction. Our Company then filed an application before the Civil Judge Junior Division, PMC Court, Pune challenging the said notice and seeking a permanent injunction restraining PMC from acting as per the notice. On November 24, 2017, the PMC Court passed an order directing both parties to maintain status-quo subject to the Company depositing the penalty amount in the court till the next date. On February 15, 2021, the PMC Court passed an order rejecting the application filed by the Company.

Tax proceedings involving our Company

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	7	127.53
Indirect Tax	23	175.29

Litigation involving our Subsidiaries

Civil Litigation against our Subsidiaries

Nil

Criminal Litigation against our Subsidiaries

Nil

Civil Litigation by our Subsidiaries

On July 1, 2013, our Subsidiary, Red Apple entered into a leave and license agreement with Hoysala Hospitality & Services Private Limited ("**Hoysala**"). In accordance with the terms and conditions of this agreement, Red

Apple deposited an amount of ₹6.37 million with Hoysala. Hoysala had represented that it had a valid "bar license", however it failed to deliver a copy of such license to Red Apple. As a consequence, Red Apple terminated the leave and license agreement and demanded a refund of the entire amount of deposit. Hoysala has only made a part payment of ₹1.5 million to Red Apple. Accordingly, on February 5, 2019, Red Apple filed a summary suit before the Court of City Civil Judge (Bangalore) against Hoysala to recover the remaining amount of ₹4.87 million along with interest at the rate of 18% per annum. The matter is currently pending.

Criminal Litigation by our Subsidiaries

Nil

Actions by statutory/ regulatory authorities against our Subsidiaries

Nil

Tax proceedings involving our Subsidiaries

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	1	12.64
Indirect Tax	Nil	Nil

Litigation involving our Promoters

Litigation involving SHL

Civil Litigation against SHL

Gaurav Maheshwari has filed a consumer complaint dated December 10, 2016 before the Madhya Pradesh State Consumer Disputes Redressal Commission, Bhopal against SHL seeking ₹5 million along with interest of 2% per month as compensation for an alleged deficiency in services for marriage functions at the hotel provided by SHL. SHL has filed its written statement before the Commission. The matter is currently pending.

Criminal Litigation against SHL

1. On April 10, 2010, one of the guests, 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. The matter is currently pending trial in the court of Magistrate First Class.

2. On December 22, 2017, one of SHL's employees, Aakash Karade died while receiving treatment for injury. A FIR has been lodged with the Sayajigunj police station which states that Aakash Karade was hit by a car driven by Gopalbhai Baria, an employee of SHL within the premises of SHL's hotel in Vadodara. Further, the legal heirs of Aakash Karade have filed an application for compensation against Gopalbhai Baria, Devdutt Chawla and Liberty Videocon General Insurance Company before the Motor Accident Claims Tribunal, which is currently pending.

Civil Litigation by SHL

Nil

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

1. SHL received show cause notices dated August 23, 2011 and August 26, 2014 issued by the Indore Development Authority ("**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. Pursuant to an order dated December 20, 2017, the IDA cancelled the IDA Lease Agreement. SHL filed an appeal/ petition before the High Court of Madhya Pradesh against the order of the IDA, which was subsequently dismissed by the High Court. SHL has filed an appeal against the dismissal order of the High Court before the division bench of the High Court of Madhya Pradesh. The matter is currently pending.

2. IDA has also initiated proceedings under the Lok Parishad Bedakhali Adhiniyam for evicting SHL from the premises under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. However, the High Court of Madhya Pradesh, Indore bench, *vide* order dated November 30, 2018, has granted interim relief to SHL and held that IDA cannot evict SHL without the leave of the court. SHL has filed its objections before the Lok Parishad Bedakhali Adhiniyam. The matter is currently pending.

3. An order was passed on January 21, 2015 by the Building officer, Zone 7, Indore Municipal Corporation, Nagar Palika, Indore ("**Building Officer**") directing SHL to demolish the restaurant operated in the name of 'Mediterra' on the eighth floor of the hotel building owned by SHL as the same was illegal and was constructed without permission. 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, before the Hon'ble High Court of Judicature of Madhya Pradesh bench at Indore. 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 report 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.

4. SHL has received a notice dated August 28, 2018 from Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited seeking the payment of ₹16.23 million in respect of revised energy bills for the period from April 2015 to July 2016 following a change in the applicable tariffs. SHL had filed a writ petition before the High Court of Madhya Pradesh, Indore bench challenging the notice, which was dismissed by an order dated September 20, 2019, with a direction to approach the Madhya Pradesh Electricity Commission for resolving the dispute. SHL has filed a writ appeal before the High Court of Madhya Pradesh against the order. The matter is currently pending.

5. The Joint District Registrar of Stamps, Pune had passed an order dated January 24, 2019 against SHL requiring payment of deficit stamp duty of ₹3.00 million and a fine of ₹0.24 million in relation to a registered deed under the title 'declaration of equitable mortgage' under the Maharashtra Stamp Act, 1958. SHL has challenged the said order before the Inspector General of Registration, Chief Controlling Revenue Authority, Pune. The matter is currently pending.

6. SHL and its directors received nine show cause notices in August 2019 from the Office of the Joint Director General of Foreign Trade ("**DGFT**") in respect of certain authorizations granted to SHL under the Export Promotion Capital Goods Scheme ("**EPCG**") of the Foreign Trade Policy. These notices alleged that SHL and its directors had misguided the DGFT at the time of obtaining the EPCG authorizations. The notices directed SHL and its directors to show cause as to why fiscal penalty should not be imposed under section 11 of the Foreign Trade (Development and Regulation) Act, 1992. In September 2019, SHL and its directors filed a reply to each of these show cause notices. The matter is currently pending.

Disciplinary action including penalty imposed by SEBI or stock exchanges against SHL in the last five financial years including outstanding action

1. <u>Orders dated December 10, 2015 and May 17, 2016 and show cause notice dated May 17, 2017 issued by SEBI in respect of SHL</u>

   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. SHL replied to the show cause notice on June 21, 2017. Subsequently, SEBI issued an adjudication order no. EAD/SR/SM/AO/01/2017-18 dated September 29, 2017 against SHL, imposing a penalty of ₹1.20 million on SHL. SHL paid the penalty on November 9, 2017.

2. <u>Show cause notice dated February 15, 2017 issued by SEBI to SHL</u>

   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. 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. Subsequently, SEBI issued an adjudication order no. RA/DPS/287/2018 dated January 31, 2018, directing SHL to pay a penalty of ₹1.50 million, within 45 days of receipt of the said adjudication order. SHL paid the amount on March 13, 2018.

3. Email dated August 20, 2020 from BSE to SHL

SHL received an email dated August 20, 2020 from BSE in relation to Regulations 17(1), 17(1A), 18(1), 19(1), 19(2), 20(2)/(2A), 21(2) of the SEBI Listing Regulations, relating to certain non-compliances with the requirements pertaining to (a) the composition of the board of directors of SHL; and (b) the constitution of the stakeholder relationship committee. BSE directed SHL to ensure compliance with the regulations and also pay a fine aggregating to ₹0.75 million within 15 days from the date of the letter. SHL replied to BSE on September 1, 2020 requesting BSE to waive the fine imposed.

4. Email dated October 16, 2020 from BSE to SHL

SHL received an email dated October 16, 2020 from BSE wherein BSE directed SHL to pay a fine of ₹0.18 million for non-submission of the consolidated financial results for quarter ended June 30, 2020 as per Regulation 33 of the SEBI Listing Regulations. BSE directed that the fine along with financial results for the said quarter be submitted within 15 days from the date of the email. SHL replied to the notice on October 24, 2020 requesting BSE to waive the penalty and provide time till November 15, 2020 to submit the consolidated financial results for the quarter ended June 30, 2020.

5. Email dated August 18, 2020 from BSE to SHL

SHL received an email dated August 18, 2020 from BSE wherein BSE directed SHL to pay a fine of ₹0.09 million for non-submission of the financial results for quarter ended March 31, 2020 as per Regulation 33 of the SEBI Listing Regulations. BSE directed that the fine along with financial results for the said quarter be submitted within 15 days from the date of the email. SHL replied to the notice on August 26, 2020 requesting BSE to waive the penalty and provide time till September 30, 2020 to submit the consolidated financial results for the quarter ended March 31, 2020. Pursuant to this, the promoters of SHL, including Suchitra Dhanani, Kayum Dhanani and Raoof Dhanani received an email dated November 4, 2020 informing them that in case the fine outstanding as on November 4, 2020 is not paid by SHL, BSE would proceed to freeze the demat accounts of the promoters of SHL within 10 days from the date of the communication. SHL replied to BSE on November 10, 2020 requesting that no action be taken relating to freezing of the holding of the promoters and levying the penalty.

6. Email dated November 17, 2020 issued by BSE to SHL

SHL received an email dated August 20, 2020 from BSE in relation to non-compliances with Regulation 13(3), 27(2), 31, 17(1), 17(1A), 17(2A), 18(1), 19(1)/ 19(2), 20(2)/(2A), 21(2) and 28(1) of the SEBI Listing Regulations. BSE directed SHL to ensure compliance with the regulations and also pay a fine aggregating to ₹0.33 million within 15 days from the date of the letter. SHL replied to BSE on November 23, 2020, requesting BSE to waive the fine imposed.

7. Email dated December 30, 2020 from BSE to SHL

SHL and the promoters of SHL, including Suchitra Dhanani, Kayum Dhanani and Raoof Dhanani received an email dated December 30, 2020 informing the promoters that in case a fine outstanding as on December 30, 2020 (i.e., ₹ 0.14 million) is not paid by SHL in relation to non-compliance of Regulation 33 of the SEBI Listing Regulations by SHL for not submitting the financial results for the quarter ending September 30, 2020, BSE would proceed to freeze the demat accounts of the promoters of SHL within 10 days from the date of the communication. SHL replied to the email requesting that no action be taken relating to freezing of the holding of the promoters and levying the penalty as SHL had completed the submission on December 12, 2020.

For the details in relation to letter submitted by SHL to BSE dated September 17, 2020, intimating a non-compliance of Regulation 9(1) of the SEBI Insider Trading Regulations, 2015 by Suchitra Dhanani and Azhar Dhanani, please see details in "*Outstanding Litigation and Material Developments – Litigation involving Suchitra Dhanani - Actions by statutory/ regulatory authorities against Suchitra Dhanani*" on page 79.

Tax proceedings involving SHL

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	5	11.16
Indirect Tax	19	28.03

Litigation involving SHKSL

Civil Litigation against SHKSL

Nil

Criminal Litigation against SHKSL

Nil

Civil Litigation by SHKSL

Nil

Criminal Litigation by SHKSL

Nil

Actions by statutory/ regulatory authorities against SHKSL

Nil

Disciplinary action including penalty imposed by SEBI or stock exchanges against SHKSL in the last five financial years including outstanding action

Nil

Tax proceedings involving SHKSL

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving Kayum Dhanani

Civil Litigation against Kayum Dhanani

Nil

Criminal Litigation against Kayum Dhanani

1. M/s RRR Investments, a partnership firm, filed a complaint dated July 16, 2020 before the Additional Civil Judge & J.M.F.C, Bellary under Section 200 of the Code of Criminal Procedure, 1974, against Kayum Dhanani (as director of Samar Retail) and certain others. It is alleged by M/s RRR Investments that Samar Retail had submitted a cheque of an amount of ₹2.5 million in favour of M/s RRR Investments which was returned with an endorsement of "funds insufficient" when presented for collection. It has been further alleged by M/s RRR Investments that the accused are liable to pay the amount covered in the cheque. The matter is currently pending.

2. M/s Shoe Care has filed a complaint dated October 29, 2020, before the Court of the Additional District Munsif Cum Judicial Magistrate, Ambur District, under Section 138, 141 and 142 of the Negotiable Instruments Act, 1881 read with Section 200 of the Code of Criminal Procedure, 1974 against Sara Suole Private Limited, Kayum Dhanani (as director of Sara Suole Private Limited) and certain others, in relation to certain cheques issued by Sara Suole Private Limited to M/s Shoe Care, amounting to ₹1.24 million in total being dishonoured on presentation for collection. The matter is currently pending.

3. M/s Gen Pack, issued three notices of demand dated January 22, 2020 to Sara Suole Private Limited, Kayum Dhanani (as director of Sara Suole Private Limited) and certain others, stating that certain cheques issued by Sara Suole Private Limited to M/s Gen Pack aggregating to ₹5.3 million, were returned by the bank on presentation for insufficiency of funds. Kayum Dhanani was issued summons in relation to a complsintfiled by M/s Gen Pack against Sara Suole Private Limited before the Additional Court No. II, Agra. The matter is currently pending.

4. M/s T.M. Overseas, issued four notices in October 2019 and November 2019 to Sara Suole Private Limited, Kayum Dhanani (as director of Sara Suole Private Limited) and certain others, stating that certain cheques issued by Sara Suole Private Limited to M/s T.M. Overseas aggregating to ₹4.05 million, were returned by the bank on presentation. Kayum Dhanani was issued summons in relation to a complaint filed by M/s T.M. Overseas against Sara Suole Private Limited before the Additional Court No. II, Agra. The matter is currently pending.

5. Excel Polymer Industries, a partnership firm, has filed a complaint dated August, 25, 2020 before the Court of the Judicial Magistrate at Bidhannagar against Sara Suole Private Limited, Kayum Dhanani (as director of Sara Suole Private Limited) and certain others, under Section 138 of the Negotiable Instruments Act, 1881, in relation to a cheque issued by Sara Suole Private Limited to Excel Polymer Industries, amounting to ₹1.41 million being dishonoured on presentation for encashment. The matter is currently pending.

Civil Litigation by Kayum Dhanani

Nil

Criminal Litigation by Kayum Dhanani

Nil

Actions by statutory/ regulatory authorities against Kayum Dhanani

6. Kayum Dhanani had received certain notices from the Income Tax Department, Bengaluru, pursuant to search operations conducted on January 10, 2018, for the assessment years 2013-14, 2015-16, 2017-18 and 2018-19. Subsequently, assessment orders were passed against Kayum Dhanani by the Income Tax Department, Bengaluru on December 29, 2019 and December 30, 2019 for these assessment years, with tax demands aggregating to ₹20.38 million. Kayum Dhanani has filed appeals against the orders for the assessment years 2015-16 and 2017-18 before the Commissioner of Income-tax (Appeals). In respect of the orders for the assessment years 2013-14 and 2018-19, no appeals have been filed. Consequent to these orders, on December 29, 2019 and December 30, 2019, penalty proceedings have been initiated against Kayum Dhanani on grounds such as concealment of income and underreporting of income in relation to certain assessment years. In respect of the notices received by our Company from the ACIT, please see details under "*Outstanding Litigation and Material Developments – Litigation involving our Company - Actions by statutory/ regulatory authorities against our Company*" on page 66.

7. Please see details of the notices received by Kayum Dhanani from the DGFT, under "*Outstanding Litigation and Material Developments – Litigation involving our Promoters– Litigation involving SHL - Actions by statutory/ regulatory authorities against SHL*", on page 71.

8. Please see details of the notice received by Kayum Dhanani from the Mahanagar Seva Sadan, Health Department, Ahmedabad Municipal Corporation, under "*Outstanding Litigation and Material Developments – Litigation involving our Company – Actions by statutory/ regulatory authorities against our Company*" on page 66.

Disciplinary action including penalty imposed by SEBI or stock exchanges against Kayum Dhanani in the last five financial years including outstanding action

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. Ahilya Hotels Limited (on behalf of the noticees), replied to the said show cause notice on May 2, 2017.

SEBI through its adjudication order no. RA/DPS/338-379/2018 dated March 28, 2018 imposed penalties of ₹31.00 million on Suchitra Dhanani, Kayum Dhanani and other noticees; and ₹0.50 million on Suchitra Dhanani for a separate violation. The noticees then filed an appeal (no. 281 of 2018) with the Securities Appellate Tribunal. During the pendency of the appeal, a settlement application was filed before SEBI under SEBI (Settlement Proceeding) Regulations, 2018. SEBI allowed the settlement application pursuant to which the settlement amount of ₹35.19 million (including interest) has been paid by the noticees on September 30, 2019. Consequently, pursuant to an order dated October 22, 2019, the Securities Appellate Tribunal disposed of the appeal.

Tax proceedings involving Kayum Dhanani

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	4	20.38
Indirect Tax	Nil	Nil

Litigation involving Raoof Dhanani

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.

Criminal Litigation against Raoof 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*, Raoof 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 Raoof 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 Raoof 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.

Civil Litigation by Raoof Dhanani

Nil

Criminal Litigation by Raoof Dhanani

Nil

Actions by statutory/ regulatory authorities against Raoof Dhanani

Please see details of the notices received by Raoof Dhanani from the DGFT, under "*Outstanding Litigation and Material Developments – Litigation involving our Promoters– Litigation involving SHL - Actions by statutory/ regulatory authorities against SHL*", on page 71.

Disciplinary action including penalty imposed by SEBI or stock exchanges against Raoof Dhanani in the last five financial years including outstanding action

1. <u>Show cause notice dated June 27, 2014 issued by SEBI to certain promoters and promoter group members of Liberty Phosphate Limited, including our Promoter, Raoof Dhanani</u>

   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. 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 "*Outstanding Litigation and Material Developments - Litigation involving our Promoters– Litigation involving Raoof Dhanani - Disciplinary action including penalty imposed by SEBI or stock exchanges against Raoof Dhanani in the last five financial years including outstanding action - 2. Show cause notice dated June 27, 2014 issued by SEBI to Raoof Dhanani"* on page 78. 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 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.

Subsequently, pursuant to an email dated October 12, 2017, SEBI accepted the settlement application no. 2905 of 2014 filed in the matters and directed the applicants to comply with the non-monetary terms, if any, and pay an aggregate amount of ₹22.13 million towards settlement charges to the SEBI. The applicants paid the settlement charges and through its settlement order dated November 1, 2017, SEBI disposed of the adjudication proceedings initiated against the applicants through its show cause notices dated June 27, 2014.

2. Show cause notice dated June 27, 2014 issued by SEBI to Raoof Dhanani

Raoof 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 Raoof 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. Raoof 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, Raoof 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 "*Outstanding Litigation and Material Developments - Litigation involving our Promoters– Litigation involving Raoof Dhanani - Disciplinary action including penalty imposed by SEBI or stock exchanges against Raoof Dhanani in the last five financial years including outstanding action - Show cause notice dated June 27, 2014 issued by SEBI to certain promoters and promoter group members of Liberty Phosphate Limited, including our Promoter, Raoof Dhanani*" on page 77.

3. Show cause notice dated May 12, 2015 issued by SEBI to Liberty Phosphate Limited and its directors and compliance officers, including our Promoter, Raoof Dhanani

Liberty Phosphate Limited (which subsequently merged with Coromandel International Limited), Raoof 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, Raoof 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. Certain noticees, including Raoof Dhanani, jointly filed a consent application on July 20, 2015 before SEBI.

Subsequently, pursuant to an email dated October 12, 2017, SEBI accepted the settlement application no. 2988 of 2015 filed in the matter and directed the applicants to comply with the non-monetary terms, if any, and pay an aggregate amount of ₹1.36 million towards settlement charges to the SEBI. The applicants paid the settlement charges and through its settlement order dated October 31, 2017, SEBI disposed of the adjudication proceedings initiated against the applicants through its show cause notice dated May 12, 2015.

4. Show cause notice dated January 4, 2017 issued by SEBI to Raoof Dhanani

Raoof 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 Raoof 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 Raoof 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 subsequently issued an adjudication order no. RA/DPS/308/2018 dated February 23, 2018, directing Raoof Dhanani to pay a penalty of ₹1.60 million within 45 days of receipt of the said adjudication order. Raoof Dhanani has paid the penalty within the prescribed time period set out in the said adjudication order.

Tax proceedings involving Raoof Dhanani

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving Suchitra Dhanani

Civil Litigation against Suchitra Dhanani

Sanya Dhanani and Zoya Dhanani, who are daughters of (late) Sajid Dhanani 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. The first class magistrate, Indore passed an order dated February 16, 2018 granting an application made by Sanya Dhanani and Zoya Dhanani under Section 372 of the Indian Succession Act, 1925 in respect of certain shares of SHL. The issuance of the succession certificate is currently pending.

Criminal Litigation against Suchitra Dhanani

Nil

Civil Litigation by Suchitra Dhanani

Suchitra Dhanani, wife of (late) Sajid Dhanani, filed an application for issuance of a letter of administration under Section 272 of the Indian Succession Act, 1925. The second upper district magistrate, Indore passed an order dated May 2, 2018 granting issuance of a letter of administration in favour of Suchitra Dhanani. The magistrate also directed this order to be sent to the collector to finalize valuation of properties. The issuance of the letter of administration is currently pending.

Criminal Litigation by Suchitra Dhanani

Nil

Actions by statutory/ regulatory authorities against Suchitra Dhanani

1. Please see details of the notices received by Suchitra Dhanani from the DGFT, under "*Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation involving SHL - Actions by statutory/ regulatory authorities against SHL*", on page 71.

2. Please see details of the notice received by Suchitra Dhanani from the Mahanagar Seva Sadan, Health Department, Ahmedabad Municipal Corporation, under "*Outstanding Litigation and Material Developments – Litigation involving our Company – Actions by statutory/ regulatory authorities against our Company*" on page 66.

3. SHL by way of a letter dated September 17, 2020 to BSE, intimated a non-compliance of Regulation 9(1) of the SEBI Insider Trading Regulations, 2015 by Suchitra Dhanani and Azhar Dhanani. The letter stated that Suchitra Dhanani and Azhar Dhanani had traded in the shares of SHL on September 10, 2020 during the closure of the trading window and without applying for a pre-clearance from the

compliance officer of SHL. The letter further stated that the audit committee of SHL reviewed the matter and found that Suchitra Dhanani and Azhar Dhanani did not have access to UPSI at the time of the transaction.

Disciplinary action including penalty imposed by SEBI or stock exchanges against Suchitra Dhanani in the last five financial years including outstanding action

Please see details under "*Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation involving Kayum Dhanani - Disciplinary action including penalty imposed by SEBI or stock exchanges against Kayum Dhanani in the last five financial years including outstanding action – Show cause notice dated January 4, 2017 issued by SEBI to promoters and promoter group members of SHL, including, Kayum Dhanani*", on page 76.

Tax proceedings involving Suchitra Dhanani

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	12	2.13
Indirect Tax	Nil	Nil

Litigation involving our Directors, other than our Promoters

For litigation involving our Directors who are also Promoters, please see "*Outstanding Litigation and Material Developments - Litigation involving our Promoters - Litigation involving Kayum Dhanani*", "*Outstanding Litigation and Material Developments - Litigation involving our Promoters - Litigation involving Raoof Dhanani*" and "*Outstanding Litigation and Material Developments - Litigation involving our Promoters - Litigation involving Suchitra Dhanani*" beginning on pages 74, 76 and 79.

Civil Litigation against our Directors, other than our Promoters

Nil

Criminal Litigation against our Directors, other than our Promoters

Nil

Civil Litigation by our Directors, other than our Promoters

Nil

Criminal Litigation by our Directors, other than our Promoters

Nil

Actions by statutory/ regulatory authorities against our Directors, other than our Promoters

1. Our Director, Abhay Chaudhari received a show cause notice from the Income Tax Department, Hyderabad on February 6, 2020. The notice directs Abhay Chaudhari to show cause as to why proceedings under Section 276B read with Section 278B of the IT Act should not be initiated against him as director of Athena for delay by Athena in remitting TDS for the Fiscal 2017. The matter is currently pending.

2. Please see details of the notices received by our Director, T Narayanan Unni from the DGFT, under "*Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation involving SHL - Actions by statutory/ regulatory authorities against SHL*", on page 71.

3. Please see details of the notices received by our Directors, T Narayanan Unni and Tarun Khanna from the Mahanagar Seva Sadan, Health Department, Ahmedabad Municipal Corporation, under "*Outstanding Litigation and Material Developments – Litigation involving our Company – Actions by statutory/ regulatory authorities against our Company*" on page 66.

Tax proceedings involving our Directors, other than our Promoters

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Material developments since November 30, 2020

Other than as disclosed in this Second Addendum, in the opinion of the Board, there has not arisen, since the date of the last balance sheet included in this Second Addendum, 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 November 30, 2020, i.e., ₹43.20 million, in accordance with the Restated Consolidated Financial Information, shall be considered material, based on the policy of materiality adopted by our Board on February 10, 2021. Based on the materiality policy of the Board, there are no material creditors of the Company.

The dues owed to micro, small and medium enterprises, material creditors and other creditors as at November 30, 2020 are set out below:

Type of Creditors	Number of creditors	Amount involved (in ₹ million)
Micro, small and medium enterprises	104	27.54
Material Creditors	Nil	Nil
Other Creditors	3,643	836.52
Total outstanding dues	3,747	864.06

The details pertaining to net outstanding overdues towards our material creditors are available on the website of our Company at https://www.barbequenation.com/investor. It is clarified that such details available on our website do not form a part of this Second Addendum. Anyone placing reliance on any other source of information, including our Company’s website, www.barbequenation.com, would be doing so at their own risk.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

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T Narayanan Unni
(Chairman and Non-Executive, Independent Director)

Place: Indore
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

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Kayum Dhanani
(Managing Director)

Place: Bengaluru
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

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Rahul Agrawal
(Chief Executive Officer and Whole-Time Director)

Place: Bengaluru
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

Raoof Dhanani
(Non-Executive Director)

Place: Mumbai
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

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Suchitra Dhanani
(Non-Executive Director)

Place: Indore
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

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Abhay Chaudhari
(Non-Executive, Independent Director)

Place: Pune
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

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Natarajan Ranganathan
(Non-Executive, Independent Director)

Place: Bengaluru
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

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Devinjit Singh
(Non-Executive Director)

Place: Mumbai
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Director

Tarun Khanna
(Non-Executive, Nominee Director)

Place: Delhi
Date: March 2, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations 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 Second Addendum to the 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. I further certify that all the statements in this Second Addendum to the Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer

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Amit V. Betala
(*Chief Financial Officer*)
Place: Bengaluru
Date: March 2, 2021

DECLARATION

Sayaji Housekeeping Services Limited certifies that all statements and undertakings made by it in this Second Addendum to the 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. Sayaji Housekeeping Services 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 Second Addendum to the Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For and on behalf of Sayaji Housekeeping Services Limited

Raoof Dhanani
Director

Place: Mumbai
Date: March 2, 2021

DECLARATION

Azhar Dhanani certifies that all statements and undertakings made by him in this Second Addendum to the 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 Second Addendum to the Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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Azhar Dhanani

Place: Mumbai
Date: March 2, 2021

DECLARATION

Sadiya Dhanani certifies that all statements and undertakings made by her in this Second Addendum to the 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 Second Addendum to the Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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Sadiya Dhanani

Place: Mumbai
Date: March 2, 2021

DECLARATION

Sanya Dhanani certifies that all statements and undertakings made by her in this Second Addendum to the 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 Second Addendum to the Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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Sanya Dhanani

Place: Bengaluru
Date: March 2, 2021

DECLARATION

Tamara Private Limited certifies that all statements and undertakings made by it in this Second Addendum to the 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 Second Addendum to the Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For and on behalf of Tamara Private Limited

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Mr Doonaye Sookye

Place: Mauritius
Date: March 2, 2021

DECLARATION

AAJV Investment Trust, acting through its trustee certifies that all statements and undertakings made on its behalf in this Second Addendum to the 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 Second Addendum to the Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For and on behalf of AAJV Investment Trust

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Tarun Khanna

Place: Delhi
Date: March 2, 2021

DECLARATION

Menu Private Limited certifies that all statements and undertakings made by it in this Second Addendum to the 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. Menu 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 Second Addendum to the Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For and on behalf of Menu Private Limited

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Fatweena Uteene- Mahamod

Place: Port Louis, Mauritius
Date: March 2, 2021