DEVYANI
INTERNATIONAL LIMITED

ANNUAL REPORT 2019 - 20

DEVYANI INTERNATIONAL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

BOARD OF DIRECTORS

Mr. Ravi Kant Jaipuria
Mr. Varun Jaipuria
Mrs. Devyani Jaipuria
Mr. Raj P. Gandhi
Mr. Virag Joshi
Ms. Rashmi Dhariwal
Dr. Ravi Gupta
Mr. Vishesh Shrivastav
Mr. Sanjeev Arora

CHIEF FINANCIAL OFFICER

Mr. Sanjeev Arora

COMPANY SECRETARY

Mr. Anil Dwivedi

JOINT AUDITORS

a) M/s. APAS & Co.,
Chartered Accountants,
New Delhi

b) Walker Chandiok & Co LLP,
Chartered Accountants,
Gurugram

REGISTERED OFFICE

F-2/7, Okhla Industrial Area, Phase-I
New Delhi - 110 020

HEAD OFFICE

Plot No. 18, Sector-35, Gurugram - 122 004, Haryana

BANKERS

Axis Bank Limited
HDFC Bank Limited
RBL Bank Limited
IndusInd Bank Limited
Yes Bank Limited
IDFC First Bank Limited
ICICI Bank Limited

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 29th (Twenty Ninth) Board Report on the business and operations of your Company along with the Audited Financial Statements, for the Financial Year ended March 31, 2020.

FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended March 31, 2020 is summarized below:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
Sales & other Income	12,624.85	10,802.16	15,840.52	13,654.00
Profit before Interest, Depreciation, Impairment & Tax	2,311.39	556.64	2,652.17	806.53
Less: Interest	1,194.00	289.07	1,687.91	382.77
Less: Depreciation & Impairment	1,809.61	646.49	2,505.81	1,076.75
Loss before exceptional items and tax	**(692.22)**	**(378.92)**	**(1,541.55)**	**(652.99)**
Less: Exceptional item (expense)/income	(658.52)	-	345.78	-
Profit/ (Loss) before Tax	**(1,350.74)**	**(378.92)**	**(1,195.77)**	**(652.99)**
Less: Income tax expenses	-	-	18.41	11.31
Add/Less: Other Comprehensive income	1.51	(7.91)	142.58	(30.04)
Total comprehensive income for the year (net of tax)	**(1,349.23)**	**(386.83)**	**(1,071.60)**	**(694.34)**
Total comprehensive income for the year attributable to:				
Owners of the Company	(1,349.23)	(386.83)	(1,109.75)	(499.59)
Non-controlling interests	-	-	38.15	(194.76)

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2020, are prepared in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), Indian Accounting Standards ("Ind AS") which shall be placed before the members in their forthcoming Annual General Meeting ("AGM").

To comply with the provisions of Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of subsidiary/ associate/ joint venture Companies is provided as **Annexure - 1** in prescribed Form AOC – 1 and therefore not repeated hereby to avoid duplication.

STATE OF COMPANY'S AFFAIRS

Your Company has opened 69 new outlets and closed 49 loss making outlets during the year under review. The Company also acquired 9 KFC stores in the state of Karnataka from Yum India Private Limited who is the brand owner of 'KFC'. Your Company expanded presence on Delhi-Jaipur highway (Behror) and Delhi-Haridwar highway (Khatauli) further expanding the KFC, Pizza Hut and Costa Coffee business by opening new restaurants and food courts. Your Company continued its focus on product innovation, cost optimization, technology upgradation, consumer connect and growing own delivery channels to have a sustainable multi-channel growth. All these efforts have resulted in improvement in revenue of your Company. Your Company is also expanding its business and planning to open new stores in Nepal, Nigeria and UK.

Your Company has invested in its subsidiary in UK (i.e Devyani International UK Private Limited) to start its business under the brand 'TWG'. TWG Tea is present with two Tea Boutique in India and two salons in UK. In India TWG is present in most of major 5 Star properties across the Country and going forward it would enter into e-commerce market places and multi brand outlets in prime shopping arcades.

DEPOSITS

Your Company has not accepted any deposits during the year under review, falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO GENERAL RESERVE

During the year under review, the Company has not transferred any amount to General Reserve.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of the business of the Company.

DIVIDEND

Considering the future fund requirements of your Company to be met through retained earnings, your Directors have not recommended any dividend on equity shares for the year under review.

SHARE CAPITAL

During the year under review, there was no change in the Share Capital of the Company.

DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEMES

The Company has two Employees Stock Option Plans, ESOP 2011 and ESOP 2018. ESOP 2011 was approved by the Board of Directors in their meeting held on September 20, 2011 and by the shareholders on December, 20, 2011. The Company has a total of 1,859,500 outstanding stock options under ESOP 2011.

ESOP 2018 was approved by the Board of Directors in their meeting held on April 6, 2018 and by the shareholders on September 21, 2018. The Company has a total of 1,859,500 outstanding stock options under ESOP 2011. The Company issued a total of 5,06,000 stock options under this Scheme and currently has total of 126,000 outstanding stock options under ESOP 2018.

In terms of Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014, the prescribed details of Employees Stock Options Scheme are as under :-

Particulars	Employees Stock Option Plan, 2011	Employees Stock Option Scheme 2018
	Number of Options	**Number of Options**
Options granted during FY 2019-20	Nil	Nil
Options vested during FY 2019-20	Nil	Nil
Options exercised during FY 2019-20	Nil	Nil
Total number of shares arising out of exercise of options during FY 2019-20	Nil	Nil
Options forfeited/lapsed/cancelled during FY 2019-20	Nil	3,80,000
The exercise price	Nil	NA
Variations of terms of options during FY 2019-20	NA	NA

Particulars	Employees Stock Option Plan, 2011	Employees Stock Option Scheme 2018
	Number of Options	Number of Options
Money realized by exercise of options during FY 2019-20	Nil	Nil
Total number of options granted during FY 2019-20	Nil	Nil
Total number of options in force	18,59,500.00	126,000

Employee wise details of options granted during FY 2019-20:

Particulars	Employees Stock Option Plan, 2011	Employees Stock Option Scheme 2018
	Number of Options	Number of Options
(a) Key Managerial Personnel	Nil	Nil
(b) Any other employee who received a grant of options amounting to 5% or more of the options granted during FY 2018-19.	Nil	Nil
(c) Identified employees who were granted options, during FY 2018-19 equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	Nil	Nil

RELATED PARTY TRANSACTIONS

All contracts / arrangements and transactions entered into by the Company with related parties during the year under review were in the ordinary course of business and on arm's length basis, hence no details are required to be provided in Form AOC-2 as prescribed under Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees, Securities and Investments covered under the provisions of Section 186 of the Act are given in the Notes to the Standalone Financial Statements.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company has following subsidiaries / associate companies:

Subsidiaries

1. Devyani Food Street Private Limited;
2. Devyani Airport Services (Mumbai) Private Limited;
3. Devyani International Nepal Private Limited;
4. RV Enterprizes Pte. Ltd.;
5. Devyani International (Nigeria) Limited; and
6. Devyani International (UK) Private Limited.

Joint venture

1. The Minor Food Group (India) Private Limited.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

To comply with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Varun Jaipuria (DIN 02465412) and Mr. Raj P. Gandhi (DIN: 00003649), Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, seeks re-appointment. Your Board of Directors recommend their re-appointment.

All Independent Directors of the Company have declared and confirmed that they meet with the criteria of Independence, as prescribed under Section 149 (6) of the Companies Act, 2013.

Key Managerial Personnel

During the year under review Mr. Vivek Kumar Singh was appointed as Company Secretary & KMP w.e.f. September 01, 2019 and resigned w.e.f. October 16, 2019. Mr. Anil Dwivedi was appointed as Company Secretary & KMP w.e.f. February 07, 2020.

Mr. Virag Joshi (DIN: 01821240) was re-appointed as the Whole-Time Director and Key Managerial Personnel [Designation as: President & CEO] of the Company for a period of up to three years effective from January 01, 2020.

Mr. Virag Joshi, Whole-time Director, Mr. Sanjeev Arora, Chief Financial Officer and Mr. Anil Dwivedi, Company Secretary of the Company continued to be the Key Managerial Personnel ("KMP") of your Company in accordance with the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

BOARD EVALUATION

To comply with the provisions of Section 134(3)(p) of the Act and rules made thereunder, the Board has carried out the annual performance evaluation of the Directors individually including the Independent Directors (wherein the concerned director being evaluated did not participate), Board as a whole, and following Committees of the Board of Directors:

i) Audit Committee;

ii) Nomination and Remuneration Committee; and

iii) Investment and Borrowing Committee.

BOARD AND COMMITTEE MEETINGS

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

At the end of the year under review, the Board had 3 (three) Committees, namely Audit Committee, Nomination and Remuneration Committee and Investment and Borrowing Committee.

The Company's internal guidelines for Board/Board Committee meetings facilitate the decision- making process at its meetings in an informed and efficient manner.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policies and strategies apart from other regular business matters. The Board/Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings circulated to all Directors and invitees well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

The agenda is generally circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. However, in case of urgency, the agenda is circulated on shorter notice as per the provisions of the Secretarial Standards on Meetings of the Board of Directors. Usually meetings of the Board are held at the Corporate Office of the Company at Gurugram.

Board meets at least once in a quarter to review inter-alia the performance of the Company. Additional meetings are held on a need basis.

The Company also provides facility to the Directors to attend meetings of the Board and its Committees through Video Conferencing mode except in respect of those meetings wherein transactions are not permitted to be carried out by way of video conferencing, to enable their participation.

6 (Six) Board Meetings were held during the Financial Year 2019-20 on April 18, 2019, August 14, 2019, September 23, 2019, October 23, 2019, February 07, 2020 and February 28, 2020 . The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act.

Attendance of Directors at Board Meetings:

S. No.	Name	No. of meetings attended
1.	Mr. Ravi Kant Jaipuria	5
2.	Mr. Varun Jaipuria	3
	Ms. Devyani Jaipuria	2
3.	Mr. Raj Pal Gandhi	6
4.	Mr. Virag Joshi	5
5.	Mr. Vishesh Shrivastav	3
6.	Mr. Sanjeev Arora	6
7.	Ms. Rashmi Dhariwal	3
8.	Dr. Ravi Gupta	5

COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board as a part of good governance practice. The Board supervise the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the proceedings of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

Procedure at Committee Meetings

The Company's guidelines related to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the members and placed before Board meetings for noting.

i) Audit Committee

The Composition and terms of reference of the Audit Committee satisfy the requirement of Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014

Composition of the Committee at the end of Financial Year was as follows:

S. No.	Name	Category	Designation
1.	Dr. Ravi Gupta	Independent Director	Member
2.	Ms. Rashmi Dhariwal	Independent Director	Member
3.	Mr. Raj P. Gandhi	Director	Member

The Audit Committee invites such executives, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meeting.

Meeting

The Audit Committee met 2 (two) times during the financial year 2019-20 on September 23, 2019 and February 28, 2020.

The attendance of members at the meetings held during the financial year 2019-20 were as follows:

S. No.	Name of Member	No. of meetings attended
1.	Dr. Ravi Gupta	2
2.	Ms. Rashmi Dhariwal	1
3.	Mr. Raj Pal Gandhi	2

ii) Nomination and Remuneration Committee

The Composition and terms of reference of the Nomination and Remuneration Committee satisfy the requirements of Sections 178 of the Act.

Composition of the Committee at the end of Financial Year was as follows:

S. No.	Name	Category	Designation
1.	Dr. Ravi Gupta	Independent Director	Member
2.	Ms. Rashmi Dhariwal	Independent Director	Member
3.	Mr. Ravi Kant Jaipuria	Director	Member
4.	Mr. Vishesh Shrivastav	Director	Member

Meetings

Nomination & Remuneration Committee met 2 (two) times during the financial year 2019-20 on September 23, 2019 and February 07, 2020.

The attendance of members at the meetings held during the financial year 2019-20 were as follows:

S. No.	Name of Member	No. of meetings attended
1.	Dr. Ravi Gupta	2
2.	Ms. Rashmi Dhariwal	2
3.	Mr. Ravi Kant Jaipuria	2
4.	Mr. Vishesh Shrivastav	0

iii) Investment and Borrowing Committee

The Composition and terms of reference of the Investment and Borrowing Committee satisfy the requirement of the Companies Act, 2013. The Board of Directors of the Company have delegated the authority to the Investment and Borrowing Committee to take decisions related to loan, investments, borrowings etc.

Composition of the Committee at the end of Financial Year was as follows:

S. No.	Name	Category	Designation
1.	Mr. Raj P. Gandhi	Director	Chairman
2.	Mr. Virag Joshi	Director	Member
3.	Mr. Sanjeev Arora	Director	Member

Meetings

Investment and Borrowing Committee met 2 (two) times during the financial year 2019-20 on July 25, 2019 and January 24, 2020.

The attendance of members at the meetings held during the financial year 2019-20 were as follows:

S. No.	Name of Member	No. of meetings attended
1	Mr. Raj P. Gandhi	2
2	Mr. Virag Joshi	2
3	Mr. Sanjeev Arora	2

REMUNERATION POLICY

The policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 of the Act was adopted by the Board on the recommendation of Nomination and Remuneration Committee of the Company. The Nomination and Remuneration Policy of your Company is uploaded on the website of the Company at **www.dil-rjcorp.com.**

STATUTORY AUDITORS AND THE AUDITORS' REPORT:

In terms of Section 139 of the Act and the rules made thereunder, M/s. APAS & Co., Chartered Accountants, Firm Registration Number 000340C and M/s. B S R & Co. LLP, Chartered Accountants, Firm Registration Number 101248W/W-100022 were appointed as Joint Statutory Auditors of the Company to hold office until the conclusion of the 31st Annual General Meeting i.e. upto March 31, 2022.

M/S BSR & CO. LLP, Chartered Accountants (Firm Registration No: 101248W/W-100022), the Joint Statutory Auditors of the Company resigned vide their resignation vide its letter dated January 24, 2020.

To fill the casual vacancy caused by resignation of M/S BSR & CO. LLP, Chartered Accountants, the Joint Statutory Auditors, M/s. Walker Chandiok & Co. LLP, Chartered Accountants, (Firm Registration No: 001076N/N500013) were appointed in the Extra Ordinary General Meeting of the Company held on March 11, 20120, as the Joint Statutory Auditors of the Company for financial year ending March 31, 2020 to hold office till the conclusion of the 29th Annual General Meeting of the Company.

The Auditors' Report on the standalone financial statement contains a qualification in respect of Company not providing for any impairment allowance /loss in regard to its Investment in the Step down subsidiary of the Company namely, Devyani International (Nigeria) Ltd.

Your Board is of the view that the decline in the carrying value of the long term investment in the step down subsidiary company was temporary, as the Company had been making profit since last financial year and expected to make profits in the coming years also. Hence no provision was required for Impairment allowance /loss.

Other than the above, the Auditors' remarks are self-explanatory and therefore do not require any further clarification/ explanation from the Board of Directors. The Statutory Auditors have not reported any frauds under Section 143 (12) of the Act.

COST AUDIT

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014 and any amendment thereto, Cost Audit is not applicable to the Company.

SECRETARIAL AUDITORS

Your Board, on the recommendations of the Audit Committee, has appointed M/s. Sanjay Grover & Associates, Company Secretaries to conduct the Secretarial Audit of your Company. The Secretarial Audit Report for the Financial Year 2019-20 is attached to this report as Annexure - 2. The observation contained in the audit report are self-explanatory and therefore do not require any further clarification/ explanation from the Board of Directors.

RISK MANAGEMENT

Your Company has a robust Risk Management Policy which identifies and evaluates business risks and opportunities. The Company recognize that these risks needs to be managed and mitigated to protect the interest of the stakeholders and to achieve business objectives. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions.

INTERNAL FINANCIAL CONTROLS

Pursuant to the provisions of Section 138 of the Act, read with The Companies (Accounts) Rules, 2014, the Board of Directors of the Company had appointed M/s. O.P. Bagla & Co. LLP, Chartered Accountants as an Internal Auditor of the Company for the Financial Year 2019-20.

The Company has in place the adequate internal financial controls with reference to financial statements. During the year such controls were tested and no material weaknesses were observed in operations.

CORPORATE SOCIAL RESPONSIBILITY

In terms of 135, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during immediately preceding financial year, shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. Accordingly, the Board of Directors in their meeting held on 18th January, 2019 have constituted a Corporate Social Responsibility Committee consisting of Mr. Raj P. Gandhi, Mr. Virag Joshi, Ms. Rashmi Dhariwal and Mr. Vishesh Shrivastav. The Company was not required to incur any expenditure on CSR during the year. CSR Policy is uploaded on the website of the Company at www.dil-rjcorp.com.

During the financial year 2018-19, the Company had Net Loss of Rs. 37.89 Crores and accordingly the provisions of Section 135 of the Act related to Corporate Social Responsibility were not applicable on your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Directors state:

(i) that in the preparation of the annual accounts for the Financial Year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2020 and of the Loss of the Company for the period ended on that date;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts have been prepared on a going concern basis;

(v) that proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	The steps taken or impact on conservation of energy	Replacement of inefficient Motors, Installation of LED's at several locations
(ii)	The steps taken by the Company for utilizing alternate sources of energy	-
(iii)	The capital investment on energy conservation equipment's	-

b) Technology absorption

(i)	the efforts made towards technology absorption	-
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	-
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	-

c) Foreign Exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Millions)

Foreign Exchange Earnings and Outgo

PARTICULARS	Year Ended March 31, 2020	Year Ended March 31, 2019
Earnings in foreign currency	106.44	76.87
Outgo in foreign currency:		
Value of Imports (CIF)		
Capital Goods	-	11.91
Stores, Spares, Raw Material & Trading goods	27.53	61.66
Expenditure in foreign currency		
Travelling & Others	5.02	10.48
Royalty & Other Fee	37.80	49.81

VIGIL MECHANISM / WHISTLE BLOWER POLICY

To comply with the provisions of Section 177 of the Act, the Company has adopted a Vigil Mechanism / Whistle Blower Policy for employees of the Company. Under the Vigil Mechanism Policy, the protected disclosures can be made by a victim through a letter to the Chairperson of the Audit Committee.

The Policy provides for adequate safeguards against victimization of employees and Directors and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases. No personnel of the Company has been denied access to the Audit Committee.

The main objective of this policy is to provide a platform to Directors and employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company which have a negative bearing on the organization either financially or otherwise.

This policy provides an additional channel to the normal management hierarchy for employees to raise concerns about any breach of the Company's Values or instances of violations of the Company's Code of Conduct. Therefore, it's in line with the Company's commitment to open communication and to highlight any such matters which may not be getting addressed in a proper manner. During the year under review, no complaint under the Whistle Blower Policy was received.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 a copy of the Annual Return is uploaded on the website of the Company at **www.dil-rjcorp.com.**

PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with respect to the employees of the Company will be provided upon request and is available for inspection by the members at the Registered Office and Corporate Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

HUMAN RESOURCES

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation. We have also set up a scalable recruitment and human resources management process which enables us to attract and retain high caliber employees. Our employee partnership ethos reflects the Company's longstanding business principles and drives the Company's overall performance with the prime focus to identify, assess, groom and build leadership potential for future.

COMPLIANCE WITH SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.

The Company is in regular compliance of the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Your Company has adopted a Policy as per the provisions of the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received/pending relating to sexual harassment during the year under review

GENERAL

Your Directors confirm that no disclosure or reporting is required in respect of the following items as there was no transaction on these items during the year under review:-

1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
2. The Whole-time Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Issue of Sweat Equity Shares.
5. There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

ACKNOWLEDGEMENTS

Your Company's organizational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilization of the Company's resources for sustainable and profitable growth.

Your Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the various Government Authorities, the Banks / Financial Institutions and other stakeholders such as, members, customers and suppliers, among others. Your Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. Your Directors look forward to their continued support in future.

For and on behalf of Board of Directors of
Devyani International Limited

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN No.: 01821240

Place : Gurugram
Date : September 09, 2020

ANNEXURE - 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts (Rs. in Millions)

S. No.	Particulars	Details	Details	Details	Details	Details	Details
1.	Name of the subsidiary	Devyani Food Street Private Limited	Devyani Airport Services (Mumbai) Pvt. Ltd.	Devyani International Nepal Private Limited	RV Enterprizes Pte. Ltd.	Devyani International (Nigeria) Limited – Step down subsidiary (Subsidiary of RV Enterprizes Pte. Ltd.)	Devyani International UK Private Limited
2.	The date since when subsidiary was acquired	14.04.2010	01.05.2013	02.07.2008	31.01.2011	31.01.2011	23.03.2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01.04.2019 to 31.03.2020	From 01.04.2019 to 31.03.2020	From 01.04.2019 to 31.03.2020	From 01.04.2019 to 31.03.2020	From 01.04.2019 to 31.03.2020	From 01.04.2019 to 31.03.2020
4.	Reporting currency	INR(₹)	INR(₹)	INR(₹)	INR(₹)	INR(₹)	INR(₹)
5.	Share capital	89.09	60.00	26.77	922.69	127.96	350.82
6.	Other Equity	(217.99)	(746.75)	5.45	68.99	(2,051.99)	(800.44)
7.	Total assets	703.49	703.02	298.05	1,328.91	727.99	3,328.70
8.	Total Liabilities	703.49	703.02	298.05	1,328.91	727.99	3,328.70
9.	Investments	-	-	-	49.87	-	-
10.	Turnover	1,062.00	531.16	361.81	10.90	1,143.14	401.97
11.	Profit(Loss) before tax	32.21	208.10	6.68	(8.28)	(307.21)	(438.26)
12.	Tax expense	(10.91)	-	(2.35)	-	(5.15)	-
13.	Other Comprehensive Income	0.27	1.95	1.04	77.84	41.55	(17.76)
14.	Total Comprehensive Income for the Year (Net of Tax)	21.57	210.05	5.37	69.56	(270.81)	(456.02)
15.	Proposed Dividend	-	-	-	-	-	-
16.	% of shareholding	100%	51%	100%	87%	*68.51%	100%

**The figure represents 87% of the total shareholding of RV Enterprizes Pte. Ltd. i.e. 68.51% in Devyani International (Nigeria) Ltd.*

Notes: 1. Names of subsidiaries which are yet to commence operations: Nil, 2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	The Minor Food Groups (India) Private Limited
1. Latest audited Balance Sheet Date	31.03.2020
2. Shares of Associate/Joint Ventures held by the Company on the year end	The Minor Food Group India Pvt. Ltd
Amount of Investment in Associates/Joint Venture	Rs. Nil (Investment 72.32 Millions and Provision for impairment Rs 72.32 Millions)
Extend of Holding%	30 %
3. Description of how there is significant influence	Devyani International Limited holds 30% of the equity share capital.
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-
6. Profit/(Loss) for the year	
i. Considered in Consolidation	Rs. Nil
ii. Not Considered in Consolidation	Rs. Nil

Notes:

1. Names of associates or joint ventures which are yet to commence operations: Nil.

2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of Board of Directors of
Devyani International Limited

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN No.: 01821240

Place : Gurugram
Date : September 09, 2020

ANNEXURE - 2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Devyani International Limited
(CIN: U15135DL1991PLC046758)
F-2/7 Okhla Industrial Area Phase-I,
New Delhi-110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Devyani International Limited** (hereinafter called the Company) which is an unlisted company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We report that:

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

We have also examined compliance of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, compliance of which need to be further strengthened. Further, the Company was generally regular in filing of Forms with the Registrar of Companies.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(iv) The Company is engaged in the business of developing, managing and operating quick services restaurants for brands – Pizza Hut, KFC, Costa and Vangoo. As informed by the Management, Food Safety & Standards Act, 2006 and Rules made thereunder are specifically applicable to the company.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company, which can be further strengthened.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in case(s) where meeting was convened at a shorter notice in accordance with the provisions of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that members in the Annual General Meeting held on 26.09.2019:

- Pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Act (including any statutory modifications or re-enactment thereof for the time being in force) and such other provisions applicable if any, the members of the Company has passed a Special resolution to make/give loan/advances/investments, to give guarantee or provide security in connection with any loan to any other bodies corporate/ firms / person from time to time and on such terms and conditions as the Board of directors may deem fit, provided that the aggregate amount shall not exceed Rs. 1000.00 crores (Rupees One Thousand Crores only) at any time together with the existing loans, investments made, guarantee given or securities provided in connection with the loan.

- Pursuant to the provisions of Section 180 (1) (c) and other applicable provisions of the Act including such other provisions/ modifications and re-enactments if any, has passed a special resolution and authorized Board of Directors to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, not to exceed Rs. 1000 Crores (Rupees One Thousand crores only) over and above the aggregate of the paid-up share capital and free reserves of the Company.
- Pursuant to the provisions of Section 180 (1) (a) and other applicable provisions of the Act including such other provisions/ modifications and re- enactments if any has passed a special resolution and authorized Board of Directors to mortgage and/or charge any of its movable and / or immovable properties, wherever situated, both present and future or to sell, lease or otherwise dispose off, the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage/and or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as the Board in its absolute discretion thinks fit, on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or lender together with interest, cost, charges and expenses thereon for amount not exceeding Rs. 1000 Crores (Rupees One Thousand crores only) at any point of time.

We further report that Members in their Extra Ordinary General Meeting held on 11.03.2020 pursuant Section 62 and Section 42 of the Act and such others rules and regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) has passed a special resolution for creating, offering, issuing and allotting at an appropriate time, in one or more tranches in aggregate 5,308,333 (Fifty Three Lac Eight Thousand Three Hundred and Thirty Three) Equity shares each at a price of Rs. 433.28 per share [having a face value of Rs. 10 and a premium of Rs. 423.28 per share] aggregating to Rs. 2,300,000,000 (Two Hundred Thirty Crores only) to M/s. Yum Restaurants (India) Private Limited on preferential basis.

For Sanjay Grover & Associates
Companies Secretaries
Firm Registration No.: P2001DE052900

Place : New Delhi
Date : September 09, 2020

Mohinder Paul Kharbanda
Partner
FCS No.2365
CP No. 22192
UDIN: F002365B000684981

Management Discussion & Analysis

Industry Overview & Outlook

The Indian Restaurant and Food Services Industry has seen consistent growth during the past decade and continues to expand rapidly. The Quick Service Restaurants (QSR) market in India is projected to grow at a CAGR of over 18% during 2021-2025 The prime reasons attributable for such a healthy growth are entry of various national and international players in the QSR space, increasing urbanization, rapid expansion in food delivery services, expanding young & working population, growing number of dual-income families and rising disposable income in the country.

Impact of COVID-19

As per National Restaurants Association of India (NRAI), COVID-19 pandemic and the nationwide lockdown have adversely impacted the overall food service business in varying degrees. However, trusted credible brands in the organized service sector are expected to gain market share over the unorganized sector brands. The trends in the food industry are expected veer online food ordering, increased share of delivery and take away mix, changed customer perceptions about product consumption and services, higher emphasis on hygiene and safety among businesses and customers alike, and exponential rise in digitalization owing to greater focus on contactless and safer transactions. However, dine-in services are expected to rise at some point in time as the people's preference of going out with families and friends is not going to change.

As a QSR company driven by expertise in Pizza Product and specialty in the KFC Product , we expect much stronger business recovery in the coming months, as we have seen improvement in our takeaway and delivery orders. We have also introduced effective safety and sanitization protocols specific to the COVID-19 virus and ensured contact-less delivery through our supply aggregators across all operating restaurants in the country. This safety and sanitization protocols has been introduced as an additional precautionary measure to ensure the safety of both customers and the delivery staff.

Key Drivers for Growth & Opportunity

India is extensively evolving in the food and beverages services industry. The Indian food and beverage industry has a huge potential and there are number of key drivers that influence this growth in the industry as explained below:

Favorable Demographic Profile	Rising disposable incomes, dual income families and higher percentage of young and working professionals expected to drive a multi-fold growth in the industry
Increased Urbanization and Nuclearisation of Families	Increased urbanization and growing nuclear families leading a change in lifestyle patterns, spending habits and food consumption preferences
Growing Tourism & Evolving Food Preferences	Growing awareness of western culture and an increase in travel and tourism across the globe has resulted in growing preference for a blend of international and fusion cuisines
Food Aggregators	The convenience of food delivery partners at the door-step and swiftness in order handling has led to an increase in online ordering and food delivery in the domestic market
Internet & Social Media	Advent of internet access, smartphones and social media platforms and influencers are aiding the growing of the food and beverage industry

Business Overview

About Us

Devyani International Limited (DIL, the Company) is one of the prominent players in the Quick Service Restaurants (QSR) segment in India. The Company commenced operations in the year 1996 and is the franchisee of KFC, Pizza Hut, and Costa Coffee in India. The Company is the exclusive franchise partner for TWG Tea, one of the world's largest luxury tea chains, in the Indian market and through its subsidiary in the UK market. DIL, through its subsidiaries, is also a franchisee of KFC and Pizza Hut for Nepal and KFC in Nigeria. With a strong and distinguished track record and a solid expertise of over 2 decades in the QSR segment, the Company also launched its own brand 'Vaango', a world class south Indian QSR chain, in the year 2011. DIL further operates a 'Food Courts, Restaurants and Bars' (FRB) vertical, under which it houses brands such as 'The Food Street' and 'Ckrushh' apart from others. Currently, under this vertical DIL operates outlets across Food Courts at Airports, Malls, Highways, and Hospitals.

Headquartered in Gurgaon, DIL currently has a growing presence across India, Nepal and Nigeria, operating 718 restaurants and outlets in these regions.

Timeline

1996
DIL signed development agreement and franchise agreement for Pizza Hut to be opened in North India

2001
a) Acquired East India Territory
b) Acquired Speciality Restaurants Pvt Ltd

2002
Speciality Restaurants Pvt Ltd merged in DIL

2004
DIL signed a franchise agreement for KFC with Yum! and for Costa Coffee with Whitbread

2005
Costa Coffee became operational.

2009
a) Opens PH & KFC in Nepal; KFC in Nigeria
b) Devyani Food Street Pvt. Ltd. ("DFSPL") formed in a JV with Delhi International Airport Ltd (DIAL) in 60:40 ratio

2011
a) PHD opened in Nepal; Acquired food court at Hyderabad Airport in DIL, at T3, Delhi through 60% JV - DSSHPL
b) ICICI Ventures invested in DIL to acquire 10.53% equity.

2012
DIL launched its own brand for South Indian QSR - Vaango

2013
Devyani Airport Services Mumbai Pvt Ltd formed in a JV in 51:49 ratio

2014
a) DSSHPL merged into DFSPL
b) DIL acquired PHD outlets from Yum in West & South India
c) Temasek invested in DIL to acquire 15.38% equity
d) DIL acquired the balance 40% stake in DFSPL from DIAL

2017
a) DIL set up a subsidiary in UK and signed a franchisee for TWG Tea
b) Equity stake of ICICI Ventures in DIL bought back by promoters

2019
DIL entered into a Business Transfer Agreement with Yum Restaurants India Pvt. Ltd. for acquisition of 61 KFC outlets located in the States of Karnataka, Andhra Pradesh & Telangana

2019
YRIPL enstered into a Share Purchase Agreement and Share subscription Agreement for equity infusion to the extent of 4.76%.

Symbiotic relationship with Yum! Brands

DEVYANI
INTERNATIONAL LIMITED

Yum!

- End-to-end execution
- Investment in construction of kitchen, restaurant, infrastructure
- Resource management
- Customer management

Core Brands

KFC

Pizza Hut

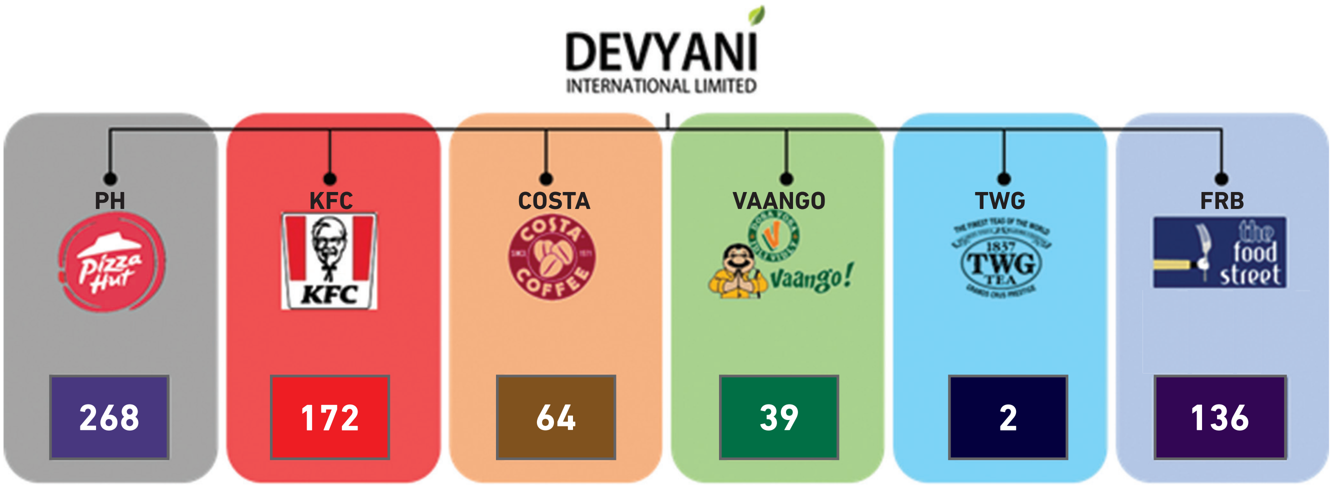
- Owner of trademark
- Recipe Innovation & R&D for new product launches
- Marketing support - ATL
- Global best practices

The Company enjoys a strong, symbiotic and longstanding relationship with Yum! Brands, Inc. (Yum), spanning over two decades, since their entry in India in the year 1996. DIL is Yum's largest franchise partner in India and accounts for over 60% of the restaurants in India, mainly in the North and East markets. The Company has been granted franchise rights in India, as well as for the territories of Nepal and Nigeria.

DIL's Growing Footprint in the Indian market (including Indian subsidiaries)

Year	States	Union Territories	Cities	Restaurants and outlets	Revenue	Employees
FY 20	27	3	139	681	13,758	10,677
FY19	27	3	105	627	11,904	9,791
FY18	24	3	96	530	10,042	7,751

Key Brands / Verticals



No. of Stores

Note: DIL India (including Indian subsidiaries)

PIZZA HUT – FY20 SSSG -3%

Year	States	Union Territory	Cities	Restaurants and outlets	Revenue
FY20	19	3	78	268	4,183
FY19	20	3	80	265	4,276
FY18	19	3	72	252	3,897

DIL is the franchise partner of Yum for Pizza Hut in India. Pizza Hut restaurants operate primarily in two formats, first being the Enhanced Dine-In for fine dine experience and second being Pizza Hut Delivery, which provides the options of dine-in, carry out and delivery.

KFC – FY20 SSSG 3%

Year	States	Union Territory	Cities	Restaurants and outlets	Revenue
FY20	21	2	71	172	6,628
FY19	19	2	49	133	4,654
FY18	17	2	38	98	3,540

DIL is the franchise partner of Yum for KFC in India and is the only franchise partner for KFC in Nepal and Nigeria, through its subsidiaries. KFC is the world's No.1 Chicken QSR restaurant and has industry leading stature across many countries like the UK, Australia, South Africa, China, USA, Malaysia and India.

COSTA COFFEE – FY20 SSSG -4%

Year	States	Union Territory	Cities	Restaurants and outlets	Revenue
FY20	8	2	18	64	820
FY19	9	2	15	68	904
FY18	8	1	13	72	871

DIL is the sole franchisee for Costa Coffee chain in the Indian market. Costa coffee has a range of products catering to the Indian consumers, with varieties of home-grown and exported coffee, tea and cold beverages.

VAANGO – FY19 SSSG -2%

YEAR	STATES	UNION TERRITORY	CITIES	RESTAURANTS AND OUTLETS	REVENUE
FY 20	10	2	17	39	623
FY19	10	2	17	38	591
FY18	8	1	15	34	517

In the year 2011, DIL launched its very own in-house brand 'Vaango', a unique concept-driven restaurant, where one can enjoy authentic South Indian food in a contemporary ambience.

TWG

YEAR	STATES	UNION TERRITORY	CITIES	RESTAURANTS AND OUTLETS	REVENUE
FY 20	-	1	1	2	87
FY19	-	1	1	3	60
FY18	-	1	1	2	14

In 2017, DIL acquired the retail and distribution rights in the Indian and UK markets for TWG Tea, one of the world's largest luxury tea chains, from the Singapore-based 'The Wellbeing Group'.

FOOD COURTS, RESTAURANTS & BARS (FRB) – FY19 SSSG 0%

YEAR	STATES	UNION TERRITORY	CITIES	RESTAURANTS AND OUTLETS	REVENUE
FY 20	9	2	20	136	1,862
FY19	7	2	12	118*	1,318
FY18	4	1	6	69*	1,116

** This number is net of core brand outlets which are shown under respective brands (the total outlets including core brands operated through FRB is 222 in FY20)*

DIL's Food Courts, Restaurants & Bars (FRB) vertical was started in 2009 commencing its operations at Terminal 1, IGI Airport at New Delhi. Encouraged from the success, DIL has since expanded this segment to Airports, Hospitals, Malls, and Highways. FRB, under its umbrella, operates its franchise and own brands like KFC, Pizza Hut, Costa Coffee, Vaango and other small relationship third party brand restaurants. Under this segment, the Company also launched its own brands i.e. The Food street and Foodie Bar apart from others.

Key developments during the year

New Product Launches

Pizza Hut: Pan Refresh Launch in September, 2020 with:

4 New Veg & 6 New Non Veg Pan Pizzas

Veg : Double Paneer Supreme, Tandoori Onion, Veg Kebab Surprise & Veggie Tandoori

Non Veg : Chicken N Corn Delight, Chicken Pepper Crunch, Chicken Tikka Supreme, Double Chicken Sausage, Italian Chicken Feast & Malai Chicken Tikka

2 new pastas : Spiced Tomato Twist (Veg / Non Veg) and Cheesy Comfort (Veg/Non Veg)

2 new appetizers : Indi Rocking Roll and Zesty Pockets (modified erstwhile Tandoori pockets)

2 new Beverages : Lemon Mint Mojito and Pepsi Black

"Kebab- e crust" was launched in Nov-Dec, 2020

KFC: Launched the Zinger Tandoori Burger.

BUSINESS STRENGTHS

Strong Brand Portfolio

DIL operates a unique business model equipped with a growing portfolio of brands and products

- The Company has four strong international brands in its portfolio, namely KFC, Pizza Hut, Costa and TWG addressing demand across diverse food market segments
- Built on the QSR model, the Company also operates restaurants under its own signature brand called Vaango
- Similarly, under its FRB vertical, DIL operates other fast-food brands such as Food Street & Foodies Bar

Extensive Reach / New city expansion strategy

DIL operates multiple restaurants for its brands across all formats covering High Street, Shopping Malls, Airports, Hospitals, Business Hubs and Highways.

- In India, the Company has a growing presence in over 27 States and 3 union territories and is present in over 139 cities, as of today
- The Company also has presence in the airports category and is currently present at the Mumbai, Delhi, Lucknow, Raipur, Trichy, Srinagar, and Hyderabad Airports
- The selection of location is governed by the ability to absorb multiple brands at multiple locations with an exception in case of brand premiumization / rent economization

Corporate Governance

DIL sets very high standards of corporate governance and transparency

- DIL's board is represented by equal number of Independent directors which includes veterans in the fields of business, teaching, taxation, law and finance
- The Company is also backed by a strong and efficient management team who possess vast experience in the restaurant, food and beverages industry

Product Quality

The Company is firmly committed to providing the highest level of food safety, hygienic food handling and highest quality final product to its customers

- For KFC, DIL sources Grade-A chicken locally in India from the highest quality and reputed suppliers who meet international safety norms.
- For Pizza Hut, the dough is freshly made at individual restaurants every morning and raw veggies and meat are procured from a hygienic and trust-worthy supplier, approved by both Yum and DIL
- The Company also has a HACCP certified commissary in Gurgaon, which focuses on manufacturing bread & bakery products

Customer Experience

DIL is continuously investing behind building an efficient & robust infrastructure along with interactive brand communication practices.

- Communication practices strongly aligned with consumer needs and preferences, which are targeted at boosting overall customer experience across all restaurants

- KFC and Pizza Hut brands are aggressively expanding presence across digital platforms and social media interactive platforms such as Facebook, Instagram and host live updates and posts to stimulate consumer connect, receive feedback, and resolve issues accordingly

End-to-end Execution

Over the last two decades of operations, the Company has focused on integrating its several business processes to help build a solid business structure

- Streamlined business processes from conceptualization to execution have enabled DIL to set high business standards in the QSR segment in India

Financial Review

DIL reported a stable operational and financial performance in FY20 despite witnessing a challenging external environment. On a consolidated basis, DIL recorded a growth of 2% Y-o-Y in revenue from operations at INR 1,375.8 crore as against INR 1,344.3 crore in FY20 despite of the pandemic impact during the year. Growth in revenues was primarily driven by healthy performance in KFC, TWG Tea and the Company's FRB vertical.

Strategic investments towards establishing new business of TWG in UK & India, resulted in higher expenses, which impacted profitability. Furthermore, during the year DIL also established presence in four new airports that led to increase in operating expenses. Consolidated PAT during the year stood at a loss of Rs. 59.9 crore.

Particulars (Rs. crore)#	FY20*	FY19	Y-o-Y
Revenue from Operations (Net)	1375.8	1344.3	2%
EBITDA	255.3	80.7	216%
EBITDA margin (%)	18.6%	6.0%	209 bps
Finance Costs	140.2	38.3	266%
Depreciation and amortization expense	207.2	82.9	150%
Impairment loss/(reversal) of non-financial assets	2.4	24.8	90%
Exceptional item	34.5	-	NA
Profit / (loss) for the year	(59.9)	(66.4)	10%

**FY 20 numbers after considering the impact of INDAS 116.*

#financial information pertaining to DIL and Indian subsidiaries.

Corporate Social Responsibility (CSR) or Special Initiatives

DIL, over the years, has championed for social responsibility. The Company employs 87 specially-abled people such as the deaf and dumb workers across its restaurants. One of the restaurants in Gurgaon is run by a team of eight specially-abled employees. The activity was an initiative to provide an opportunity for people with speech and hearing impairments. These special people receive the same compensation and career growth opportunities in the organization. The Company supports them in acquiring necessary skills to perform better in their existing roles and developing them for roles that they would take up in the future. Keeping in mind their special needs, training programmer have been suitably customized without compromising the brand and service standards.

The Company initiated its first ever all-female employee restaurants of 15 members' team in Darjeeling, India. Now, the Company plans to further add such restaurants going forward.

Human Resources

As of March 31, 2020, DIL employed about 10,000 employees globally across various verticals. The Company believes in grooming & training fresh talent, making a long-term investment towards imparting interpersonal and organizational skills, crucial for effective functioning. It has a stringent process set in the system so as to get the best out of the people and place them in the right jobs.

DIL has been certified "Great Place to Work" in the Great Place to Work Survey Study 2018. Talent management has always been a key focus area for the Company. There are also reward and recognition policy to make employees feel valued for work. The Company also has various initiatives encouraging its employees to have a better work life balance, in turn for better productivity.

Awards & Recognitions

- Certified "Great Place to Work" in the GPTW Survey Study 2018
- Costa Coffee & Grid Bar was awarded as Best Outlets at Delhi International Airport (T3 & Domestic) in the Annual Airport Awards 2018
- Pizza Hut has been awarded as the Most Trusted Food Service Brand by The Times of India for 13 Years in a Row

Outlook

For India, all businesses have been severely impacted due to on spread of the pandemic COVID-19. Due to this there will be an increased focus on the health and sanitization. In the QSR industry established brands will have to adopt more rigorous practices to ensure safe and quality food for the customers. Delivery and take away will be the prime drivers of revenue as compared to the dine-in business volume. In view of the same the entire business models needs to be relooked with a focus on technology, hygiene and safety being the key elements. The seating capacities of the restaurants may fall to adhere to the social distancing norms which may have impact on the business volume. Further contactless delivery and digital payments will be the way to go.

On the strategy front, the Company has been making significant strides towards transforming its business model to deliver a stellar customer experience, value-for-money products and significantly enhance its sales across business verticals. The Company's various business brands and verticals are expanding presence into newer markets and are steadily looking at opening new restaurants on a pan-India basis. So DIL will continue to invest behind growth for all its high-performing business verticals. The Company also remains confident of continuing its growth momentum in the years ahead. There are ample growth opportunities in the domestic market space as consumption pattern remain far stronger than before. With improving demand conditions, changing consumer preferences towards eating-out and ordering-in from leading QSRs and rapidly rising per capita consumption, the Company is well positioned to leverage on the high-potential opportunities and grow business across pan-India.

INDEPENDENT AUDITORS' REPORT

To the Members of

Devyani International Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Devyani International Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 43 to the standalone financial statements for the year ended 31 March 2020, the Company has a long term investment in RV Enterprizes Pte. Limited., Singapore ('Subsidiary') in form of equity shares, preference shares and loan (including interest accrued thereon) granted to the Subsidiary amounting to INR 108.93 million, INR 612.02 million and INR 327.24 million, respectively, as at 31 March 2020. Majority of the funds invested in / granted to the Subsidiary have been further invested in / granted to Devyani International (Nigeria) Limited (a subsidiary of R V Enterprizes Pte. Limited refered to as 'Step down subsidiary'). In view of continuing losses and increasing uncertainty of achieving the estimated cash flows in relation to this Step Down Subsidiary, we are unable to determine whether any adjustment is required to the carrying value of the investments in the Subsidiary and loan (including interest accrued thereon) granted to the Subsidiary as at the year-end, along with its consequential impact on the accompanying standalone financial statements.

   The above matter was also reported as a qualification in the audit report dated 23 September 2019 issued by the predecessor joint auditors on the standalone financial statements of the Company for the year ended 31 March 2019.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

5. We draw attention to Note 55 of the accompanying standalone financial statements, which describes the uncertainties relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date. The extent of the impact of these uncertainties on the Company's operations is significantly dependent on future developments.

   Our opinion is not modified in respect of this matter.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

13. The standalone financial statements of the Company for the year ended 31 March 2019 were jointly audited by the predecessor joint auditor, B S R & Co. LLP, Chartered Accountants and current joint auditor, APAS & Co., Chartered Accountants, who have expressed a qualified opinion on those standalone financial statements vide their audit report dated 23 September 2019.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

15. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

16. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) the matter described under the Basis for Qualified Opinion section and the matter described under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;

f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 09 September 2020 as per Annexure B expressed modified opinion; and

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

   i. the Company, as detailed in Note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

   ii. the Company, as detailed in Note 19 to the standalone financial statements, has made provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN: 20501531AAAAEA3459

Place: Gurugram
Date: 09 September 2020

L-41, 1st Floor, Connaught Place,
New Delhi 110 001

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 20520078AAAAGK2463

Place: Gurugram
Date: 09 September 2020

606, 6th Floor, PP City Centre,
Road No. 44, Pitampura,
New Delhi 110 034

Annexure A to the Independent Auditor's Report of even date to the members of Devyani International Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets in the nature of property, plant and equipment, right of use, investment properties and intangible assets.

(b) The Company has a regular program of physical verification of its fixed assets in the nature of property, plant and equipment, right of use, investment properties and intangible assets under which such assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets in the nature of property, plant and equipment, right of use, investment properties and intangible assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title/lease deeds of all the immovable properties (which are included under the head 'property, plant and equipment', 'right-of-use assets and 'investment properties') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loans to the companies covered in the register maintained under Section 189 of the Act and in respect of which:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/ receipts of the principal amount and the interest are regular; and

(c) there is no amount which is overdue for more than 90 days in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues:

Name of the Statute	Nature of the dues	Amount (Rs. in million)	Amount paid under Protest (INR Million)	Period to which amount relates	Forum where dispute is pending
Rajasthan Value Added Tax	Value Added Tax	9.62	0.73	Financial year ("F.Y.") 2009 - 10, F.Y. 2010-11 and F.Y. 2011-12	Hon'ble Rajasthan High Court and Rajasthan Tax Board
Kerala Value Added Tax	Value Added Tax	0.12	0.02	F.Y. 2016-17	Hon'ble High Court of Kerala
Telangana Value Added Tax	Value Added Tax	0.70	-	January 2013 – September 2014	High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh
Gujrat Value Added Tax	Value Added Tax	1.84	-	F.Y. 2014-15 F.Y. 2015-16	Dy. Commissioner Appeals (First Appellate Authority)
Gujrat Value Added Tax	Value Added Tax	0.94	-	F.Y. 2016-17 F.Y. 2017-18	Tribunal, Gujrat Value Added Tax
Service Tax (Finance Act 1994)	Service Tax	6.36	-	F.Y. 2007-08 to F.Y. 2012-13	Excise and Service Tax Appellate Tribunal
Central Goods and Services Tax Act, 2017.	Goods & Service Tax	0.31	0.15	F.Y. 2019-20	Assistant Commissioner (ST), Sitharampuram, Andhra Pradesh
Income-tax Act 1961	Income Tax	0.28	-	Assessment Year ("A.Y.") 2011-12	Commissioner of Income tax (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures and loan from government during the year.

(ix) In our opinion, the Company has applied the term loans for the purposes for which they were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN: 20501531AAAAEA3459

Place: Gurugram
Date: 09 September 2020

L-41, 1st Floor, Connaught Place,
New Delhi 110 001

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 20520078AAAAGK2463

Place: Gurugram
Date: 09 September 2020

606, 6th Floor, PP City Centre,
Road No. 44, Pitampura,
New Delhi 110 034

Annexure B to the Independent Auditor's Report of even date to the members of Devyani International Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Devyani International Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

   Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

   Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

   Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2020:

   The Company's internal financial control over financial reporting with respect to the assessment of recoverability of carrying value of its investments and loans to subsidiaries (as explained in Note no 43 to the standalone financial statements) as per the applicable accounting standards, were not operating effectively, which could potentially result in material misstatements in the carrying value of the investments, loans and its resultant impact on loss, reserves and surplus and related disclosures in respect thereof as at and for the year ended 31 March 2020.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2020, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN: 20501531AAAAEA3459

Place: Gurugram
Date: 09 September 2020

L-41, 1st Floor, Connaught Place,
New Delhi 110 001

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 20520078AAAAGK2463

Place: Gurugram
Date: 09 September 2020

606, 6th Floor, PP City Centre,
Road No. 44, Pitampura,
New Delhi 110 034

STANDALONE BALANCE SHEET
As at 31 March 2020

(INR in millions, except for share data and if otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019#
Assets			
Non-current assets			
Property, plant and equipment	3A	3,842.83	3,664.33
Capital work-in-progress	3B	62.97	45.40
Right-of-use assets	3C	6,416.05	-
Investment properties	3D	413.99	-
Goodwill	4	228.06	9.49
Other intangible assets	5	393.18	320.99
Investments in subsidiaries and joint venture	6A	965.39	1,316.21
Financial assets			
(i) Investments	6B	19.18	17.45
(ii) Loans	7	1,416.05	1,244.47
(iii) Other financial assets	8	164.12	23.26
Income tax assets (net)	33	70.63	65.58
Other non-current assets	9	35.76	151.63
Total non-current assets		14,028.21	6,858.81
Current assets			
Inventories	10	513.33	361.51
Financial assets			
(i) Trade receivables	11	328.23	425.74
(ii) Cash and cash equivalents	12	23.10	166.74
(iii) Bank balances other than cash and cash equivalents	13	25.39	2.30
(iv) Loans	7	93.27	125.89
(v) Other financial assets	8	36.72	5.66
Other current assets	9	141.37	158.65
Total current assets		1,161.41	1,246.49
Total assets		15,189.62	8,105.30
Equity and liabilities			
Equity			
Equity share capital	14	1,061.67	1,061.67
Other equity	15	(904.73)	1,645.73
Total equity		156.94	2,707.40

Particulars	Notes	As at 31 March 2020	As at 31 March 2019#
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	2,794.92	2,730.03
(ii) Lease liabilities	16	7,551.81	-
(iii) Other financial liabilities	19	59.22	36.79
Provisions	20	96.70	115.86
Other non-current liabilities	21	10.31	6.51
Total non-current liabilities		10,512.96	2,889.19
Current liabilities			
Financial liabilities			
(i) Borrowings	18	777.09	486.53
(ii) Trade payables	22		
(a) total outstanding dues of micro and small enterprises		18.56	19.99
(b) total outstanding dues of creditors other than micro and small enterprises		1,221.37	944.84
(iii) Lease liabilities	16	856.95	-
(iv) Other financial liabilities	19	1,472.69	892.67
Other current liabilities	21	134.15	138.13
Provisions	20	38.91	26.55
Total current liabilities		4,519.72	2,508.71
Total equity and liabilities		15,189.62	8,105.30

#The Company has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

STANDALONE STATEMENT OF PROFIT AND LOSS
For the year ended March 2020

(INR in millions, except for share data and if otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019#
Income			
Revenue from operations	23	12,365.23	10,706.25
Other income	24	259.62	95.91
Total income		12,624.85	10,802.16
Expenses			
Cost of materials consumed	25	3,631.87	3,095.07
Purchases of stock-in-trade	26	152.32	165.68
Changes in inventories of stock-in-trade	27	(7.68)	(32.12)
Employee benefits expense	28	1,875.86	1,562.98
Finance costs	29	1,194.00	289.07
Depreciation and amortisation expense	30A	1,785.62	564.37
Impairment of non-financial assets	30B	23.99	82.12
Net (gain)/loss on investment carried at fair value through profit or loss		(1.73)	305.23
Provision for impairment loss in value of investment in subsidiary	6A	-	84.84
Other expenses	31	4,662.82	5,063.84
Total expenses		13,317.07	11,181.08
Loss before execptional items and tax		(692.22)	(378.92)
Exceptional items	32	658.52	-
Loss before tax		(1,350.74)	(378.92)
Tax expense	33		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(1,350.74)	(378.92)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Other comprehensive income	15		
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		1.51	(7.91)
Income tax relating to above mentioned item		-	-
Other comprehensive income / (loss) for the year		1.51	(7.91)
Total comprehensive loss for the year		(1,349.23)	(386.83)
Loss per equity share of face value of INR 10/- each	34		
Basic (INR)		(12.72)	(3.57)
Diluted (INR)		(12.72)	(3.57)

#The Company has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078

For and on behalf of the **Board of Directors of Devyani International Limited**

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

Place: Gurugram
Date: 09 September 2020

STANDALONE CASH FLOW STATEMENT

For the year ended March 2020

(INR in millions, except for share data and if otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flows from operating activities		
Loss before tax	(1,350.74)	(378.92)
Adjustments for:		
Depreciation and amortisation expense	1,785.62	564.37
Impairment loss of non-financial assets	23.99	82.12
Liabilities no longer required written back	(28.77)	-
Loss on disposal of property, plant and equipment	60.91	10.63
Bad debts and advances written off	-	0.69
Loss allowances	25.68	2.90
Provision for impairment loss in value of loans to subsidiary	307.70	-
Unrealised foreign exchange (gain)/loss	(24.78)	16.26
Derivatives at fair value through profit and loss	8.62	5.36
Finance costs	1,194.00	289.07
Employee stock option scheme expense/(reversal)	(10.30)	-
Interest income	(127.09)	(88.72)
Guarantee commission	(0.91)	(5.94)
Net loss/ (gain) on investments carried at fair value through profit or loss	(1.73)	305.23
Provision for impairment loss in the value of investments	350.82	84.84
Gain on extinguishment of lease liability	(18.84)	-
Gain on termination of leases	(19.88)	-
Gain on net investment in finance lease	(18.76)	-
Dividend income	(1.25)	(1.25)
Operating profit before working capital changes	2,154.29	886.64
Adjustments for changes in:		
- trade receivables	76.97	(138.80)
- inventories	(151.82)	(94.94)
- loans, other financial assets, and other assets	(99.81)	(25.43)
- trade payables, other financial liabilities and other liabilities	436.91	99.77
Cash generated from operating activities	2,416.54	727.24
Income tax (paid)/refund (net)	(5.05)	18.37
Net cash generated from operating activities	2,411.49	745.61

	For the year ended 31 March 2020	For the year ended 31 March 2019
B. Cash flows from investing activities		
Payment for property, plant and equipment and other intangible assets acquired under business combination	-	(288.29)
Payment for property, plant and equipment and other intangible assets other than above	(871.35)	(1,008.04)
Proceeds from sale of property, plant and equipment and other intangible assets	7.27	12.75
Deposits made with banks	(23.09)	(175.55)
Proceeds from maturity of deposits	22.96	173.06
Interest received	16.96	28.94
Purchase of non-current investments	-	(131.80)
Loans given	(934.99)	(472.85)
Repayment of loans received	621.67	21.67
Net cash used in investing activities	(1,160.57)	(1,840.11)
C. Cash flows from financing activities#		
Proceeds from long term borrowings	800.00	1,400.00
Repayment of long term borrowings	(615.88)	(577.81)
Proceeds from cash credit facilities from banks (net)	290.56	486.50
Payment of lease liabilities- principal	(683.34)	-
Payment of lease liabilities- interest	(790.68)	-
Interest paid	(395.21)	(258.14)
Net cash (used in)/ generated from financing activities	(1,394.55)	1,050.55
Net decrease in cash and cash equivalents during the year (A+B+C)	(143.63)	(43.95)
Effect of exchange rate changes on cash and cash equivalent held in foreign currency	(0.01)	0.02
D. Cash and cash equivalents at the beginning of the year	166.74	210.67
E. Cash and cash equivalents as at the end of the year (refer note 12)	23.10	166.74

#The Company has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

Notes:

1. The Standalone Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS-7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

	For the year ended 31 March 2020	For the year ended 31 March 2019
2. Changes in liabilities arising from financing activities		
Opening balance of loans:		
Indian rupee term loans	2,980.97	2,127.49
Foreign currency term loans	394.62	396.36
Cash credit facilities from banks	486.53	0.03
Cash flows		
Proceeds from long term borrowings	800.00	1,400.00
Repayment of long term borrowings	(615.88)	(577.81)
Proceeds from cash credit facilities from banks (net)	290.56	486.50
Finance cost paid	(395.21)	(258.14)
Payment of lease liabilities- principal	(683.34)	-
Payment of lease liabilities- interest	(790.68)	-
Non-cash changes		
Finance cost expense	1,194.00	289.07
Foreign currency exchange fluctuations	20.61	(1.38)
Lease liabilities recognised on adoption of Ind AS 116	7,405.01	-
Additions/remeasurement of lease liabilities	1,687.10	-
Closing balance of secured loans		
Indian rupee term loan	3,264.95	2,980.97
Foreign currency term loan	323.49	394.62
Cash credit facilities from banks	777.09	486.53
Lease liabilities	8,408.76	-

3. Significant non cash transactions - acquisition of right-of-use assets and investment properties (refer note 36 and 37).

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 2020

(INR in millions, except for share data and if otherwise stated)

A. Equity share capital

	Note	For the year ended 31 March 2020		For the year ended 31 March 2019	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	14	106,166,666	1,061.67	106,166,666	1,061.67
Changes in equity share capital		-	-	-	-
Balance at the end of the year		106,166,666	1,061.67	106,166,666	1,061.67

B. Other equity

	Reserves and surplus				Other comprehensive income*	Total
	Securities Premium	Employee stock options outstanding account	General reserve	Retained earnings		
Balance as at 1 April 2018 #	4,632.61	110.89	5.47	(2,718.93)	-	**2,030.04**
Loss for the year	-	-	-	(378.92)	-	**(378.92)**
Other comprehensive loss for the year	-	-	-	-	(7.91)	**(7.91)**
Total comprehensive loss for the year	-	-	-	**(378.92)**	**(7.91)**	**(386.83)**
Transferred to retained earnings	-	-	-	(7.91)	7.91	**-**
Employee stock options scheme expenses	-	-	-	-	-	**-**
Employee stock option recoverable ^	-	2.52	-	-	-	**2.52**
Balance as at 31 March 2019	**4,632.61**	**113.41**	**5.47**	**(3,105.76)**	**-**	**1,645.73**
Balance as at 1 April 2019	4,632.61	113.41	5.47	(3,105.76)	-	**1,645.73**
Changes in accounting policy (on account of adoption of Ind AS 116, leases)	-	-	-	**(1,189.04)**	**-**	**(1,189.04)**
Loss for the year	-	-	-	(1,350.74)	-	**(1,350.74)**
Other comprehensive income for the year	-	-	-	-	1.51	**1.51**
Total comprehensive loss for the year	-	-	-	(1,350.74)	1.51	**(1,349.23)**
Transferred to retained earnings	-	-	-	1.51	(1.51)	**-**
Employee stock options scheme expense/ (reversal)	-	(10.30)	-	-	-	**(10.30)**

Financial Statements

	Reserves and surplus				Other comprehensive income*	Total
	Securities Premium	Employee stock options outstanding account	General reserve	Retained earnings		
Employee stock option scheme expense recoverable ^	-	(1.89)	-	-	-	**(1.89)**
Balance as at 31 March 2020	**4,632.61**	**101.22**	**5.47**	**(5,644.03)**	**-**	**(904.73)**

* Other comprehensive income/(loss) represents remeasurement of defined benefit plans (net of tax).

\# The Company has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

^ Employee stock option expenses recoverable from wholly owned subsidiary of the Company in relation to employees in that company.

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

1. Company information/overview

Devyani International Limited (the 'Company') is a public limited company domiciled in India and its corporate office is at Plot No. 18, Sector 35, Gurugram - 122001. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. The Company is primarily engaged in the business of developing, managing and operating quick service restaurants and food courts for brands such as Pizza Hut, KFC, Costa, Vaango, etc., and retail stores for TWG Tea. For details regarding subsidiaries and joint venture of the Company, refer note 38.

Basis of preparation

a. Statement of compliance

The standalone financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The standalone financial statements are prepared on accrual and going concern basis. The Board of Directors can permit revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

b. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or amortized cost (refer note 35), defined benefit obligations (refer note 40) and share based payments (refer note 42).

c. Critical accounting estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the standalone financial statements.

Information about significant areas of estimation / uncertainty and judgments in applying accounting policies that have the most significant effect on the standalone financial statements are as follows: -

- Note 2 (h) and 40 - measurement of defined benefit obligations: key actuarial assumptions.
- Note 2 (a) and (b) - measurement of useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets.
- Note 2 (j) - judgment required to determine probability of recognition of deferred tax assets.
- Note 2 (m) and 35 - fair value measurement of financial instruments
- Note 2 (f) impairment assessment of non-financial assets key assumptions underlying recoverable amount.
- Note 2 (m) impairment assessment of financial assets.
- Note 42 - judgment required to determine grant date fair value technique for employee stock option scheme expenses.
- Note 2 (q) and 35 - fair value measurement of financial guarantee contracts.
- Note 2 (d) and 36 - judgment required to ascertain lease classification, lease term, lease and non-lease component and impairment of ROU.
- Note 2 (g) and 39 - judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.
- Note 2 (b) and 48 - measurement of consideration and assets acquired as part of business combination.

  There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year except for as disclosed in these financial statements.

The Company has applied Ind AS 116 - Leases, for the first time for their annual reporting period commencing 1 April 2019. The Company had to change its accounting policies as a result of adopting Ind AS 116 - Leases. The Company adopted the new standard retrospectively but recognized the cumulative effect of initially applying the new standard on 1 April 2019. Refer note 36 for details. The other amendments did not have any impact on the amounts recognized in earlier periods and are not expected to affect the current period.

d. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to / by the Company.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole.

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value of financial instruments measured at fair value through profit and loss and amortised cost are disclosed in Note 35.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements except for new accounting standards adopted by the Company [refer to 2 d below].

a. Property, plant equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, have been capitalised and disclosed separately under leasehold improvement.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the profit or loss when property, plant and equipment is derecognised.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other subsequent cost are charged to profit or loss at the time of incurrence.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the profit or loss. Depreciation on property plant and equipment is provided on straight line basis based on their useful lives mentioned below and in the manner provided in Schedule II to the Companies Act, 2013.

Asset description	Useful life of asset (in years)
Buildings	30
Plant and equipment	12
Furniture and fixtures	6
Electrical fittings	10
Office equipments	10
Laptops	4
Computers	6
Utensil and kitchen equipments	10
Smallware*	4
Vehicles	5

* Included under the head utensils and kitchen equipment.

Freehold land is not depreciated.

Leasehold improvements are depreciated on a straight line basis over the period of the initial lease term or 10 years, whichever is lower. Any refurbishment of structure is depreciated over a period of 5 years.

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II to the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset.

Depreciation is calculated on a pro rata basis for assets purchased/sold during the year.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

Investment properties

(Recognition and initial measurement)

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit and Loss as incurred.

Properties held under leases are classified as investment properties when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. In case of subleases, where the Company is immediate lessor, the right of use arising out of related sub leases is assessed for classification as investment property.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the straight-line method over the lease period of the right-of-use assets.

Though, the Company measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model acceptable internationally.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of de-recognition.

b. Business combination and intangible assets

Business combination and goodwill

The Company accounts for the business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ('acquisition date'), as are the net identifiable assets (tangible and intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Any goodwill that arises is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquirer. Such amounts are generally recognized in the profit or loss.

Other intangible assets

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the profit or loss when the asset is derecognised.

i. Subsequent cost

Subsequent costs is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognized in profit or loss, as incurred.

ii. Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year. Amortisation has been charged based on the following useful lives:

Asset description	Useful life of assets (in years)
License fee	Period of license
Computer software	6

(Rupees in millions, except for share data and if otherwise stated)

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Intangible assets under development

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

c. Inventories

Inventories consist of raw materials which are of a perishable nature and traded goods. Inventories for traded goods are valued at lower of cost and net realizable value ('NRV'). Raw materials are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their NRV. Cost of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting nonrefundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV is made on at item group level basis at each reporting date.

d. Leases

Transition to Ind AS 116 - Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 - Leases which replaces the existing lease standard, Ind AS 17 - Leases, and other interpretations. Ind AS 116 – Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Accounting policy applicable from 1 April 2019 onwards:

The Company as a lessee

The Company enters into an arrangement for lease of buildings and office equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(Rupees in millions, except for share data and if otherwise stated)

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the standalone financial statements of the Company.

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116 - Leases. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

Accounting policy applicable till 31 March 2019 (In comparative period):

Leased assets

Leases of property, plant and equipment in which significant portion of risks and rewards of ownership are not transferred are classified as operating leases. In determining the appropriate classification, the substance of the transaction rather than the form is considered. In case, the lease arrangement includes other consideration, it is separated at the inception of the lease arrangement or upon a reassessment of the lease arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Lease classification is made at the inception of the lease. Lease classification is changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and are accounted prospectively over the remaining term of the lease.

Lease payments

Lease payments in respect of assets taken on operating lease are charged to the profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

e. Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs, if any.

f. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU'). Goodwill arising from a business combination is allocated to CGU or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money

(Rupees in millions, except for share data and if otherwise stated)

and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Provisions and contingent Liabilities

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

h. Employee benefits

Short term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined Contribution Plans

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. The Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by the laws of India.

The liability recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefits expense in the profit or loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income and transferred to retained earnings.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in profit or loss as past service cost.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Other long term employee benefits

Compensated absences

The Company's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

i. Share based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to eligible employees of the Company and its subsidiaries under the Employee Stock Option Scheme ('ESOS') is recognised as an employee stock option scheme expense in the profit or loss, in relation to options granted to employees of the Company (over the vesting period of the awards) and in relation to options granted to employees of subsidiaries, the amount is disclosed under other financial assets (as receivables from subsidiaries), with a corresponding increase in other equity. The amount recognised as an expense /recoverable from subsidiaries is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

j. Income taxes

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgment is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

k. Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains / (losses) arising on account of realization / settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the profit or loss.

l. Revenue recognition

Under Ind AS 115 - Revenue from Contracts with Customers, revenue is recognised upon transfer of control of promised goods or services to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, performance bonuses, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

Sale of products

Revenue from the sale of products is recognised at a point in time, upon transfer of control of products to the customers which coincides with their delivery and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

Revenue from outdoor catering services is recognised on completion of the respective services agreed to be provided, the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Service income and management fees

Revenue from marketing support services, management fee and auxiliary and business support services are in terms of agreements with the customers and are recognised on the basis of satisfaction of performance obligation over the duration of the contract from the date the contracts are effective or signed provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method.

Dividend income

Dividend income is recognised when the Company's right to receive the payment has been established.

Rental income

Revenue from rentals is recognised on straight-line basis over the period of the contract provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Scrap sale

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Guarantee commission

Guarantee commission is recognised using the effective interest rate method.

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i. Recognition and initial measurement

Trade receivables and debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are attributable to its acquisition or use.

ii. Classification and subsequent measurement

Classification

For the purpose of initial recognition, the Company classifies its financial assets in following categories:

- Financial assets measured at amortised cost;
- Financial Asset Measured at fair value through other comprehensive income ('FVTOCI'); or
- Financial asset measured at fair value through profit or Loss ('FVTPL').

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

  A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI') on the principal amount outstanding.

  A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the profit or loss.

iii. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the profit or loss.

iv. Impairment of financial assets (Other than at fair value)

The Company recognises loss allowances using the Expected Credit Loss ('ECL') model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the profit or loss.

v. Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

I. Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, for an item not at fair value through profit or loss, transaction costs that are attributable to the liability.

II. Classification and subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the profit or loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the profit or loss.

(Rupees in millions, except for share data and if otherwise stated)

III. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

IV. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

V. Derivative financial instruments

'The Company holds derivative financial instruments to hedge its interest rate risk exposures. Such derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

n. Earnings per share

The Company presents basic and diluted earnings per share ('EPS') data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise share options granted to employees.

o. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

p. Investment in subsidiaries and joint ventures

Investment in equity shares of subsidiaries and joint ventures (under Ind AS 27 – Separate Financial Statements) are carried at cost, less any impairment in the value of investment.

Investment in preference shares of subsidiaries are carried at FVTPL, except where the preference shares meet the definition of equity shares as per Ind AS 32 – 'Financial Instruments: Presentation' from the issuer's perspective (i.e., subsidiary), which are carried at cost, less any impairment in the value of investment.

q. Financial guarantee contracts

Financial guarantee contracts issued by the Company are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 – Financial Instruments and the amount recognised less cumulative amortisation.

r. Cash and cash equivalents

Cash and cash equivalents comprises cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

t. Trade receivables

Trade receivables are amounts due from the customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group hold the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using effective interest method, less loss allowance.

u. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options in equity as a deduction, net of tax, from the proceeds.

v. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

w. Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

x. Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the company financial performance.

y. Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of

(Rupees in millions, except for share data and if otherwise stated)

a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

z. Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates, i.e., the functional currency, to be Indian Rupees (INR). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

aa. Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 01 April 2020.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in millions, except for share data and if otherwise stated)

3A Property, plant and equipment

Particulars	Freehold Land	Buildings	Lease hold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross carrying amount											
As at 31 March 2018	103.91	431.93	1,085.38	1,898.74	108.74	75.84	71.03	184.34	159.02	59.59	4,178.52
Acquisitions through business combinations (refer note 48)	-	-	177.90	45.41	5.15	23.51	0.06	6.05	0.01	0.11	258.20
Additions other than above	-	-	362.73	267.44	38.67	0.38	73.88	69.90	70.76	10.09	893.85
Disposals	-	-	58.02	24.94	0.55	1.33	0.60	1.42	2.72	3.32	92.90
As at 31 March 2019	**103.91**	**431.93**	**1,567.99**	**2,186.65**	**152.01**	**98.40**	**144.37**	**258.87**	**227.07**	**66.47**	**5,237.67**
Acquisitions through business combinations (refer note 48)	-	-	44.67	24.03	1.79	-	0.01	1.72	3.85	0.25	76.32
Additions other than above	-	-	223.42	265.31	20.08	7.69	21.02	131.96	55.42	5.46	730.36
Disposals	-	-	34.46	65.99	6.40	2.94	2.70	15.16	14.72	9.00	151.37
As at 31 March 2020	**103.91**	**431.93**	**1,801.62**	**2,410.00**	**167.48**	**103.15**	**162.70**	**377.39**	**271.62**	**63.18**	**5,892.98**
Accumulated depreciation											
As at 31 March 2018	-	15.34	203.22	345.39	34.22	19.39	10.39	65.87	38.23	28.90	760.95
Depreciation	-	12.93	157.15	208.94	23.56	11.00	13.65	39.86	31.48	16.07	514.64
Disposals	-	-	22.01	13.77	0.31	0.82	0.28	0.95	2.39	2.14	42.67
As at 31 March 2019	**-**	**28.27**	**338.36**	**540.56**	**57.47**	**29.57**	**23.76**	**104.78**	**67.32**	**42.83**	**1,232.92**
Depreciation	-	12.93	243.86	208.59	26.21	10.48	15.26	52.14	39.32	10.04	618.83
Disposals	-	-	7.67	25.00	3.75	1.49	0.76	9.64	7.61	8.40	64.32
As at 31 March 2020	**-**	**41.20**	**574.55**	**724.15**	**79.93**	**38.56**	**38.26**	**147.28**	**99.03**	**44.47**	**1,787.43**
Accumulated impairment											
As at 31 March 2018	-	41.96	84.62	134.67	8.10	4.47	4.15	10.79	2.30	5.43	296.49
Impairment loss (refer note 45)	-	15.06	46.90	67.67	3.72	2.28	2.97	3.53	7.58	0.85	150.56
Impairment (reversal) (refer note 45)	-	(14.75)	(9.94)	(38.01)	(1.74)	(1.27)	(1.15)	(3.22)	(1.30)	(1.80)	(73.18)
Disposals	-	-	22.70	9.00	0.08	0.49	0.22	0.03	0.12	0.81	33.45
As at 31 March 2019	**-**	**42.27**	**98.88**	**155.33**	**10.00**	**4.99**	**5.75**	**11.07**	**8.46**	**3.67**	**340.42**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Freehold Land	Buildings	Lease hold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Impairment loss (refer note 45)	-	-	39.35	68.26	2.43	2.57	3.05	3.17	2.56	0.13	121.52
Impairment (reversal) (refer note 45)	-	(18.10)	(51.71)	(81.77)	(3.52)	(2.92)	(3.28)	(6.69)	(4.61)	(0.74)	(173.34)
Disposals	-	-	12.70	10.00	0.73	0.63	0.26	1.16	0.17	0.23	25.88
As at 31 March 2020	**-**	**24.17**	**73.82**	**131.82**	**8.18**	**4.01**	**5.26**	**6.39**	**6.24**	**2.83**	**262.72**
Net carrying amount											
As at 31 March 2019	**103.91**	**361.39**	**1,130.75**	**1,490.76**	**84.54**	**63.84**	**114.86**	**143.02**	**151.29**	**19.97**	**3,664.33**
As at 31 March 2020	**103.91**	**366.56**	**1,153.25**	**1,554.03**	**79.37**	**60.58**	**119.18**	**223.72**	**166.35**	**15.88**	**3,842.83**

Note:

i) For details regarding charge on property, plant and equipment- refer note 17.

ii) For details regarding capitalisation of expenses incurred during construction period- refer note 44.

iii) For details regarding contractual commitments for the acquisition of property, plant and equipment- refer note 39.

(Rupees in millions, except for share data and if otherwise stated)

3B. Capital work-in-progress

Particulars	Amount
As at 1 April 2018	26.42
Additions	83.31
Transfers to property, plant and equipment	64.33
As at 31 March 2019	**45.40**
Additions	57.98
Transfers to property, plant and equipment	40.41
As at 31 March 2020	**62.97**

3C. Right-of-use assets (refer note 36)

Particulars	Amount
Gross carrying amount	
As at 1 April 2019	-
Recognition on transition to Ind AS 116, Leases	5,820.69
Additions	1,420.99
Adjustments on account of remeasurement/modification	379.72
Disposals	(64.42)
As at 31 March 2020	**7,556.98**
Accumulated amortisation	
As at 1 April 2019	**-**
Amortisation	1,059.36
Disposals	-
As at 31 March 2020	**1,059.36**
Accumulated impairment	
As at 1 April 2019	**-**
Impairment loss (refer note 45)	81.57
Impairment (reversal) (refer note 45)	-
Disposals	-
As at 31 March 2020	**81.57**
Net carrying amount as at 31 March 2020	**6,416.05**

3D. Investment properties (refer note 36 read with note 37)

Particulars	Amount
Gross carrying amount	
As at 1 April 2019	
Recognition on transition to Ind AS 116, Leases	470.66
Additions	5.90
Disposals	(9.07)
As at 31 March 2020	**467.49**

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Amount
Accumulated amortisation	
As at 1 April 2019	-
Amortisation	52.73
As at 31 March 2020	**52.73**
Accumulated impairment	
As at 1 April 2019	-
Impairment loss (refer note 45)	0.77
Impairment (reversal) (refer note 45)	-
Disposals	-
As at 31 March 2020	**0.77**
Net carrying amount as at 31 March 2020	**413.99**

4. Goodwill

Particulars	Amount
Gross carrying amount	
As at 1 April 2018	-
Acquisitions through business combinations (refer note 48)	9.49
As at 31 March 2019	9.49
Acquisitions through business combinations (refer note 48)	218.58
As at 31 March 2020	**228.06**
Accumulated impairment	
As at 1 April 2018	-
Impairment loss	-
As at 31 March 2019	-
Impairment loss	-
As at 31 March 2020	-
Net carrying amount	
As at 31 March 2019	9.49
As at 31 March 2020	**228.06**

5. Other intangible assets

Particulars	License fee	Computer software	Total
Gross carrying amount			
As at 1 April 2018	271.99	85.39	357.38
Acquisitions through business combinations (refer note 48)	20.60	-	20.60
Additions other than above	121.69	5.97	127.66
Disposals	12.06	0.19	12.25
As at 31 March 2019	**402.22**	**91.17**	**493.39**
Acquisitions through business combinations (refer note 48)	33.91	-	33.91

(Rupees in millions, except for share data and if otherwise stated)

Particulars	License fee	Computer software	Total
Additions other than above	84.64	8.81	93.45
Disposals	13.23	1.00	14.23
As at 31 March 2020	**507.54**	**98.98**	**606.52**
Accumulated amortisation			
As at 1 April 2018	51.37	38.93	90.30
Amortisation	33.13	16.60	49.73
Disposals	2.21	0.07	2.28
As at 31 March 2019	**82.29**	**55.46**	**137.75**
Amortisation	43.63	11.07	54.70
Disposals	3.12	0.50	3.62
As at 31 March 2020	**122.80**	**66.03**	**188.83**
Accumulated impairment			
As at 1 April 2018	25.82	7.39	33.21
Impairment loss (refer note 45)	10.76	1.55	12.31
Impairment (reversal) (refer note 45)	(6.53)	(1.04)	(7.57)
Disposals	3.24	0.06	3.30
As at 31 March 2019	**26.81**	**7.84**	**34.65**
Impairment loss (refer note 45)	10.78	-	10.78
Impairment (reversal) (refer note 45)	(17.31)	-	(17.31)
Disposals	3.43	0.18	3.61
As at 31 March 2020	**16.85**	**7.66**	**24.51**
Net carrying amount			
As at 31 March 2019	**293.12**	**27.87**	**320.99**
As at 31 March 2020	**367.89**	**25.29**	**393.18**

Note: There are no internally generated/ developed intangible assets.

6A. Investments in subsidiaries and joint venture

Particulars	As at 31 March 2020	As at 31 March 2019
Investment in unquoted equity shares		
Valued at cost		
Investments in subsidiaries		
Devyani International (Nepal) Private Limited, a wholly owned subsidiary.		
Principal place of business - Nepal.		
427,966 (previous year: 427,966) equity shares of NPR 100/- each, fully paid up	**26.77**	26.77
Devyani Food Street Private Limited, a wholly owned subsidiary.		
Principal place of business - India.		
8,908,900 (previous year: 8,908,900) equity shares of INR 10/- each, fully paid up	**175.92**	175.92
RV Enterprizes Pte. Limited, Singapore, a subsidiary.		
Principal place of business - Singapore		

(Rupees in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
2,415,579 (previous year: 2,415,579) equity shares of SGD 1 each, fully paid up.		
The Company's shareholding in the above is 87% (refer note 43)	**108.93**	108.93
Devyani International (UK) Private Limited, a wholly owned subsidiary.		
Principal place of business - United Kingdom		
4,050,000 (previous year: 4,050,000) equity shares of GBP 1 each, fully paid up	**350.82**	350.82
Provision for impairment loss in the value of above investment (refer note 32 read with note 52)	**(350.82)**	-
Devyani Airport Services (Mumbai) Private Limited, a subsidiary.		
Principal place of business - India.		
3,060,000 (previous year: 3,060,000) equity shares of INR 10/- each, fully paid up.		
The Company's shareholding in the above is 51%	**84.84**	84.84
Provision for impairment loss in the value of above investment (refer note 51)	**(84.84)**	(84.84)
	311.62	662.44
Investments in joint venture		
The Minor Food Group (India) Private Limited, a Joint Venture.		
Principal place of business - India.		
7,223,144 (previous year: 7,223,144) equity shares of INR 10/- each, fully paid up	**72.32**	72.32
Provision for impairment loss in the value of investment (refer note 53)	**(72.32)**	(72.32)
	-	-
Investment in unquoted preference shares		
Valued at cost		
Investments in subsidiaries		
RV Enterprizes Pte. Limited, Singapore, a subsidiary		
10,953,525 (previous year: 10,953,525) 1% redeemable preference shares of USD 1/- each, fully paid up (refer note 43)**	**612.02**	612.02
Other investments in subsidiaries		
- Guarantee given on behalf of Devyani Food Street Private Limited*	**26.33**	26.33
- Loan given to Devyani International (Nepal) Private Limited^	**3.89**	3.89
- Guarantee given on behalf of Devyani International (Nepal) Private Limited^^	**11.53**	11.53
	41.75	41.75
Aggregate value of unquoted investments in subsidiaries and joint venture	**965.39**	1,316.21
Aggregate provision for impairment in value of investments in subsidiaries and joint venture	**507.98**	157.16
The Company does not have any quoted investments during the current and previous years.		
Provision for impairment loss in value of investments in subsidiaries and joint venture		
Opening provision as at the beginning of the year	**157.16**	72.32
Add: Provision created during the year	**350.82**	84.84
Closing provision as at 31 March 2020	**507.98**	157.16

(Rupees in millions, except for share data and if otherwise stated)

*The Company has given financial guarantee to Yes Bank Limited on behalf of Devyani Food Street Private Limited, a wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee has been fair valued and recorded as an additional investment in the wholly owned subsidiary per generally accepted accounting principles in India.

**The preference shares are redeemable at the option of the subsidiary RV Enterprizes Pte. Limited, Singapore, hence the same are valued at cost considering the investment evidencing a residual interest and in equity nature.

^The Company has given loan to Devyani International (Nepal) Private Limited, a wholly owned subsidiary, at interest rate which is lower than the market rate of interest. Such loan has been fair valued and recorded as additional investment in the wholly owned subsidiary per generally accepted accounting principles in India..

^^The Company has given financial guarantee to Everest Bank Limited on behalf of Devyani International (Nepal) Private Limited, a wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee has been fair valued and recorded as an additional investment in the wholly owned subsidiary.

6B. Investments

Particulars	As at 31 March 2020	As at 31 March 2019
Investment in unquoted preference shares		
Valued at fair value through profit or loss		
Investments in subsidiaries		
Devyani Airport Services (Mumbai) Private Limited, a subsidiary#		
32,631,344 (previous year: 32,631,344) 8% redeemable, non cumulative and non convertible preference share of INR 10/- each, fully paid up	-	-
Devyani International (Nepal) Private Limited, a wholly owned subsidiary		
400,000 (previous year: 400,000) 5% redeemable, non cumulative and non convertible preference shares of NPR 100/- each, fully paid up	**19.18**	17.45
	19.18	17.45
Aggregate value of unquoted investments	**19.18**	17.45

Note: Information about the Company's exposure to credit and market risks, and fair value measurements, is included in note 35.

Such investments have been fair valued and a fair valuation loss through profit and loss has been recorded as at 31 March 2020 INR Nil (previous year: INR 326.31).

7. Loans

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Security deposits (considered good, unsecured)	374.40	324.33	75.23	92.86
Less: loss allowance	-	-	(1.04)	-
	374.40	**324.33**	**74.19**	**92.86**

(Rupees in millions, except for share data and if otherwise stated)

Loans to related parties [considered good, unsecured (refer note 38)]*	493.49	920.14	19.08	33.03
Loans to related parties which have significant increase in credit risk (refer note 38)*	855.86	-	-	-
Less: loss allowance (refer note 32)	(307.70)	-	-	-
	1,041.65	**920.14**	**19.08**	**33.03**
	1,416.05	**1,244.47**	**93.27**	**125.89**

*includes interest accrued on loans to related parties.

Particulars (also refer note 49)	As at 31 March 2020	As at 31 March 2019
1. Unsecured loan of INR 20.00 to Devyani Food Street Private Limited (a) The unsecured loan is repayable in 4 quarterly instalments after completion of 6 months from the date of disbursement. (b) Interest rate is equal to 10% per annum (previous year: 10% per annum). (c) The loan is to be utilised for operational activities carried out by the borrower.	-	5.00
2. Unsecured loan of INR 175.00 to Devyani Airport Services (Mumbai) Private Limited (a) The unsecured loan is repayable in 20 quarterly instalments after completion of 1 year from date of final disbursement. The quarterly instalments will be due on the last day of each quarter. (b) Interest rate is equal to 12% per annum (payable on yearly basis) (c) The loan is to be utilised for operational activities carried out by the borrower.	185.33	-
Unsecured loan of INR 60.00 to Devyani Airport Services (Mumbai) Private Limited (a) The unsecured loan is repayable in 10 equal quarterly instalments commencing from 30 September 2019. (b) Interest rate is equal to 12% per annum (payable on yearly basis). (c) The loan is to be utilised for operational activities carried out by the borrower.	-	63.62
3. Unsecured loan of INR 20.00 to Devyani International (Nepal) Private Limited (a) The unsecured loan is repayable in 12 equal quarterly instalments commencing from 30 June 2015. As per the roll over letter dated 1 June 2015, the outstanding loan will be repayable in 12 equal quarterly instalments commencing from 30 June 2017. (b) The contractual rate of interest rate is 12% per annum, however pursuant to the monetary policy in Nepal, the Nepal Rastra Bank has restricted the interest payable on the outstanding loan at 5.5% per annum (previous year: 5.5% per annum). Thus, the Company recovers interest equal to 5.5% per annum and the difference is accounted for as investment in subsidiary (refer note 6A). (c) The loan is to be utilised for operational activities carried out by the borrower.	-	6.41

(Rupees in millions, except for share data and if otherwise stated)

Particulars (also refer note 49)	As at 31 March 2020	As at 31 March 2019
4. Unsecured loan of INR 774.46 to Devyani International (UK) Private Limited (a) The unsecured loan is repayable with interest on the completion of the term of the loan on 31 December 2023 (b) Interest rate is equal to LIBOR plus 2.5% per annum (previous year: LIBOR plus 2.5% per annum) payable at the maturity of the loan term. (c) The loan will be utilised for meeting the working capital requirements of the borrower.	855.86	592.71
5. Unsecured loan of INR 276.69 to RV Enterprizes Pte. Limited (a) The unsecured loan is repayable in one or more tranches before 31 December 2025. (b) Interest rate is equal to LIBOR plus 3.00% per annum payable at the maturity of the loan term. (c) The loan will be utilised for meeting the working capital requirements of the borrower.	327.24	285.43

8. Other financial assets

Unsecured, considered good

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Bank deposits (due for maturity after 12 months from the reporting date) ^ #	0.30	23.26	-	-
Lease rental receivables	21.59	-	1.04	-
Finance lease receivables	142.23	-	11.19	-
Other receivables*	-	-	24.49	5.66
	164.12	**23.26**	**36.72**	**5.66**
Other receivables (credit impaired)	-	-	2.96	-
Less: loss allowance	-	-	(2.96)	-
	164.12	**23.26**	**36.72**	**5.66**

^Bank deposits include INR 0.30 (previous year : INR 23.26) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

Includes interest accrued but not due on bank deposits amounting to INR 0.08 (previous year: INR Nil).

* Includes receivables from related party INR 1.92 (previous year: INR 5.62). refer note 38.

9. Other assets

Unsecured, considered good

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Capital advances	25.15	23.05	-	-
Other advances:				
- Prepaid expenses	-	-	31.51	22.76

(Rupees in millions, except for share data and if otherwise stated)

- Prepaid rent#	9.70	126.00	1.89	29.37
- Balance with statutory/government authorities	0.91	2.58	57.14	60.43
- Advances to employees	-	-	16.86	4.44
- Advance to suppliers	-	-	34.74	41.65
Less: loss allowance	-	-	(0.77)	-
	35.76	**151.63**	**141.37**	**158.65**

#The Company has adopted Ind AS 116, Leases, w.e.f 1 April 2019 and re-classified prepaid rent related to outlet leases amounting INR 148.15 to right-of-use assets on transition date. Refer note 36 for details.

10. Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realisable value)		
Raw materials including packaging materials [including goods-in-transit of INR Nil (previous year: INR 35.20)]	**458.02**	313.88
Stock-in-trade	**55.31**	47.63
	513.33	361.51

11. Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
- Considered good- unsecured	**328.23**	425.74
- Credit impaired	**23.81**	2.90
	352.04	428.64
Less: loss allowance	**(23.81)**	(2.90)
	328.23	425.74

Sub notes:

Trade receivables includes receivables from related parties, refer note 38.

The carrying amount of trade receivables approximates their fair value, is included in note 35.

The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 35.

(Rupees in millions, except for share data and if otherwise stated)

Details of trade receivables due by directors or other officers of the Company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Alisha Retail Private Limited	-	3.34
Diagno Labs Private Limited	-	1.69
Modern Montessori International (India) Private Limited	**0.34**	0.38
	0.34	5.41

12. Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks :		
- On current accounts	**18.04**	122.15
Cheques on hand	-	0.04
Cash on hand	**4.31**	37.69
Cash in transit	**0.75**	6.86
	23.10	166.74

13. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Other bank balances*		
- On deposit account ^	**25.39**	2.30
	25.39	2.30

*Bank deposits include Rs 25.39 (previous year: INR 0.84) being bank deposits placed as security under lien with various parties.

^ Includes interest accrued but not due on bank deposits amounting to INR 0.01 (previous year: INR 0.01)

14. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
125,000,000 (previous year: 125,000,000) equity shares of INR 10/- each	**1,250.00**	1,250.00
	1,250.00	1,250.00
Issued, subscribed and fully paid -up		
106,166,666 (previous year: 106,166,666) equity shares of INR 10/- each	**1,061.67**	1,061.67
	1,061.67	1,061.67

(Rupees in millions, except for share data and if otherwise stated)

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Equity shares issued, subscribed and fully paid up				
At the beginning of the year	106,166,666	1,061.67	106,166,666	1,061.67
At the end of the year	**106,166,666**	**1,061.67**	**106,166,666**	**1,061.67**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of INR 10/- per share. Each holder of the equity share is entitled to one vote per share and is entitled to dividend declared, if any. The paid up equity shares of the Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholder. Further, Dunearn Investments (Mauritius) Pte Limited ("Dunearn"), one of the shareholders of the Company, enjoys certain exit rights as defined in the Shareholder's Agreement executed with the Company that allows the Company to buyback the equity shares from Dunearn at the option of the Company, in case the Company does not conduct public offering before a specified date.

c) Shares reserved for issue under options and contracts

For terms and other details of shares reserved for issue under Employee Stock Option Scheme ("ESOS") of the Company- refer note 42.

d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	**% holding**	**No. of shares**	**% holding**
Equity shares of INR 10/- each fully paid-up held by:				
-RJ Corp Limited, India, holding and ultimate holding company	81,108,607	76.40	81,108,607	76.40
	81,108,607	**76.40**	**81,108,607**	**76.40**

e) Particulars of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	**% holding**	**No. of shares**	**% holding**
Equity shares of INR 10/- each fully paid-up held by				
-RJ Corp Limited, India, holding company	81,108,607	76.40	81,108,607	76.40
-Dunearn Investments (Mauritius) Pte Limited	16,333,333	15.38	16,333,333	15.38
-Mr. Varun Jaipuria	7,004,726	6.60	7,004,726	6.60

(Rupees in millions, except for share data and if otherwise stated)

f) For the period of five years immediately preceding the date of the Balance Sheet, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding 31 March 2020 and 31 March 2019.

15. Other equity (refer Statement of Changes in Equity)

a) Reserves and Surplus

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium	**4,632.61**	4,632.61
General reserve	**5.47**	5.47
Retained earnings	**(5,644.03)**	(3,105.76)
Employee stock options outstanding account (refer note 42)	**101.22**	113.41
Total	**(904.73)**	1,645.73

a) Securities premium is used to record the premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve are free reserves of the Company which are kept aside out of the Company's profit to meet the future requirements as and when they arise. The Company had, in the previous years, transferred a portion of profit after tax to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956.

c) Retained earnings are the accumulated losses earned by the Company till date, as adjusted for distribution to owners.

d) Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer note 42 for further details of these plans.

b) Other comprehensive income

Other comprehensive income pertains to remeasurement gains/ (losses) on defined benefit plans.

16. Lease liabilities (refer note 36)

Particulars	Non-current		Current portion	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Lease liabilities (unsecured)	7,551.81	-	856.95	-
	7,551.81	**-**	**856.95**	**-**

17. Borrowings

Particulars	Non-current		Current portion	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Term loans (secured) from banks				
Indian rupee term loans	2,578.76	2,433.57	686.19	546.23
Foreign currency term loans (in USD)	216.16	296.46	107.33	98.16
	2,794.92	**2,730.03**	**793.52**	**644.39**

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Non-current		Current portion	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Vehicle loans (secured) from a body corporate	-	-	-	1.17
	2,794.92	**2,730.03**	**793.52**	**645.56**

The information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 35.

*Current portion of long-term borrowings includes interest accrued of INR 6.62 (previous year: INR 8.23) and same has been included in 'Other current financial liabilities'. Refer note 19.

Details of long term borrowings:

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
1	The term loan amounting to INR 1,000 was taken from Axis Bank Limited. Loan amounting to INR 500 was drawn down during the year ended 31 March 2017 and INR 500 during the year ended 31 March 2016. The tenure of the loan is 72 months. The interest rate applicable is Axis Bank base rate +1.30 % presently 10.05% p.a. payable monthly (previous year: 9.85% p.a. payable monthly). Interest rate to be reset on an annual basis. The term loan is secured by: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. Pari passu first charge by way of equitable mortgage on the Company's property at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Second pari passu charge by way of hypothecation on the entire current assets of the Company. Note : The outstanding balance of borrowings is net of unamortised transaction cost of INR 0.90 (previous year : INR 2.06).	The term loan is repayable in 7 quarterly instalments as below mentioned : - 4 instalments during financial year 2020-21 - INR 60 each - 3 instalments during financial year 2021-22 - INR 60 each Period of maturity from the balance sheet date is 21 months.	423.18	-
		The term loan is repayable in 11 quarterly instalments as below mentioned : - 4 instalments during financial year 2019-20 - INR 60 each - 4 instalments during financial year 2020-21 - INR 60 each - 3 instalments during financial year 2021-22 - INR 60 each Period of maturity from the balance sheet date is 33 months.	-	663.85

Financial Statements

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
2	The term loan amounting to INR 300 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 73 months. The interest rate applicable is 10.40% p.a payable monthly (previous year: 9.60% p.a payable monthly). The term loan was secured by : First pari passu charge on all movable property, plant and equipment of the Company both present and future. Second pari passu charge over all current assets of the Company both present and future. First pari passu charge on immovable property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.	The term loan is repayable in 3 annual instalments as below mentioned : - 1 instalment during financial year 2020-21 - INR 60 - 1 instalment during financial year 2021-22 - INR 60 - 1 instalment during financial year 2022-23 - INR 60 Period of maturity from the balance sheet date is 36 months.	181.59	-
		The term loan is repayable in 4 annual instalments as below mentioned : - 1 instalment during financial year 2019-20 - INR 60 - 1 instalment during financial year 2020-21 - INR 60 - 1 instalment during financial year 2021-22 - INR 60 - 1 instalment during financial year 2022-23 - INR 60 Period of maturity from the balance sheet date is 48 months.	-	242.04
3	"The term loan amounting to INR 800 was taken from Ratnakar Bank Limited during the year ended 31 March 2014. The tenure of loan is 66 months including moratorium period of 6 months. The interest rate applicable is 1.25% above RBL base rate presently 10.25 % p.a . (previous year: 10.25 % p.a). The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. Pari passu first equitable mortgage by way of charge on the Company's property at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR Nil (previous year : INR 0.01).	The loan is fully repaid during the financial year 2019-20	-	-
		The term loan is repayable in 1 quarterly instalment as below mentioned : - 1 instalment during financial year 2019-20 - INR 19.69 Period of maturity from the balance sheet date is 3 months. "	-	19.68

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
4	The term loan amounting to INR 150 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 60 months from the date of first disbursement including the 12 month moratorium period. The interest rate applicable was 10.40% (previous year: 9.60% p.a., payable monthly). The term loan was secured by : First Pari passu charge on all property, plant and equipment of the Company (both present and future) with minimum 1 x cover. Unconditional and irrevocable personal guarantee of Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF). Negative lien on industrial property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 till 31 January 2015 post which the lender will have first pari passu charge by way of equitable mortgage. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR Nil (previous year : INR 0.03).	The loan is fully repaid during the financial year 2019-20	-	-
		The term loan is repayable in 1 quarterly instalment as below mentioned : - 1 instalment during financial year 2019-20 - INR 9.38 Period of maturity from the balance sheet date is 3 months.	-	9.35

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
5	The term loan amounting to INR 750 was taken from Ratnakar Bank Limited during the year ended 31 March 2018. The tenure of the loan is 72 months including six months moratorium. The interest rate applicable is 9.10% p.a payable monthly.(previous year: 9.70% p.a.). The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment, both present and future. Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note : The outstanding balance of borrowings is net of unamortised transaction cost of INR 1.89 (previous year : INR 2.97).	The term loan is repayable in 15 quarterly instalments as below mentioned : - 4 instalments during financial year 2020-21 - INR 34.09 each - 4 instalments during financial year 2021-22 - INR 34.09 each - 4 instalments during financial year 2022-23 - INR 34.09 each - 3 instalments during financial year 2023-24 - INR 34.09 each Period of maturity from the balance sheet date is 43 months.	509.60	-
		The term loan is repayable in 19 quarterly instalments as below mentioned : - 4 instalments during financial year 2019-20 - INR 34.09 each - 4 instalments during financial year 2020-21 - INR 34.09 each - 4 instalments during financial year 2021-22 - INR 34.09 each - 4 instalments during financial year 2022-23 - INR 34.09 each - 3 instalments during financial year 2023-24 - INR 34.09 each Period of maturity from the balance sheet date is 55 months.	-	644.76

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
6	The term loan amounting to USD 3.09 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period. The interest rate applicable is fixed rate of 5.25% p.a (previous year: 5.25% p.a) payable monthly. The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR 0.86 (previous year : INR 1.50). The Company has executed an interest rate swap with Yes Bank Limited basis which floating interest rate i.e. LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.25% p.a	The term loan is repayable in 12 quarterly instalments as below mentioned : - 4 instalments during financial year 2020-21- USD 0.19 million each - 4 instalments during financial year 2021-22- USD 0.19 million each - 4 instalments during financial year 2022-23- USD 0.19 million each Period of maturity from the balance sheet date is 36 months.	173.88	-
		" The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during financial year 2019-20- USD 0.19 million each - 4 instalments during financial year 2020-21- USD 0.19 million each - 4 instalments during financial year 2021-22- USD 0.19 million each - 4 instalments during financial year 2022-23- USD 0.19 million each Period of maturity from the balance sheet date is 48 months."	-	212.28

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
7	The term loan amounting to USD 3.08 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period. USD 0.43 million was repaid during the financial year 2018-19 and the repayment of quarterly instalments was rescheduled. The interest rate applicable is fixed 5.50% p.a. payable monthly. (previous year: 5.50% p.a, payable monthly) The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments, both present and future. Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR 0.76 (previous year : INR 1.48). The Company has entered into Interest rate swap with Yes Bank Limited basis which floating interest rate i.e. LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.50% p.a.	The term loan is repayable in 12 quarterly instalments as below mentioned : - 4 instalments during financial year 2020-21- USD 0.17 million each - 4 instalments during financial year 2021-22- USD 0.17 million each - 4 instalments during financial year 2022-23- USD 0.17 million each Period of maturity from the balance sheet date is 36 months.	149.61	-
		The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during financial year 2019-20- USD 0.17 million each - 4 instalments during financial year 2020-21- USD 0.17 million each - 4 instalments during financial year 2021-22- USD 0.17 million each - 4 instalments during financial year 2022-23- USD 0.17 million each Period of maturity from the balance sheet date is 48 months.	-	182.34

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
8	The term loan amounting to INR 1,000 was taken from IndusInd Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months. The interest rate applicable is as follows: - 8.85% p.a. linked to MIBOR, for first drawdown of INR 250, payable monthly (previous year: Nil) - 9.10% p.a. linked to MIBOR, for second drawdown of INR 500, payable monthly (previous year: Nil) - 9.93% p.a. linked to MIBOR, for third drawdown of INR 250, payable monthly (previous year: Nil) The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. Second pari passu charge by way of hypothecation on the entire current assets of the Company. First pari passu charge by way of extension of mortgage on the immovable properties, property, plant and equipment of the Company's industrial land situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.	The term loan is repayable in 18 quarterly instalments as below mentioned : - 2 instalment during financial year 2020-21- INR 25 each - 2 instalments during financial year 2020-21- INR 37.5 each - 2 instalment during financial year 2021-22- INR 37.5 each - 2 instalments during financial year 2021-22- INR 50 each - 2 instalment during financial year 2022-23- INR 50 each - 2 instalments during financial year 2022-23- INR 62.5 each - 2 instalment during financial year 2023-24- INR 62.5 each - 2 instalments during financial year 2023-24- INR 75 each - 2 instalment during financial year 2024-25- INR 75 each Period of maturity from the balance sheet date is 52 months.	950.21	-
		The term loan is repayable in 20 quarterly instalments as below mentioned : - 2 instalments during financial year 2019-20- INR 25 each - 2 instalment during financial year 2020-21- INR 25 each - 2 instalments during financial year 2020-21- INR 37.5 each - 2 instalment during financial year 2021-22- INR 37.5 each - 2 instalments during financial year 2021-22- INR 50 each - 2 instalment during financial year 2022-23- INR 50 each - 2 instalments during financial year 2022-23- INR 62.5 each - 2 instalment during financial year 2023-24- INR 62.5 each - 2 instalments during financial year 2023-24- INR 75 each - 2 instalment during financial year 2024-25- INR 75 each Period of maturity from the balance sheet date is 64 months.	-	1,000.00

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
9	The term loan amounting to INR 400 was taken from IDFC Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months. The interest rate applicable is 10.15 % p.a., payable monthly (previous year: 9.90 %) The term loan is secured by : First pari passu charge on the entire moveable property, plant and equipment of the Company. First pari passu charge on the immovable Property, plant and equipment of the Company situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 and immovable property, plant and equipment of the Company.	The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during financial year 2020-21- INR 25 each - 4 instalments during financial year 2021-22- INR 25 each - 4 instalments during financial year 2022-23- INR 25 each - 4 instalments during financial year 2023-24- INR 25 each Period of maturity from the balance sheet date is 48 months.	400.12	-
		The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during financial year 2020-21- INR 25 each - 4 instalments during financial year 2021-22- INR 25 each - 4 instalments during financial year 2022-23- INR 25 each - 4 instalments during financial year 2023-24- INR 25 each Period of maturity from the balance sheet date is 60 months.	-	400.12

(Rupees in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
10	The term loan amounting to INR 800 was taken from IndusInd Bank Limited during the year ended 31 March 2020. The tenure of the loan is 81 months with moratorium of 12 months. The interest rate applicable is as follows: Amount upto INR20 cr - 9.70% p.a. payable monthly linked to MCLR, (previous year: Nil) Over and Above INR20 cr - 9.72% p.a. payable monthly linked to MCLR, (previous year: Nil) The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. Second pari passu charge by way of hypothecation on the entire current assets of the Company both present and future. First Pari passu first charge on the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.	The term is loan repayable in 23 quarterly instalments as below mentioned : - 2 instalment during financial year 2020-21-INR 10 each - 4 instalment during financial year 2021-22-INR 10 each - 1 instalment during financial year 2022-23-INR 10 - 3 instalment during financial year 2022-23-INR 40 each - 4 instalment during financial year 2023-24-INR 40 each - 1 instalment during financial year 2024-25-INR 40 - 3 instalment during financial year 2024-25-INR 50 each - 4 instalment during financial year 2025-26-INR 50 each - 1 instalment during financial year 2025-26-INR 60 Period of maturity from the balance sheet date is 73 months.	800.25	-
11	Vehicle loans from Tata Motors Finance Limited represent four vehicle loans taken by the Company during the year ended 31 March 2017. The tenure of the loans is 36 months. Loans from Tata Motors Finance Limited is repayable in 35 monthly instalments. The loans are secured against the respective vehicles. The interest rate applicable to the loans was 9.25% p.a (previous year : 9.25% p.a). The amount of instalment ranged from INR 0.35 to INR 0.40 per month.	The loan is fully repaid during the year ended 31 March 2020	-	1.17
			3,588.44	**3,375.59**

Financial Statements

(Rupees in millions, except for share data and if otherwise stated)

18. Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Loans repayable on demand from banks		
Cash credit facilities from banks (secured)	**777.09**	486.53
	777.09	486.53

Details for short term borrowings:

Terms of loan	As at 31 March 2020	As at 31 March 2019
The credit facility taken from HDFC Bank Limited carries interest rate of HDFC Bank Limited, currently 9.15 % p.a (previous year: 8.80 % p.a). (interest payable on monthly rests). The credit facility is secured by: Primary - first pari passu charge on entire current assets of the company both present and future. Secondary - subservient charge on all property, plant and equipment of the Company both present and future.	496.55	486.53
The credit facility taken from ICICI Bank Limited carries variable interest rate, currenty 9.75% p.a. (previous year: NIL). The facility is secured by: first pari passu charge on current assets of the Company, subservient charge over movable property, plant and equipment of the of Company.	255.82	-
The credit facility taken from IndusInd Bank Limited carries variable interest rate, currently 9.95% p.a. (previous year: NIL). The facility is secured by: first pari passu charge on current assets of the Company, subservient charge over movable property, plant and equipment of the of Company.	24.72	-

19. Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Current portion of long-term borrowings (refer note 17)	-	-	793.52	645.56
Security deposits payable	36.38	21.66	13.75	14.89
Financial guarantee liability	8.86	9.77	0.91	0.91
Derivatives (interest rate swap)	13.98	5.36	-	-
Employee related payables	-	-	213.62	90.26
Capital creditors	-	-	445.18	128.82
Other payables	-	-	5.71	12.23
	59.22	**36.79**	**1472.69**	**892.67**

(Rupees in millions, except for share data and if otherwise stated)

20. Provisions

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits				
Gratuity (refer note 40)	62.24	67.69	23.34	4.40
Compensated absences	34.46	48.17	15.57	22.15
	96.70	**115.86**	**38.91**	**26.55**

21. Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Deferred income	10.31	6.51	3.30	2.34
Statutory dues:				
Goods and services tax payable	-	-	34.10	53.67
Tax deducted at source payable	-	-	42.31	25.52
Other statutory dues	-	-	22.62	27.85
Advances from customers*	-	-	31.82	28.75
	10.31	**6.51**	**134.15**	**138.13**

***Contract balances**

The following table provides information about contractual liability (advance from customers) from contract with customers:

Contract liabilities (advances from customers against sale of goods)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	**28.75**	19.33
Revenue recognized that was included in the contract liability balance at the beginning of the year	**(28.75)**	(19.33)
Closing balance	**31.82**	28.75

22. Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Micro enterprises and small enterprises (refer note below)	**18.56**	19.99
Other than micro enterprises and small enterprises*	**1,221.37**	944.84
	1,239.93	964.83

* Includes payable to related parties. Refer note 38.

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35.

(Rupees in millions, except for share data and if otherwise stated)

Dues to micro and small enterprises

Particulars	As at 31 March 2020	As at 31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	18.02	19.71
- Interest	0.54	0.28
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	10.61	38.41
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	0.21	0.24
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.26	0.28
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	0.28	0.28

23. Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Finished goods	11,767.60	10,258.60
Traded goods	219.23	183.32
Other operating revenues		
Marketing and other services	76.99	55.38
Rental and maintenance income	220.82	144.46
Management fee	74.34	60.38
Scrap sales	6.25	4.11
	12,365.23	**10,706.25**

24. Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under effective interest method from:		
-bank deposits	1.75	1.86
-loan to subsidiaries	51.70	30.67
-others	10.45	8.24
Interest income from financial assets at amortized cost	63.19	47.95
Dividend income	1.25	1.25

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Liabilities no longer required written back	28.77	-
Net gain on foreign currency transactions and translations	39.66	-
Gain on extinguishment of lease liabilities	18.84	-
Gain on termination of leases	19.88	-
Gain on net investment in finance lease	18.76	-
Others	5.37	5.94
	259.62	**95.91**

25. Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw material and packing material consumed		
Inventories at the beginning of the year	313.88	251.06
Add: Purchases during the year (net)	3,776.01	3,157.89
Less: Inventories at the end of the year	458.02	313.88
	3,631.87	**3,095.07**

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchases of stock-in-trade	152.32	165.68
	152.32	**165.68**

27. Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock-in-trade	47.63	15.51
Closing stock-in-trade	55.31	47.63
Net (increase)/decrease in stock-in-trade	**(7.68)**	**(32.12)**

28. Employee benefit expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus #	1,673.58	1,390.45
Contribution to provident and other funds	130.01	112.28
Gratuity (refer note 40)	19.01	17.12
Staff welfare expenses	53.26	43.13
	1,875.86	**1,562.98**

The amount includes "Employee stock option scheme expenses/(reversal)" for INR (10.30) (Previous year: INR Nil). Refer note 42.

(Rupees in millions, except for share data and if otherwise stated)

29. Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses	1,178.30	274.52
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost	15.30	14.24
Others borrowing costs	0.40	0.31
	1,194.00	**289.07**

30A. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 3A)	618.83	514.64
Depreciation on right-of-use assets (refer note 3C)	1,059.36	-
Depreciation on investment properties (refer note 3D)	52.73	-
Amortisation of other intangible assets (refer note 5)	54.70	49.73
	1,785.62	**564.37**

30B. Impairment of non-financial assets

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(Reversal)/impairment on property, plant and equipment (refer note 3A)	(51.82)	77.38
Impairment on right-of-use assets (refer note 3C)	81.57	-
Impairment on investment properties (refer note 3D)	0.77	-
(Reversal)/impairment of other intangible assets (refer note 5)	(6.53)	4.74
	23.99	**82.12**

31. Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	810.01	726.41
Rent (refer note 36)	659.00	1,812.77
Repairs and maintenance		
-Plant and equipment	149.62	143.32
- Buildings	324.29	238.82
-Others	43.57	40.31
Rates and taxes	33.75	34.16
Travelling and conveyance	87.18	87.41
Legal and professional	48.56	26.18
Auditor's remuneration (refer note below)	7.69	10.61
Water	33.49	31.55
Insurance	6.98	6.26
Printing and stationery	12.19	10.78

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Communication	87.32	93.03
Directors' sitting fee	1.73	1.53
Security and service	88.88	71.60
Bank charges	15.45	6.45
Advertisement and sales promotion	679.28	546.39
Commission and delivery	501.32	226.15
Royalty and continuing fees	734.21	630.24
Freight, octroi and insurance	186.68	222.58
Delivery vehicle running and maintenance	13.17	11.19
Loss on sale of property, plant and equipment (net)	60.91	10.63
Bad debts and advances written off	-	0.69
Loss allowance	25.68	2.90
Net loss on foreign currency transactions and translations	-	30.52
Derivatives at fair value through profit and loss	8.62	5.36
General office and other miscellaneous	43.24	36.00
	4,662.82	**5,063.84**

Note - Auditor's remuneration

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
Statutory audit*	7.08	9.44
Tax matters	0.31	0.21
Others matters	-	0.24
Outlays	0.30	0.72
	7.69	**10.61**

32. Exceptional items

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provision for impairment loss in value of investments in subsidiary (refer note 6A and 52)	350.82	-
Provision for impairment loss in value of loans to subsidiary (refer note 7 and 52)	307.70	-
	658.52	-

33. Income and deferred taxes

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
The tax expense comprises of :		
Current tax -	-	
Deferred tax	-	-
	-	-

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	**(1,350.74)**	**(378.92)**
Tax using the Company's domestic tax rate: 25.168% (previous year: 34.944%)	339.95	132.41
Effect of change in income tax rate [refer note (iii) below]	(392.65)	-
Difference in income tax rates @	(15.22)	(45.45)
Others	(0.10)	(0.71)
Unrecognised deferred tax asset on deductible temporary differences [refer note (iv) below]	68.02	(86.25)
	-	-

@ Represents the difference in income tax rates of long term capital gains/losses and items taxed at normal rates.

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets (net)		
Advance taxes (net of provision of tax INR Nil) (previous year: INR Nil)	70.63	65.58
	70.63	**65.58**
Deferred taxes (net)		
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused tax losses and depreciation	513.46	576.68
Expenses allowed on payment/actual basis	135.59	69.76
Employee stock option outstanding account	25.32	38.75
Derivative instruments	3.52	1.87
Provision for impairment of investments	193.99	112.46
Lease liabilities (net of right of use assets) (refer note 36)	397.33	-
Property, plant and equipment exceeds its tax base	219.73	345.70
Financial instruments measured at amortised cost	16.16	16.40
Deferred tax assets	**1,505.10**	**1,161.62**
Deferred tax assets (restricted to deferred tax liabilities)	**1.28**	**2.92**
Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(1.28)	(2.92)
Deferred tax liabilities	**(1.28)**	**(2.92)**
Net deferred tax assets/(liabilities)	-	-

(Rupees in millions, except for share data and if otherwise stated)

Notes:

(i) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2020:

	As at 31 March 2019	On adoption of Ind AS 116	Credited/(charged)		As at 31 March 2020
			Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:					
Unabsorbed depreciation	576.68	-	(63.22)	-	513.46
Expenses allowed on payment/actual basis	69.76	-	66.21	(0.38)	135.59
Employee stock option outstanding account	38.75	-	(13.43)	-	25.32
Derivative instruments	1.87	-	1.65	-	3.52
Provision for impairment of investments	112.46	-	81.53	-	193.99
Lease liabilities (net of right-of-use assets)	-	415.50	(18.17)	-	397.33
Property, plant and equipment exceeds its tax base	345.70	-	(125.97)	-	219.73
Financial instruments measured at amortised cost	16.40	-	(0.24)	-	16.16
Deferred tax assets	**1,161.62**	**415.50**	**(71.64)**	**(0.38)**	**1,505.10**
Tax effect of items constituting deferred tax liabilities					
Financial instruments measured at amortised cost	(2.92)	-	1.64	-	(1.28)
Deferred tax liabilities	**(2.92)**	**-**	**1.64**	**-**	**(1.28)**

Movement in deferred tax assets/(liabilities) for the year ended 31 March 2019:

	As at 31 March 2018	On adoption of Ind AS 116	Credited/(charged)		As at 31 March 2019
			Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:					
Unabsorbed depreciation	563.29	-	13.39	-	576.68
Expenses allowed on payment/actual basis	58.13	-	8.87	2.76	69.76
Employee stock option outstanding account	38.75	-	-	-	38.75
Derivative instruments	-	-	1.87	-	1.87
Provision for impairment of investments	23.85	-	88.61	-	112.46
Property, plant and equipment exceeds its tax base	374.37	-	(28.67)	-	345.70
Financial instruments measured at amortised cost	17.15	-	(0.75)	-	16.40
Deferred tax assets	**1,075.55**	**-**	**83.32**	**2.76**	**1,161.62**
Tax effect of items constituting deferred tax liabilities					
Financial instruments measured at amortised cost	(4.51)	-	1.59	-	(2.92)
Deferred tax liabilities	**(4.51)**	**-**	**1.59**	**-**	**(2.92)**

(Rupees in millions, except for share data and if otherwise stated)

(ii) The Company elected to exercise the option of reduced income-tax rates permitted under section 115BBA of the Income-tax Act 1961 ("the Act"), as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, deferred tax assets (net) are re-measured, basis the rate prescribed in the said section subject to certain conditions as prescribed therein. Impact on account of change in income tax rates amounted to INR 392.65 lacs deferred tax assets (net) as referred above. Refer point (iii).

(iii) As at 31 March 2020 and 31 March 2019, the Company has significant unabsorbed depreciation and other temporary differences. Therefore, in absence of convincing evidences that sufficient taxable profits will be available against which such deferred tax asset shall be utilised, the Company has only recognised deferred tax asset to the extent of deferred tax liabilities as at respective reporting dates.

(iv) The unused tax benefits for which no deferred tax assets is recognised, are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Unabsorbed depreciation (never expire)		
Gross amount	2,040.13	1,650.30
Unrecognised tax impacts	513.46	576.68
Other deductible temporary differences (never expire)		
Gross amount	3,935.00	1,665.58
Unrecognised tax impacts	990.36	582.02

34. Loss per share (LPS)

Loss attributable to equity shareholders for calculation of basic and diluted LPS	(1,350.74)	(378.92)
Weighted average number of equity shares for the calculation of basic LPS	106,166,666	106,166,666
Effect of dilutive potential equity shares		
– Employee stock options	*	*
Weighted average number of equity shares for calculation of diluted LPS	106,166,666	106,166,666
Loss per share (INR) (basic)	(12.72)	(3.57)
Loss per share (INR) (diluted)	(12.72)	(3.57)
Nominal value per shares (INR)	10.00	10.00

* For the years ended 31 March 2020 and 31 March 2019, the outstanding potential equity shares had an anti-dilutive effect on EPS, hence there was no dilution of EPS in current and previous years.

35. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in millions, except for share data and if otherwise stated)

(i) As on 31 March 2020

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non - current								
(i) Investments	6B	19.18	-	-	19.18	-	-	19.18
(ii) Loans	7	-	-	1,416.05	1,416.05	-	-	1,416.05
(iii) Other financial assets*	8	-	-	164.12	164.12	-	-	-
Current**								
(i) Trade receivables*	11	-	-	328.23	328.23	-	-	-
(ii) Cash and cash equivalents*	12	-	-	23.10	23.10	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	25.39	25.39	-	-	-
(iv) Loans	7	-	-	93.27	93.27	-	-	93.27
(v) Other financial assets*	8	-	-	36.72	36.72	-	-	-
Total		**19.18**	**-**	**2,086.88**	**2,106.06**			
Financial liabilities								
Non - current								
(i) Lease Liabilities	16	-	-	7,551.81	7,551.81	-	-	7,551.81
(ii) Borrowings#	17	-	-	2,794.92	2,794.92	-	-	2,794.92
(iii) Other financial liabilities (other than derivates below)	19			45.24	45.24	-	-	-
(iv) Derivatives (interest rate swap)		13.98	-	-	13.98	-	13.98	-
Current								
(i) Lease Liabilities	16	-	-	856.95	856.95	-	-	856.95
(ii) Borrowings#	18	-	-	777.09	777.09	-	-	777.09
(iii) Trade payables*	22	-	-	1,239.93	1,239.93	-	-	-
(iv) Other financial liabilities	19	-	-	1,472.69	1,472.69	-	-	-
Total		**13.98**	**-**	**14,738.63**	**14,752.61**			

(Rupees in millions, except for share data and if otherwise stated)

(ii) As on 31 March 2019

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non - current								
(i) Investments	6B	17.45	-	-	17.45	-	-	17.45
(ii) Loans	7	-	-	1,244.47	1,244.47	-	-	1,244.47
(iii) Other financial assets*	8	-	-	23.26	23.26	-	-	-
Current**								
(i) Trade receivables*	11	-	-	425.74	425.74	-	-	-
(ii) Cash and cash equivalents*	12	-	-	166.74	166.74	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	2.30	2.30	-	-	-
(iv) Loans	7	-	-	125.89	125.89	-	-	125.89
(v) Other financial assets*	8	-	-	5.66	5.66	-	-	-
Total		**17.45**	**-**	**1,994.06**	**2,011.51**			
Financial liabilities								
Non - current								
(i) Borrowings#	17	-	-	2,730.03	2,730.03	-	-	2,730.03
"(iii) Other financial liabilities (other than derivates below)"	19	-	-	31.43	31.43	-	-	-
(iv) Derivatives (interest rate swap)		5.36	-	-	5.36	-	5.36	-
Current								
(i) Lease Liabilities #					-			
(i) Borrowings#	18	-	-	486.53	486.53	-	-	486.53
(ii) Trade payables*	22	-	-	964.83	964.83	-	-	-
(iii) Other financial liabilities:	19	-	-	892.67	892.67	-	-	-
Total		**5.36**	**-**	**5,105.49**	**5,110.85**			

(Rupees in millions, except for share data and if otherwise stated)

** For details regarding charge on such current financial assets - refer note 17.

The Company's borrowings and lease liabilties have fair values that approximate to their carrying amounts as they are based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

* The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables, employee related payables, capital creditors approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

Other notes:

The fair values for loans and lease liabilities were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values for security deposits payable and financial guarantee liability were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

The investment in equity shares of subsidiaries are measured at cost. Refer note 6A for further details.

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2020 and 31 March 2019.

Valuation techniques used to determine fair values:

Specific valuation techniques used to value financial instruments include:

-Fair value of derivatives using dealer quotes for similar instruments (on marked to market value as on balance sheet date of such derivative transaction).

-Fair value of non-derivative financial instruments using present value techniques, which is based on discounting expected cash flows using a risk-adjusted discount rate.

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team performs valuation either internally or externally through valuers and reports directly to the senior management. Discussions on valuation and results are held between the senior management and valuation team on annual basis.

Significant inputs

Significant unobservable input used in Level 3 fair values of investments measured at FVTPL is discount rate which is weighted average cost of borrowing of the Company plus spread of corporate guarantee commission which is 8.36% (previous year: INR 11.81%) and estimated cash flows of respective companies in which investment in preference shares is made.

Significant inputs used in Level 2 fair value of derivatives measured at FVTPL is marked to market value as on balance sheet date of such derivative transaction.

Reconciliation of Level 3 recurring fair value measurement is as follows:

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Investments in preference shares		
Balance at the beginning of the year	17.45	322.68
Additions during the year	-	-
Disposals during the year	-	-
Unrealised Gain/(Loss) recognised in profit or loss*	1.73	(305.23)
Balance at the end of the year	**19.18**	**17.45**

* Unrealised gains/(losses) recognised in profit or loss under "Net loss/ (gain) on investment carried at fair value through profit or loss

Sensitivity analysis of significant unobservable inputs

The carrying values of investments measured through at fair value through profit and loss are not material. Hence the management believes, changes in significant observable inputs will not have a material impact of financial position of the Company.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market Risk - Interest Rate; and
- Market Risk - Foreign Currency

Risk Management Framework

The Board of Directors of the Company is responsible for reviewing the risk management policies and ensuring its effectiveness.

The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and the Company's activities.

The Board of Directors oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

(Rupees in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Loans	1,509.32	1,370.36
(ii) Investments	19.18	17.45
(iii) Guarantee given on behalf of subsidiaries	41.75	30.22
(iii) Trade receivables	328.23	425.74
(iv) Cash and cash equivalents	23.10	166.74
(v) Bank balances other than cash and cash equivalents, above	25.39	2.30
(vi) Other financial assets (current and non-current)	200.84	28.92

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents, above) and other financial assets is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loans primarily represents security deposits given to lessors for premises taken on lease and loans given to subsidiaries. Such deposits will be returned to the Company on vacation of the premises or termination of the agreement whichever is earlier. Loan to subsidiaries will be repaid as per the terms of the agreement and there has been no default in repayment of such loans by subsidiaries.

The exposure to the credit risk at the reporting date is primarily from loan to subsidiaries, security deposit receivables and investment in subsidiaries. The Investment and Borrowing Committee monitors the investment in subsidiaries and loans granted to subsidiaries and it evaluates if any impairment is required. As at year end, Investment and Borrowing Committee based on the internal and external valuation and after assessing the performance of the subsidiaries, is of the view that no impairment is required other than investments in The Minor Food Group (India) Private Limited, Devyani Airport Services (Mumbai) Private Limited and Devyani International (UK) Private Limited, which are fully impaired. Also, the Company has partially provided for the loan given to Devyani International (UK) Private Limited, based upon external valuation and after assessing its performance. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Nepal. Trade receivables also includes receivables from credit card companies which are generally realisable on fortnightly basis. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due however, the Company based upon past trends determines an impairment allowance for loss on receivables (other than receivables from related parties) outstanding for more than 180 days past due. For receivables from related parties, impairment allowance is made on receivables outstanding for more than 365 days past due. Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(Rupees in millions, except for share data and if otherwise stated)

The Company's exposure to credit risk for trade receivables is as follows:

For trade receivables other than receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2020	As at 31 March 2019
Not due	92.24	124.72
1-90 days past due*	22.81	8.63
91 to 180 days past due*	2.45	4.80
More than 180 days past due #	7.45	2.90
	124.95	**141.05**

For trade receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2020	As at 31 March 2019
Not due	115.62	126.59
1-90 days past due*	74.13	74.81
91 to 180 days past due*	8.45	31.72
More than 180 days past due #	5.08	51.57
	203.28	**284.69**

* The Company believes that the unimpaired amounts that are past due for less than 180 days in case of receivables from other than related parties and 365 days in case of receivables from related parties are still collectible in full, based on historical payment behavior, and subsequently collections.

The Company based upon past trends determines an impairment allowance for doubtful receivables (other than receivables from related parties) outstanding for more than 180 days past due. For receivables from related parties, impairment allowance is made on receivables outstanding for more than 365 days past due.

Changes in the loss allowance in respect of trade receivables	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	2.90	25.53
Bad debts written off	-	(25.53)
Impairment allowances for doubtful receivables #	20.91	2.90
Balance at the end of the year	**23.81**	**2.90**

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

(Rupees in millions, except for share data and if otherwise stated)

The Company believes that its liquidity position, including total cash and cash equivalents and bank deposits maturing within a year (including bank deposits under lien and excluding interest accrued but not due) of INR 48.49 (previous year: INR 169.04), anticipated future internally generated funds from operations, its fully available, revolving undrawn credit facility of INR 73.10 (previous year: INR 255.03) and certain other current assets (financial and non financial) of INR 971.55 (previous year: INR 918.80) will enable it to meet its future known obligations due in next year, in the ordinary course of business.

In the year ended 31 March 2020, the Company has earned a cash inflow from operating activities of INR 2,411.32 (previous year: INR 745.61). Further, the Company generated an Earnings before Tax, depreciation and amortisation, impairment and fair valuation gains/losses of INR 2,309.66 (previous year: INR 946.71). Based on the projections, the Company expects to earn cash inflow from operating activities, which can be used to settle its liabilities in the near future. However, if a liquidity needs were to arise, the Company believes it has access to financial and operational support from RJ Corp Limited, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.

- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

- Maintaining diversified credit lines.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2020

Non-derivative financial liabilities	Carrying amount	Contractual cash flows				
		Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Long term borrowings including current portion	3,588.44	408.95	387.33	2,536.57	260.00	3,592.85
Lease liabilities	8,408.76	829.10	1,650.18	6,638.98	4,179.14	13,297.40
Trade payables	1,239.93	1,239.93	-	-	-	1,239.93
Security deposits payable	50.13	11.80	0.91	42.33	9.49	64.53
Financial guarantee liability	9.77	-	-	-	9.78	9.78
Short term borrowings	777.09	777.09	-	-	-	777.09
Capital creditors	445.18	445.18	-	-	-	445.18
	14,519.30	**3,712.05**	**2,038.42**	**9,217.88**	**4,458.40**	**19,426.76**

(Rupees in millions, except for share data and if otherwise stated)

As at 31 March 2020

Derivative financial liabilities	Carrying amount	Contractual cash flows				
		Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Interest rate swap	13.98	-	-	-	13.98	13.98
	13.98	**-**	**-**	**-**	**13.98**	**13.98**

As at 31 March 2019

Non-derivative financial liabilities	Carrying amount	Contractual cash flows				
		Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Long term borrowings including current portion	3,375.59	361.03	288.16	2,659.45	75.00	3,383.64
Trade payables	964.83	964.83	-	-	-	964.83
Security deposits payable	36.55	12.54	2.60	14.44	16.15	45.73
Financial guarantee liability	10.68	-	-	-	10.68	10.68
Short term borrowings	486.53	486.53	-	-	-	486.53
Capital creditors	128.82	128.82	-	-	-	128.82
	5,003.00	**1,953.74**	**290.76**	**2,673.89**	**101.84**	**5,020.23**

As at 31 March 2019

Derivative financial liabilities	Carrying amount	Contractual cash flows				
		Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Interest rate swap	5.36	-	-	-	5.36	5.36
	5.36	**-**	**-**	**-**	**5.36**	**5.36**

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

A. Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

(Rupees in millions, except for share data and if otherwise stated)

Fixed- rate instruments	As at 31 March 2020	As at 31 March 2019
Indian rupee vehicle loan	-	1.17
Impact of interest rate swaps	323.49	394.62
	323.49	**395.79**

Variable - rate instruments	As at 31 March 2020	As at 31 March 2019
Indian rupee term loan	3,264.95	2,979.80
Short term borrowings	777.09	486.53
Foreign currency term loan	323.49	394.62
Impact of interest rate swaps	(323.49)	(394.62)
	4,042.04	**3,466.33**

Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

Change in interest rate on loans from Financial institutions (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase / (decrease) in profit or loss and other equity for the for the year ended 31 March 2020	(40.42)	40.42
Increase / (decrease) in profit or loss and other equity for the for the year ended 31 March 2019	(28.48)	28.48

The Company is exposed to interest rate risk on account of variable rate borrowings. The Company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time. The Company has used interest rate swaps to mitigate its interest rate risk arising from certain transactions, these are recognised as derivatives.

Derivative Financial Instruments:

The Company uses derivative instruments as part of its management of exposure to fluctuations in interest rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage treasury risks. Treasury derivative contracts are normally in the nature of swap contracts and these are subject to the Company's guidelines and policies. Derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on valuations obtained from banks. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within other financial assets/liabilities, as applicable. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks. The use of derivative instruments are subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

(Rupees in millions, except for share data and if otherwise stated)

Non qualifying hedges

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include as on date include ""Interest Rate Swaps"" being entered by the Company with bankers to hedge floating interest foreign currency loan and interest payments as due related thereto. Fair value changes on such derivative instruments are recognized in the Statement of Profit and Loss.

B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

Exposure to Foreign currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2020 and 31 March 2019 are as below:

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount (in foreign currency)	Amount (in INR)	Amount (in foreign currency)	Amount (in INR)
Financial assets					
Other receivables	GBP	0.01	1.30	0.02	1.81
Loans to related parties	GBP	9.20	855.86	6.55	592.77
	USD	4.34	327.25	4.13	285.44
Total financial assets			**1,184.41**		**880.02**
Financial liabilities					
Trade payables	GBP	0.17	15.50	0.11	10.27
Foreign currency loans from banks	USD	4.31	324.87	5.70	394.62
Total financial liabilities			**340.37**		**404.89**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at the year end would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss and other equity by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Profit/ (Loss) for the year ended 31 March 2020		Profit/ (Loss) for the year ended 31 March 2019	
	Gain/(loss) on Appreciation	Gain/(loss) on Depreciation	Gain/(loss) on Appreciation	Gain/(loss) on Depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	(0.12)	0.12	5.46	(5.46)
GBP	(42.08)	42.08	(29.22)	29.22

Particulars	Other equity As at 31 March 2020		Other equity As at 31 March 2019	
	Gain/(loss) on Appreciation	Gain/(loss) on Depreciation	Gain/(loss) on Appreciation	Gain/(loss) on Depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	(0.12)	0.12	5.46	(5.46)
GBP	(42.08)	42.08	(29.22)	29.22

USD: United States Dollar, GBP: Great British Pound.

C. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Based upon the Company's evaluation, there is no excessive risk concentration.

c. Offsetting financial assets and financial liabilities:

The following table represents recignised financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2020 and 31 March 2019.

Variable - rate instruments	As at 31 March 2020	As at 31 March 2019
Amounts subject to master netting arrangements		
Non current borrowings	793.52	2,730.03
Current borrowings	2,794.92	645.56
	3,588.44	**3,375.59**
Financial instruments collateral		
Trade receivables	328.23	425.74
Cash and cash equivalents	23.10	166.74
Other balances with banks		
	25.39	2.30

(Rupees in millions, except for share data and if otherwise stated)

Variable - rate instruments	As at 31 March 2020	As at 31 March 2019
Loans	1,509.32	1,370.36
Other financial assets	200.84	28.92
	2,086.88	**1,994.06**
Net amount *	**1,501.56**	**1,381.53**

* Net amount shows the impact on the Company's standalone balance sheet, if all rights were excersied.

36. Leases

A. Leases where the Company is a lessee

The Company leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with minimum guarantee and lease term ranges 1-26 years.

The Company has limited number of leases where rentals are linked to annual changes in an index (either RPI or CPI).

i. Right-of-use assets

	Buildings
Recognised as at 1 April 2019 (refer note 3C)	5,820.69
Additions during the year	1,420.99
Adjustments on leases modification/remeasurement	379.72
Disposals during the year	(64.42)
Amortisation charge for the year	(1,059.36)
Impairment charge for the year	(81.57)
Closing balance as at 31 March 2020	**6,416.05**

ii. Lease liabilities

Lease liability included in balance sheet as on 31 March 2020	As at 31 March 2020
Current	856.95
Non current	7,551.81

Note: Refer note 35 for maturity analysis of lease liabilities.

iii. Amounts recognised in the standalone statement of profit or loss

	Note	For the year ended 31 March 2020
Depreciation on right-of-use assets	30A	1,059.36
Impairment of right-of-use assets	30B	81.57
Interest on lease liabilities (included in interest expenses)	29	790.68
Expenses relating to short-term leases	31	59.12
Expense relating to variable lease payments not included in the measurement of the lease liability	31	599.88
Net impact on statement of profit and loss		**2,590.61**

(Rupees in millions, except for share data and if otherwise stated)

iv. Amounts recognised in the standalone cash flow statement

	For the year ended 31 March 2020
Payment of lease liabilities- principal	683.34
Payment of lease liabilities- interest	790.68
Total cash outflows	**1,474.02**

v. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in Statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

B. Leases where the Company is a lessor

The Company has sub-leased out some of its leased properties primarily in various food courts. All leases are classified as operating leases from a lessor perspective with the exception of certain sub-leases, which the Company has classified as finance subleases.

i. Finance lease (sub leases classified as finance leases)

During the year ended 31 March 2020, the Company has sub-leased a portion of multiple leased properties that have been presented as part of a right-of-use assets.

	Note	For the year ended 31 March 2020
Gain on net investment in finance lease	24	18.76
Finance income on net investment in finance leases	23	12.47
Income relating to variable lease payments not included in the net investment in finance leases	23	1.77
Finance lease receivables	8	153.42

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date. Under Ind AS 17, the Company did not have any finance leases as a lessor (being sub leases classified as finance leases).

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

Amounts receivable under finance leases:

	As at 31 March 2020
Less than one year	25.97
One to five years	115.44
More than five years	90.95
Total undiscounted lease payments receivable	**232.36**
Less: Unearned finance income	(78.94)
Net investment in the lease	**153.42**

(Rupees in millions, except for share data and if otherwise stated)

ii. The incremental borrowings rate range between 9.25% - 10.85%.

The management of the Company estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime expected credit loss under simplified approach. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 19), the management of the Company consider that no finance lease receivable is impaired.

The Company entered into finance leasing arrangements as a lessor for certain leased properties under sub leasing arrangements. The average term of finance leases entered into is 9.04 years. The Company is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in INR. Residual value risk on such right of use assets under lease is not significant.

ii. Operating lease (sub leases classified as operating leases)

Operating leases, in which the Company is the lessor, relate to leased properties by the Company with lease terms of between 1 to 9 years.

The unguaranteed residual values do not represent a significant risk for the Company, as they relate to leased properties of lessor under sub leasing contracts which are located in a location with active market for lessees. The Company did not identify any indications that this situation will change.

The following table presents the amounts included in profit or loss.

	Note	For the year ended 31 March 2020
Lease income on operating leases	23	144.00
Therein lease income relating to variable lease payments that do not depend on an index or rate		9.25

Amounts receivable under operating leases:

	For the year ended 31 March 2020
Less than one year	92.24
One to five years	287.91
More than five years	32.73
	412.88

C. Changes in accounting policies:

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these consolidated financial statements. The Company applied Ind AS 116, Leases, with a date of initial application of 1 April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below. The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.The Company applied Ind AS 116, Leases using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019 and prior period amounts have not been restated. The details of the changes in accounting policies are disclosed below.

i. Definition of a lease

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied Ind AS 116, Leases, only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116, Leases was applied only to contracts entered into or changed on or after 1 April 2019.

ii. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, Leases, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

a. Leases classified as operating leases under Ind AS 17

The Company has elected to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

The Company used the following practical expedients when applying Ind AS 116, Leases, to leases previously classified as operating leases under Ind AS 17.

-Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

-Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

b. There were no leases previously classified as finance leases.

iii. As a lessor

The Company is not required to make any adjustments on transition to Ind AS 116, Leases, for leases in which it acts as a lessor, except for certain sub-leases. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. Under Ind AS 116, the Company is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Company reassessed the classification of a sub-lease contract previously classified as an operating lease under Ind AS 17. The Company concluded that the sub-lease is a finance lease under Ind AS 116, Leases, for certain leases for which adequate disclosures are made. For others, they are still being treated as normal operating leases under Ind AS 116, Leases.

iv. Impacts on the standalone financial statements

On transition to Ind AS 116, Leases, the Company recognised INR 6,175.77 as right-of-use assets (refer below) and INR 7,405.01 of lease liabilities, with corresponding impact of INR 1,229.24 on retained earnings as at 1 April 2019 and reclassification of prepaid rent of INR 148.15 to right-of-use assets. Further, the Company has recognised INR 72.78 as finance lease receivables and INR 470.66 as investment properties in respect of subleases and derecognised right-of-use assets of INR 503.24 with corresponding impact of INR 40.20 on retained earnings as at 1 April 2019. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. Incremental borrowing rates applied range between 9.25% - 10.85%.

(Rupees in millions, except for share data and if otherwise stated)

v. Reconciliation to previous year lease commitment

The difference between the lease obligation disclosed as at 31 March 2019 under Ind AS 17 and the value of the lease liabilities as of 1 April 2019 is primarily on account of practical expedients exercised for low value assets and short term leases, as at adoption of the standard, in measuring lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

vi. Total lease liabilities recognised under Ind AS 116, Leases, at 1 April 2019	**7,405.01**

Measurement of right of use assets	**Amount**
Right-of-use-assets recognised at 1 April 2019	6,175.77
Adjustments for:	
Prepaid rentals	148.15
Right-of-use assets treated as investment properties in case of subleases	(470.66)
Right-of-use assets derecognised against sublease treated as finance leases	(32.58)
Total right-of-use assets recognised at 1 April 2019	**5,820.68**

Adjustments recognised in the standalone balance sheet on 1 April 2019:

The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

Particulars	Sub notes	Amounts reported as at 31 March 2019	Impacts of adoption Ind AS 116	Adjusted amounts as at 1 April 2019
Retained earnings	a	3,105.76	1,189.04	4,294.80
Other assets	a	155.37	(148.15)	7.22
Right-of-use assets	a, b & c	-	5,820.68	5,820.68
Investment properties (refer note 37)	b	-	470.66	470.66
Finance lease receivables	c	-	72.78	72.78
Lease liabilities (including current liabilities)	a	-	7,405.01	7,405.01

Sub notes:

a) Refer point (iv) above for impact on standalone financial statements on adoption of Ind AS 116, Leases.

b) The Company has recognised INR 470.66 as investment properties in respect of sub-leases and derecognised right-of-use assets of equal amount as at 1 April 2019. Refer note 37 for further details.

c) The Company has recognised INR 72.78 as finance lease receivables in respect of sub-leases and derecognised right-of-use asset of INR 32.58 with corresponding impact of INR 40.20 on retained earnings as at 1 April 2019.

(Rupees in millions, except for share data and if otherwise stated)

37. Other disclosures in relation to investment properties:

i. Information regarding income and expenditure of investment properties

Particulars	For the year ended 31 March 2020
Rental income derived from investment properties	210.65
Direct operating expenses (including repairs and maintenance) generating rental income	70.22
Direct operating expenses (including repairs and maintenance) that did not generate rental income	11.86
Profit arising from investment properties before interest, depreciation and indirect expenses	**128.57**
Less: finance cost	(50.35)
Less: depreciation	(52.73)
Less: impairment	(0.77)
Profit arising from investment properties before indirect expenses	**24.72**

ii. Minimum lease payments receivable under operating leases of investment properties are as follows:

Particulars	For the year ended 31 March 2020
Less than one year	73.03
One to five years	335.08
More than five years	344.00

iii. Fair value

Particulars	As at 31 March 2020
Investment properties	654.64

Estimation of fair value

The Company's investment properties consist of right-of-use assets in leased food courts, which has been determined based on the nature, characteristics of leases of each property.

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtained independent valuation for its investment properties and fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental income of 5% p.a. and discount rate of 14.97%.

(Rupees in millions, except for share data and if otherwise stated)

38. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

Devyani International (Nigeria) Limited (a subsidiary of R V Enterprizes Pte. Limited)

(d) Joint Venture

The Minor Food Group (India) Private Limited

(II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

(d) Joint Venture

The Minor Food Group (India) Private Limited

(e) Key management personnel #:

Mr. Ravi Kant Jaipuria - Director

Mr. Raj. P. Gandhi - Director

Mr. Virag Joshi- Chief Executive Officer and Whole Time Director

Mr. Sanjeev Arora- Chief Financial Officer and Director (with effect from 18 January 2019)

(Rupees in millions, except for share data and if otherwise stated)

Mrs. Rashmi Dhariwal- Independent Director (with effect from 06 April 2018)

Dr. Ravi Gupta - Independent Director (with effect from 06 April 2018)

Mr. Lalit Yadav - Company Secretary (from 4 December 2017 till 28 March 2019)

Mr. Vivek Kumar Singh - Company Secretary (from 01 September 2019 to 16 October 2019)

Mr. Anil Dwivedi - Company Secretary (from 7 February 2020)

(f) Other related parties - Entities which are joint ventures or subsidiaries or where control/significant influence exists of parties as given in (I) and (II) above :

Ravi Kant Jaipuria & Sons (HUF)

S V S India Private Limited

Devyani Food Industries Limited

Alisha Retail Private Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Diagno Labs Private Limited

Parkview City Limited

(g) Relative of Key management personnel

Mrs. Dhara Jaipuria (wife of Mr. Ravi Kant Jaipuria - Dierctor)

As per section 203 of the Companies Act, 2013, definition of Key Managerial Personnel includes Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary.

(III) Transactions with related parties during the year ended 31 March 2020 and 31 March 2019

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Sale of products (Finished goods)		
Devyani Food Street Private Limited	22.04	26.10
Lineage Healthcare Limited	-	0.12
Modern Montessori International (India) Private Limited	1.99	2.27
Champa Devi Jaipuria Charitable Trust	50.39	45.36
RJ Corp Limited	0.17	0.49
Alisha Retail Private Limited	0.02	6.81

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Devyani Food Industries Limited	46.61	51.73
Varun Beverages Limited	3.48	3.49
Mala Jaipuria Foundation	1.89	1.49
(ii) Sale of products (Traded goods)		
Devyani Food Street Private Limited	51.48	56.20
Devyani International (Nepal) Private Limited	28.65	27.49
Devyani Airport Services (Mumbai) Private Limited	8.70	7.26
RJ Corp Limited	0.47	0.01
Varun Beverages Limited	6.61	0.83
(iii) Marketing and other services		
Devyani Airport Services (Mumbai) Private Limited	-	0.47
The Minor Food Group (India) Private Limited	-	0.18
Lineage Healthcare Limited	0.06	0.06
Alisha Retail Private Limited	-	1.16
(iv) Management fee		
Devyani International (Nepal) Private Limited	21.87	10.42
Devyani Food Street Private Limited	52.47	49.96
(v) Sale of property, plant and equipment (PPE)		
Devyani Food Street Private Limited	1.14	0.46
Alisha Retail Private Limited	-	0.48
Diagno Labs Private Limited	-	0.15
(vi) Purchase of raw materials		
Varun Beverages Limited	60.22	84.56
Devyani Food Industries Limited	0.85	0.41
Alisha Retail Private Limited	-	1.74
(vii) Purchase of PPE and intangible assets		
Alisha Retail Private Limited	-	0.13
Devyani Airport Services (Mumbai) Private Limited	-	0.35
Varun Beverages Limited	1.34	-
The Minor Food Group (India) Private Limited	-	0.52
(viii) Loans given		
Devyani Airport Services (Mumbai) Private Limited	175.00	60.00
Devyani International (UK) Private Limited	209.99	126.56
RV Enterprizes Pte. Limited	-	286.29

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Parkview City Limited	550.00	-
(ix) Loans repaid		
Devyani Food Street Private Limited	5.00	16.33
Devyani Airport Services (Mumbai) Private Limited	60.00	-
Devyani International (Nepal) Private Limited	6.67	7.68
Parkview City Limited	550.00	-
(x) Payment to gratuity trust		
DIL Employee Gratuity Trust	5.00	10.00
(xi) Expenses incurred by other company on behalf of the Company		
Alisha Retail Private Limited	-	0.03
Devyani Food Industries Limited	-	0.02
Diagno Labs Private Limited	-	-
RJ Corp Limited	0.86	-
(xii) Expenses incurred on behalf of other company		
Devyani Food Street Private Limited	0.05	2.52
The Minor Food Group (India) Private Limited	-	0.60
(xiii) Rent expense		
S V S India Private Limited	0.06	0.06
Alisha Retail Private Limited	-	0.10
(xiv) Rental income		
The Minor Food Group (India) Private Limited	-	0.83
Alisha Retail Private Limited	-	3.82
Devyani Food Street Private Limited	-	2.40
(xv) Dividend income		
Devyani International (Nepal) Private Limited	1.25	1.25
(xvi) Guarantee commission income		
Devyani Food Street Private Limited	3.19	3.89
Devyani International (UK) Private Limited	1.28	1.20
Devyani International (Nepal) Private Limited	0.91	0.85
(xvii) Royalty and continuing fee recovered		
Devyani Food Street Private Limited	15.24	15.84
Devyani Airport Services (Mumbai) Private Limited	4.10	5.25

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(xviii) Repair and maintenance - others		
Varun Beverages Limited	2.27	-
(xix) Interest income		
Devyani International (Nepal) Private Limited	0.23	0.60
Devyani Airport Services (Mumbai) Private Limited	11.48	3.62
Devyani Food Street Private Limited	-	1.33
Devyani International (UK) Private Limited	24.35	16.38
RV Enterprizes Pte. Limited	15.64	8.75
Parkview City Limited	8.06	-
(xx) Investment in equity shares		
RV Enterprizes Pte. Limited	-	68.80
Devyani International (UK) Private Limited	-	63.00
(xxi) Compensation to key managerial personnel		
Short-term employment benefits		
Mr. Virag Joshi	25.13	26.38
Mr. Som Nath Chopra	-	5.79
Mr. Sanjeev Arora	6.18	1.54
Mr. Lalit Yadav	-	1.20
Mr. Anil Dwivedi	0.72	-
Post-employment benefits		
Mr. Virag Joshi	1.30	1.30
Mr. Som Nath Chopra	-	0.27
Mr. Sanjeev Arora	0.36	0.09
Mr. Lalit Yadav	-	0.06
Mr. Anil Dwivedi	0.02	-
Share based payments		
Mr. Raj. P. Gandhi	(0.43)	-
Mr. Virag Joshi	(1.05)	
(xxii) Compensation to relative of key managerial personnel		
Mrs. Dhara Jaipuria	12.00	-

The above remuneration to Key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(xxiii) Director's sitting fee*		
Dr. Ravi Gupta	0.90	0.50
Mrs. Rashmi Dhariwal	0.60	0.80

*Excludes applicable taxes.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(xxiv) Employee stock option scheme expenses/(reversal)		
Devyani Food Street Private Limited	(1.89)	-
(xxv) Impairment of equity investment in subsidiaries		
Devyani Airport Services (Mumbai) Private Limited	-	84.84
Devyani International (UK) Private Limited	350.82	-
(xxvi) Impairment of loans to subsidiary		
Devyani International (UK) Private Limited	307.70	-
(xxvii) Net loss/ (gain) on investment carried at fair value through profit or loss		
Devyani International (Nepal) Private Limited	(1.73)	0.65
Devyani Airport Services (Mumbai) Private Limited	-	304.58

(IV) Balances as at 31 March 2020 and 31 March 2019

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Trade payables		
The Minor Food Group (India) Private Limited	-	0.29
Varun Beverages Limited	6.56	-
Devyani Food Industries Limited	0.29	-
(ii) Employee related payables		
Mr. Virag Joshi	2.20	-
Mr. Sanjeev Arora	0.55	-
Mrs. Dhara Jaipuria	1.00	-
Mr. Anil Dwivedi	0.24	-
(iii) Employee stock options outstanding account #		
Mr. Raj. P. Gandhi	26.68	27.11
Mr. Virag Joshi	44.01	45.06

The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/ exercise.

Particulars	As at 31 March 2020	As at 31 March 2019
(iv) Trade receivables		
Devyani International (Nepal) Private Limited	43.36	50.72
Devyani Food Street Private Limited	150.26	144.96
Varun Beverages Limited	-	2.26

(Rupees in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Devyani Airport Services (Mumbai) Private Limited	1.75	46.51
Alisha Retail Private Limited	-	3.34
Devyani Food Industries Limited	-	26.16
Modern Montessori International (India) Private Limited	0.34	0.38
Champa Devi Jaipuria Charitable Trust	6.75	6.21
Lineage Healthcare Limited	0.03	0.03
Mala Jaipuria Foundation	0.27	1.24
RJ Corp Limited	0.53	1.20
Diagno Labs Private Limited	-	1.69
(v) Other financial assets - Other receivables		
Devyani Food Street Private Limited	1.92	3.81
Devyani International (UK) Private Limited	1.27	1.81
Devyani International (Nepal) Private Limited	3.04	-
(vi) Loans and advances*		
Devyani Food Street Private Limited	-	5.00
Devyani International (Nepal) Private Limited	-	6.41
Devyani Airport Services (Mumbai) Private Limited	185.33	63.62
RV Enterprizes Pte. Limited	327.24	285.43
Devyani International (UK) Private Limited**	548.16	592.71

* Includes interest accrued on loans to related parties amounting to INR 78.87 (previous year: INR 29.65)

**The balance is net of provision for impairment created during the year INR 307.70 (previous year INR Nil)

Particulars	As at 31 March 2020	As at 31 March 2019
(vii) Guarantees given by the Company on behalf of other party		
Devyani Food Street Private Limited##	100.00	125.00
Devyani International (Nepal) Private Limited^	25.58	156.39
Devyani International (UK) Private Limited@@	126.66	123.12

The Company has given guarantee to Yes Bank Limited with a limit of INR 100.00 (previous year: INR 125.00) in respect of borrowings of Devyani Food Street Private Limited.

@@ The Company has given guarantee to Axis Bank Limited with a limit of GBP 1.36 million (previous year: GBP 1.36 million) in respect of rent payable to landlord for lease of Devyani International (UK) Private Limited. Further, the Company has provided a letter of support for financial and operational assistance to Devyani International (UK) Pvt. Ltd for ongoing operations for atleast 12 months.

^ The Company has given guarantee to Everest Bank Limited with a limit of NPR. 40.96 million (previous year: NPR 250.00 million) in respect of borrowings of Devyani International Nepal Private Limited.

(Rupees in millions, except for share data and if otherwise stated)

Note: Further, the Company has provided a letter of support for financial and operational assistance to Devyani International (UK) Private limited and Devyani Airport Services (Mumbai) Private Limited for ongoing operations for atleast 12 months.

(viii) Guarantees/security given by the other party on behalf of the company

Ravi Kant Jaipuria^	-	9.35
Ravi Kant Jaipuria & Sons (HUF)^	-	9.35

^ Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF) have given personal guarantees to Yes Bank Limited in respect of term loan of INR 150.00 taken in the year ending 31 March 2015. The loan has been fully repaid during the year.

(V) Terms and Conditions

All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured and settlement occurs in cash.

39. Contingent liabilities, commitments and other claims

(to the extent not provided for)

Contingent liabilities and other claims:

(a) Claims against the Company not acknowledged as debts-:

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Claims made by direct and indirect tax authorities:		
(i) Goods and service tax	0.31	-
(ii) Value added tax	13.23	12.18
(iii) Service tax	6.36	6.36
(ii) Income tax	0.28	3.92
	20.18	**22.46**
(ii) Others (miscellaneous claims in relation to Company's operations)#	**24.40**	**35.72**

(b) Guarantees

Particulars	As at 31 March 2020	As at 31 March 2019
Guarantee given to Axis Bank Limited in respect of rent payable to landlord for a lease of Devyani International (UK) Private Limited, wholly owned subsidiary of the Company, also refer note below.	126.66	123.12
Guarantee given to Everest Bank Limited in respect of loan taken by Devyani International (Nepal) Private Limited, wholly owned subsidiary of the Company	25.58	156.39
Guarantee given to Yes Bank Limited in respect of loan taken by Devyani Food Street Private Limited, wholly owned subsidiary of the Company	100.00	125.00

(Rupees in millions, except for share data and if otherwise stated)

Note: Further, the Company has provided a letter of support for financial and operational assistance to Devyani International (UK) Private limited and Devyani Airport Services (Mumbai) Private Limited for ongoing operations for atleast 12 months.

(c) Others

Particulars	As at 31 March 2020	As at 31 March 2019
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of INR 25.15 (previous year: INR 23.05)] (refer note 48 for business combination transactions yet to be effected under said BTA shown as capital commitments as on date).	2,079.19	57.72

The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial position and hence no provision has been recorded against these legal proceedings at this stage. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities. Accordingly, the above mentioned contingent liabilities are disclosed at undiscounted amount.

40. Employee benefits

Defined contribution plans

An amount of INR 96.33 (previous year: INR 74.31) has been recognised as an expense in respect of the Company's contribution to the Employees' Provident Fund deposited with the relevant authorities and has been charged to the Standalone Statement of Profit and Loss.

Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by law of India.

The funding requirements of the plan are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose for which assumptions may differ from the assumptions set out in (iii) below. Employees do not contribute to the plan.

The Company has defined that, in accordance with the terms and conditions of the aforesaid plan and in accordance with statutory requirements (including minimum funding requirements) of the plan of relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less than total present value of obligations.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - 'Employee Benefits'

(Rupees in millions, except for share data and if otherwise stated)

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation as at beginning of the year	94.00	76.39
Acquisition adjustment	3.00	3.62
Interest cost	6.13	5.29
Current service cost	14.31	13.21
Benefits paid	(16.41)	(12.70)
Actuarial (Gain)/loss recognised in other comprehensive income		
-changes in demographic assumption	(0.05)	-
-changes in financial assumption	(1.34)	1.00
-experience adjustment	(0.04)	7.19
Present value of obligation as at end of the year	**99.60**	**94.00**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	21.91	19.92
Return on plan assets recognised in total other comprehensive income	1.63	1.78
Fund charges	(0.12)	(0.12)
Contribution paid into the plan	5.00	10.00
Benefits paid	(14.40)	(9.67)
Balance at the end of the year	**14.02**	**21.91**
Net defined benefit liability/ (asset)	**85.58**	**72.09**

iii. Actuarial Assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows:

Particulars	31 March 2020	31 March 2019
Discounting rate	5.04%	6.52%
Future salary increase	6.00%	8.00%

B. Demographic assumptions

Particulars	31 March 2020	31 March 2019
i) Retirement age (years)	58	58
ii) Mortality table	IALM (2012 - 14)	IALM (2006 - 08)
iii) Ages	**Withdrawal rate**	**Withdrawal rate**

(Rupees in millions, except for share data and if otherwise stated)

Particulars	31 March 2020	31 March 2019
	per annum (%)	per annum (%)
Up to 30 years (Store employees/Back office employees)	50/43	50/43
From 31 to 44 years (Store employees/Back office employees)	37/25	37/25
Above 44 years (Store employees/Back office employees)	30/21	30/21
Assumption regarding future mortality have been based on published statistics and mortality tables		

iv. (a) Expense recognised in the standalone statement of profit or loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee benefit expenses:		
(a) Current service cost	14.31	13.21
(b) Interest cost	6.13	5.29
(c) Interest income on plan assets	(1.43)	(1.38)
	19.01	**17.12**

(b) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial gain/(loss) on defined benefit obligation	1.43	(8.19)
Actuarial gain/(loss) on plan assets	0.08	0.29
	1.51	**(7.90)**
Expense recognised in the standalone statement of profit and loss	**17.50**	**25.02**

v. Reconciliation of statement of expense in the standalone statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Present value of obligation as at the end of the year	99.60	94.00
Present value of obligation as at the beginning of the year	(94.00)	(76.39)
Benefits paid	16.41	12.70
Actual return on plan assets	(1.51)	(1.66)
Acquisition adjustment	(3.00)	(3.62)
Expense recognised in the standalone statement of profit and loss	**17.50**	**25.03**

vi. Change in fair value of plan assets:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening fair value of plan assets	21.91	19.92
Actual return on plan assets	1.63	1.78
Fund charges	(0.12)	(0.12)
Contribution by employer	5.00	10.00

(Rupees in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Benefits paid	(14.40)	(9.67)
Fair value of plan assets as at year end	**14.02**	**21.91**

The Company expects to contribute INR 18.01 (previous year INR 16.97) to gratuity in the next year.

vii. The expected maturity analysis of discounted defined benefit liability is as follows

Particulars	Less than a year	Between one to two years	Between two to five years	Over 5 years
31 March 2020	27.17	23.55	26.95	21.93
31 March 2019	26.31	3.05	13.45	51.19

viii. Bifurcation of closing net liability at the end of year

Particulars	As at 31 March 2020	As at 31 March 2019
Current liability (amount due within one year)	23.34	4.40
Non-current liability (amount due over one year)	62.24	67.69
	85.58	**72.09**

ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
a) Impact due to increase of 1%	(2.70)	(2.36)
b) Impact due to decrease of 1%	2.89	2.51

Impact of the change in salary on defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
a) Impact due to increase of 1%	2.89	2.45
b) Impact due to decrease of 1%	(2.70)	(2.35)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Standalone Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(Rupees in millions, except for share data and if otherwise stated)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease is discount yield will increase plan liabilities

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in plan liabilities.

41. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

As the Company's business activity primarily falls within a single business and geographical segment, i.e., food and beverages, and in India, thus there are no additional disclosures to be provided under Ind AS 108 – "Operating Segments'. The CODM considers that the various goods and services provided by the Company constitutes single business segment.

Information about geographical area - Income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a. Food and beverage segment		
(i) Domestic	12,314.71	10,668.33
(ii) International	50.52	37.92
b. Other income (refer note 24)	259.62	95.91
Total	**12,624.85**	**10,802.16**

No single external customer amounts to 10% or more of the Company's revenue.

Revenue from food and beverage segment is directly attributed to domestic and international operations. Other income is not allocated as the underlying assets/ liabilities/income are used interchangeably. Non-current assets other than financial instruments and income tax assets (net)/deferred tax asset (net) primarily comprises property, plant and equipment which are located in India.

42. Share based payments

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

On 20 September 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 (""ESOS 2011""), which was subsequently approved by the shareholders on 20 December 2011. ESOS 2011 was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. ESOS 2011 was amended subsequently and was approved by the shareholders on 18 May 2012. The resolution provides that Options so granted, shall not represent more than 4,900,000 shares of the Company at any given point of time (""Ceiling Limit"") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

(Rupees in millions, except for share data and if otherwise stated)

As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 111.70.

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 (""ESOS 2018""), which was subsequently approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the paid up share capital of the Company at any given point of time (""Ceiling Limit"") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 306.12. Under the above schemes, no vesting shall occur until the filing of Red Herring Prospectus (""RHP"") by the Company for the purpose of Initial Public Offer (""IPO"").

The Options were granted on the dates as mentioned in the table below:

S. No	Grant Date	Number of Options granted	Exercise Price (INR)	Vesting Condition	Vesting Period	Contractual Period
1	19 May 2012	2,088,200	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022 (Previous year: 31 December 2020)*	2.25 years to 7.25 years (Previous year 1.75 years to 6.75 years)
2	31 May 2014	300,000	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022 (Previous year: 31 December 2020)*	2.25 years to 7.25 years (Previous year 1.75 years to 6.75 years)
3	21 September 2018	506,000	306.12	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	Refer note below	2.25 years to 7.76 years (Previous year 1.75 years to 6.75 years)

*During the year ended 31 March 2020, the expected date of RHP filling has changed from 31 December 2020 to 30 June 2022.

Note: 379,500 options on 30 June 2022 and 126,500 options on 1 January 2023 (previous year: 126,500 options each on 31 December 2020, 1 January 2021, 1 January 2022 and 1 January 2023)

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

(Rupees in millions, except for share data and if otherwise stated)

Particulars	Options granted on 21 September 2018	Options granted on 31 May 2014	Options granted on 19 May 2012
Fair value per Option at grant date (in INR)	105.28 - 133.03	123.17	56.35 - 57.28
Share price at grant date (in INR)	268.99	151.07	93.21
Exercise price (in INR)	306.12	111.70	111.70
Expected volatility	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%
Risk-free interest rate	8.06% - 8.11%	9.19%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

c. Effect of employee stock option schemes on the standalone statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee stock option scheme (reversal)/expense*	(10.30)	2.52
	(10.30)	**2.52**

*included in Salaries, wages and bonus (refer note 28)

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes are as follows:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of options	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)
Number of Options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	2,365,500	153.29	1,871,500	111.70
Add: Options granted during the year	-	-	506,000	306.12
Less: Options forfeited/ lapsed during the year	380,000	306.12	12,000	111.70
Options outstanding as at the end of the year	**1,985,500**	**124.04**	**2,365,500**	**153.29**
Options exercisable at the end of the year	-	-	-	-

(Rupees in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Weighted average remaining life of options outstanding at the end of year (in years)	7.30	6.92

43. Assessment of investment in and loans to Subsidiary Company

The Company holds 87% (previous year: 87%) of equity share capital and 76% (previous year: 76%) preference share capital of RV Enterprizes Pte. Limited (hereinafter referred to as subsidiary company). The carrying value of investment as at the year end is INR 720.95 (previous year: INR 720.95). The carrying value of the loan to the subsidiary, including interest accrued thereon is INR 327.24 (previous year: INR 285.43). The subsidiary company is a special purpose vehicle, which has invested majority of the funds in Devyani International (Nigeria) Limited (a step down subsidiary) through investment in equity shares and grant of loans of USD 2.92 million (previous year: USD 2.92 million) and USD 16.96 million (previous year: USD 16.85 million), respectively. During the current and previous years, the step down subsidiary has incurred significant losses. As at 31 March 2020, the subsidiary company has not impaired the loan amounting to USD 16.96 million as at 31 March 2020 (31 March 2019: USD 16.85 million) and additional equity investment made in the year ended 31 March 2020: NIL (31 March 2019: USD 0.69 million) and the recoverability of the loan and such additional investment has been qualified by the auditor of the subsidiary company. Further, no impairment loss of property, plant and equipment has been recorded in the books of the step down subsidiary. The management of the Company, based on cash flow projections of the step down subsidiary, further expansion plans and expected cash inflows, has not recognised any impairment loss on the investment made in and loan given (including interest accrued thereon) to its subsidiary company amounting to INR 720.95 (previous year: INR 720.95) and INR 327.25 (previous year: 285.43), respectively.

44. Capitalisation of expenditure incurred during construction period

The Company has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2020 and 31 March 2019. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. This cost has been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee benefits expense	25.65	23.92
Other expenses	27.59	13.98
	53.24	**37.90**

45. Impairment of non-financial assets

In accordance with Ind AS 36 “”Impairment of Assets””, the Company has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a benchmark of two-year’s history of operating losses or marginal profits for a store. In view of higher operating costs or decline in projected sales growth, certain stores have been impaired in the current and previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment, right-of-use assets, investment properties and other intangible assets, carrying value of these stores aggregating INR 360.80 (excluding opening provision for impairment of INR 68.86) have been reduced to the recoverable amount aggregating to INR 75.25 by way of impairment charge of INR 216.70. Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil-20% (after considering the impact of estimation uncertainty of current COVID-19), (previous year: 5%-20%) and salary growth rate of 6% (previous year: 8%), over balance useful life of plant and machinery being the principle asset, discounted at rate of 12.11 % p.a. (previous year: 12.97% p.a.). Carrying value of a store includes property, plant and equipment, intangible assets used at a store, right-of-use assets, investment properties and allocated corporate assets. Further carrying value and recoverable value of each store is calculated net of lease liabilities.

(Rupees in millions, except for share data and if otherwise stated)

Moreover, the impairment reversal of INR 147.27 is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to INR 337.33 has exceeded the written down value of these stores aggregating Rs. 190.06 (after considering impairment charge recorded in previous years amounting to INR 258.59). Further, impairment reversal of INR 45.44 is in respect of certain property, plant and equipment at stores which have been closed during the year.

Goodwill amounting to INR 228.06 is allocated across multiple stores acquired under business combination and the amount so allocated to each store is not significant in comparison with the Company's total carrying amount of goodwill. However, the entire goodwill allocated over the stores acquired under business combination agreement, is tested for impairment wherein the recoverable amount is calculated based on the same key assumptions as mentioned above. No impairment loss has been recorded on the goodwill amount.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

For goodwill impairment assessment, management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores.

Management has identified that a reasonably possible change in the three key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/(reversal) would increase/ (decrease) on change in these assumptions by 1%. All other factors remaining constant.

Increase/ (Decrease) in impairment loss	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount Rate		
(Increase by 1%)	8.97	3.63
(Decrease by 1%)	(8.42)	(3.70)
Sales Growth Rate		
(Increase by 1%)	(30.37)	(38.02)
(Decrease by 1%)	29.19	43.12
Salary Growth Rate		
(Increase by 1%)	3.84	7.83
(Decrease by 1%)	(3.87)	(7.55)

46. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

(Rupees in millions, except for share data and if otherwise stated)

47. Capital management

The Company's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to all its shareholders. The Company's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. The Company raises long term loans mostly for its expansion requirements and based on the working capital requirement utilise the working capital facilities. The Company monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis.

48. Business Combination

During the year ended 31 March 2020, the Company has entered into Business Transfer Arrangement dated 11 December 2019 ('BTA') with Yum Restaurants (India) Private Limited (""Yum""). Under the said BTA, the Company will acquire sixty one stores in multiple tranches being every store treated as a separate business. Till 31 March 2020, the Company has acquired nine KFC stores on 01 March 2020 from Yum on slump sale basis for an estimated purchase consideration of INR 339.34. Yum is the franchiser of KFC, Pizza Hut, Taco Bell brand and the Company has acquired KFC stores from Yum in order to expand its operations in Karnataka, Andhra Pradesh and Telangana. Also, refer note 50 for further details. Similarly, in the previous year, the Company acquired four KFC stores on 01 October 2018, six KFC stores on 01 November 2018 and three KFC stores on 01 December 2018 from Yum on slump sale basis for an estimated purchase consideration of INR 311.38 .

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Assets		
Property, plant and equipment (refer note 3A)	76.32	258.20
Other intangible assets (refer note 5)	33.91	20.60
Inventories	4.67	8.33
Other assets	8.86	18.38
	123.76	**305.51**
Liabilities	3.00	3.62
	3.00	**3.62**
Total identifiable net assets (at fair value)	**120.76**	**301.89**
Purchase consideration to be transferred/transferred in cash	**339.34**	**311.38**
Goodwill (refer note 4)	**218.58**	**9.49**

The goodwill is attributable to the operational synergies and expansion on market share.

(Rupees in millions, except for share data and if otherwise stated)

Transaction costs of INR 0.20 (previous year: INR 0.48) have been expensed and is included in "Other expenses" in the Standalone Statement of Profit and Loss and are part of the operating cash flows in the Standalone Cash Flow Statement.

Acquired stores under business combination contributed revenue of INR 26.54 (previous year: INR 251.95) and profit of INR 3.51 (previous year loss of: INR 8.09) to the Company's loss for the current and previous years from respective acquisition dates.

In respect of the business combination, the Company does not have access to the records of Yum prior to the date of acquisition and hence, it is impractical to disclose the revenue and profit or loss of the Company along with the acquired stores for the current reporting period as though the acquisition date for the business combinations that occurred during the current year had been as of the beginning of the annual reporting period as required by Ind AS 103.

49. Disclosure pursuant to Section 186(4) of the Companies Act, 2013 (also refer note 7):

Nature of the transaction (loans given/investments made/ guarantees given)	As at 31 March 2020	As at 31 March 2019
(A) Loans and advances *		
Devyani Food Street Private Limited	-	5.00
Devyani International (Nepal) Private Limited	-	6.41
Devyani Airport Services (Mumbai) Private Limited**	185.33	63.62
RV Enterprizes Pte. Limited ** (refer note 43)	327.24	285.43
Devyani International (UK) Private Limited ** (refer note 52)	855.86	592.71
Parkview City Limited^	-	-
(B) Investments #		
Investments in equity shares ##		
Devyani Food Street Private Limited	175.92	175.92
Devyani Airport Services (Mumbai) Private Limited (refer note 51)	84.84	84.84
RV Enterprizes Pte. Limited (refer note 43)	108.93	108.93
Devyani International (Nepal) Private Limited	26.77	26.77
Devyani International (UK) Private Limited (refer note 52)	350.82	350.82
The Minor Food Group (India) Private Limited (refer note 53)	72.32	72.32
Investments in preference shares ##		
Devyani Airport Services (Mumbai) Private Limited	326.31	326.31
RV Enterprizes Pte. Limited (refer note 43)	612.02	612.02
Devyani International (Nepal) Private Limited	25.06	25.06
Corporate guarantee ^^		
Devyani Food Street Private Limited	100.00	125.00
Devyani International (Nepal) Private Limited	25.58	156.39
Devyani International (UK) Private Limited	126.66	123.12

* refer note 7 for particulars of the loans and advances given.

** Includes interest accrued on loans amounting to INR 78.87 (previous year: INR 29.65)

(Rupees in millions, except for share data and if otherwise stated)

refer note 6A and 6B for full particulars of the investments made.

the above investments are shown at cost per financial reporting requirements.

^ during the year the Company has given loan of INR 550.00 to the party and full repayment of the loan has also been received including interest accrued thereon.

^^ refer note 38 for full particulars of the corporate guarantees given.

Note: Further, the Company has provided a letter of support for financial and operational assistance to Devyani International (UK) Private limited and Devyani Airport Services (Mumbai) Private Limited for ongoing operations for atleast 12 months.

50. Events occurring after reporting period

i) Acquisition of stores: The Company has completed acquisition of thirty seven KFC stores (till adoption of the standalone financial statements of the Company) from Yum on slump sale basis in order to expand its operations in Karnataka, Andhra Pradesh and Telengana under the BTA. (Refer note 48).

ii) Issue of equity share capital: The Company has allotted 3,369,644 equity shares of the Company at INR 433.28 per equity share (face value of INR 10/- per equity share and share premium of INR 423.28/- per equity share to YUM in two tranches on 30 April 2020 and 3 July 2020.

51. Investment in Devyani Airport Services (Mumbai) Private Limited, a subsidiary

As at 31 March 2020, the Company has investment in equity shares of Devyani Airport Services (Mumbai) Private Limited (a subsidiary company) amounting to INR 84.84, accounted for under Ind AS 27. In accordance with Ind AS 36 “Impairment of Assets”, such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections.

During the previous year, for investment in equity shares of Devyani Airport Services (Mumbai) Private Limited, the Company had considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a 5 years (approximately) cash flow forecast. The key assumptions used for computation of value in use are the sales growth rate of 18% p.a. and discount rate of 12.97% p.a. Based on management’s impairment assessment, recoverable amount was lower than the carrying amount for such investment and this resulted in provision for impairment loss in the value of investment of INR 84.84 during the previous year and such provision amount was disclosed under “Provision for impairment loss in value of investments in subsidiary” in the Standalone Statement of Profit and Loss.

As at 31 March 2020. the Company has reassessed whether there is an indication that impairment for impairment and based on its assessment, management has concluded that the said impairment need not be reversed.

52. Long term interests in Devyani International (UK) Private Limited, a subsidiary

As at 31 March 2020, the Company has investment in equity shares of Devyani International (UK) Private Limited (a subsidiary company) amounting to INR 350.82 (31 March 2019: INR 350.82), accounted as per requirements of Ind AS 27, Separate Financial Statements, at cost. Apart from above, the Company has granted loans to the subsidiary whose balance as at 31 March 2020: INR 855.86 (previous year: INR 592.72) including interest accrued thereon. In accordance with Ind AS 36 “Impairment of Assets””, such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon

Financial Statements

(Rupees in millions, except for share data and if otherwise stated)

discounted cash flow projections.

As at 31 March 2020, for long term interests in the subsidiary, the Company has considered it appropriate to undertake the impairment assessment based on certain indicators, with reference to the latest business plan which includes a 5 years (approximately) cash flow forecast. The key assumptions used for computation of value in use are the sales growth rate of 15%-20% p.a. and discount rate of 10.80% p.a. Based on management's impairment assessment, recoverable amount is lower than the carrying amount for such investment and this resulted in provision for impairment loss in the value of investment for INR 350.82 as at 31 March 2020 (previous year: INR NIL) and for loans granted including interest accrued thereon, INR 307.70 as at 31 March 2020 (previous year: INR NIL). Such provision amount has been disclosed under "Exceptional items" in the Standalone Statement of Profit and Loss (refer note 32).

53. Investment in The Minor Food Group (India) Private Limited, a joint venture

As at 31 March 2020, the Company has investment in equity shares of The Minor Food Group (India) Private Limited (a joint venture) amounting to INR 72.32 (31 March 2019: INR 72.32), accounted as per requirements of Ind AS 27, Separate Financial Statements, at cost. In earlier years, The Minor Food Group (India) Private Limited ceased to perform its operations and hence the recoverable value of this joint venture was considered INR Nil which resulted in impairment in the value of investment of INR 72.32 during earlier years. There is no change in financial position of joint venture as at 31 March 2020 and investment in joint venture continues to be fully impaired as of date.

54. Disclosures about the Company's ability to continue as a going concern.

The Company has incurred losses (total comprehensive loss) of INR 1,349.23 in current year (previous year: INR 386.83) and has accumulated losses of INR 5,644.03 as at 31 March 2020 (previous year: INR 3,105.76), which is has significantly eroded the net worth of the Company. Further, the Company's current liabilities exceed its current assets as at 31 March 2020 by INR 3,358.31 (previous year: INR 1,262.22).

Based on financial projections, revised and detailed business strategies (including business combination transactions referred to in note 48 above), subsequent equity issues as referred in note 50, the Company expects growth in its operations and improved operating performance in coming years and also, expects to earn enhanced cash inflows from its operating activities. The Company believes such anticipated internally generated funds from operations in future and its available revolving undrawn credit facilities as at 31 March 2020 and certain other current assets (financial and non-financial) as on date, will enable it to meet its future known obligations due in next year, in the ordinary course of business. Based on the projections, the Company expects to earn cash inflow from operating activities, which can be used to settle liabilities due in the near future. Also, the Company has also availed moratorium period for principal and interest payments, under Covid 19 - Regulatory Package announced by the Reserve Bank of India by rescheduling its repayments of loans and payment of interest. Further, the holding company has confirmed its intent as well as ability to extend continued financial support to the Company, as and when needed, so as to enable the Company continues its operations as a going concern in foreseeable future and board of directors of the Company have acknowledged the continued support.

In view of the same, the management of the Company is hopeful of generating sufficient cash flows in the future to meet the Company's financial obligations. Therefore, these standalone financial statements have been prepared on a going concern basis.

55. Estimation of uncertainties relating to the global health pandemic from Coronavirus (Covid 19)

The global spread of Covid 19 has impacted businesses across all sectors and geographies. As a result, operations of most restaurants and commissaries have been affected temporarily in compliance with lockdown announced by Central Government of India and other directives/orders issued by other relevant authorities. The management of the Company has considered all internal and external sources of information, including economic forecasts and estimates from market sources as at the date of the approval of these standalone financial statements in determining carrying value of assets comprising property, plant and equipment, right of use assests, inventories, receivables and other current assets as at the balance sheet date. On the basis of evaluation and current indicators of future economic conditions, the Company has concluded that no material adjustments are required in the standalone financial statements other than those already recognised as of the reporting date. Given the uncertainties associated with nature, condition and duration of Covid 19, the impact assessment on the Company's standalone financial statements will be continuously made and provided for as required.

56. The amounts of previous reported year have been regrouped/reclassified wherever considered necessary in order to comply with financial reporting requirements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078

For and on behalf of the **Board of Directors of Devyani International Limited**

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

INDEPENDENT AUDITORS' REPORT

To the Members of

Devyani International Limited

Report on the Audit of Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Devyani International Limited ('the Holding Company' or 'the Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the one of the joint auditors, APAS & Co., Chartered Accountants and other auditors on separate financial statements of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its joint venture, as at 31 March 2020, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 54 of the accompanying consolidated financial statements, which describes the uncertainties relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the consolidated financial statements of the Group as at the balance sheet date. The extent of the impact of these uncertainties on the Group's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

   The above matter has also been reported as emphasis of matter in the audit reports issued by independent firm of Chartered Accountants on the separate financial statements of two subsidiaries for the year ended 31 March 2020.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group and its joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the APAS & Co., Chartered Accountants and other auditors, such auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

12. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of INR 7,090.16 million and net assets of INR (2,165.40) million as at 31 March 2020, total revenues of INR 3,510.98 million and net cash inflows amounting to INR 10.17 million for the year ended on that date, as considered in the consolidated financial statements. Out of the above, the financial statements of two subsidiaries, whose financial statements reflect total assets of INR 1,406.51 million and net assets of INR (815.65) million as at 31 March 2020, total revenues of INR 1,593.16 million and net cash outflows amounting to INR 8.13 million for the year ended on that date, as considered in the consolidated financial statements have been audited by APAS & Co., Chartered Accountants. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of INR Nil for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements has not been audited by us. These financial statements have been audited by APAS & Co., Chartered Accountants and other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, are based solely on the reports of the APAS & Co., Chartered Accountants and other auditors.

    Further, of these subsidiaries, four subsidiaries which are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. APAS & Co., Chartered Accountants have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by APAS & Co., Chartered Accountants.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the APAS & Co., Chartered Accountants and other auditors.

13. The consolidated financial statements of the Group and its joint venture for the year ended 31 March 2019 were jointly audited by the predecessor joint auditor, B S R & Co. LLP, Chartered Accountants and current joint auditor, APAS & Co., Chartered Accountants, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 23 September 2019.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of APAS & Co., Chartered Accountants and other auditors, referred to in paragraph 12, on separate financial statements of the subsidiaries, we report that the Holding Company and two subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to four subsidiary companies, and one joint venture company covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

15. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the APAS & Co., Chartered Accountants and other auditors on separate financial statements of the subsidiaries and a joint venture, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of APAS & Co., Chartered Accountants and other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matters described in paragraph 4 of the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Group;

    f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture company covered under the Act, none of the directors of the Group companies and joint venture company covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

    h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the APAS & Co., Chartered Accountants and other auditors on separate financial statements as also the other financial information of the subsidiaries and the joint venture:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint venture as detailed in Note 39 to the consolidated financial statements;

ii. provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 19 to the consolidated financial statements;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint venture company covered under the Act, during the year ended 31 March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
ICAI UDIN: 20501531AAAADZ5907

Place: Gurugram
Date: 09 September 2020

L-41, 1st Floor, Connaught Place,
New Delhi 110 001

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
ICAI UDIN: 19520078AAAAFD3824

Place: Gurugram
Date: 09 September 2020

606, 6th Floor, PP City Centre,
Road No. 44, Pitampura,
New Delhi 110 034

Annexure I

List of entities included in the consolidated financial statements

1) Devyani International Limited, Holding Company
2) Devyani Food Street Private Limited, subsidiary
3) Devyani Airport Services (Mumbai) Private Limited, subsidiary
4) Devyani International (Nepal) Private Limited, subsidiary
5) Devyani International (UK) Private Limited, subsidiary
6 RV Enterprizes Pte. Limited, subsidiary
7) Devyani International (Nigeria) Limited (subsidiary of R V Enterprizes Pte. Limited)
8) The Minor Food Group (India) Private Limited, joint venture

Annexure A

Independent Auditor's Report on the internal financial controls with reference to the consolidated financial statements of Devyani International Limited under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Devyani International Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its joint venture as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its joint venture company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by APAS & Co., Chartered Accountants and other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the

Holding Company, its subsidiary companies and its joint venture company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of APAS & Co., Chartered Accountants and other auditors on internal financial controls with reference to financial statements of the subsidiary companies and joint venture company, the Holding Company, its subsidiary companies and its joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not jointly audit the internal financial controls with reference to financial statements in so far as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of INR 1,406.51 million and net assets of INR (815.65) million as at 31 March 2020, total revenues of INR 1,593.16 million and net cash outflows amounting to INR 8.13 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of INR Nil for the year ended 31 March 2020, in respect of one joint venture company, which is company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such

subsidiary companies have been audited by APAS & Co., Chartered Accountants and the joint venture company has been audited by other auditor, whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements for the Holding Company, its subsidiary companies and its joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the auditors of such companies.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
ICAI UDIN: 20501531AAAADZ5907

Place: Gurugram
Date: 09 September 2020

L-41, 1st Floor, Connaught Place,
New Delhi 110 001

For **APAS & Co.**
Chartered Accountants
Firm Registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078
ICAI UDIN: 19520078AAAAFD3824

Place: Gurugram
Date: 09 September 2020

606, 6th Floor, PP City Centre,
Road No. 44, Pitampura,
New Delhi 110 034

CONSOLIDATED BALANCE SHEET
As at 31 March 2020

(INR in millions, except for share data and if otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019#
Assets			
Non-current assets			
Property, plant and equipment	3A	4,786.54	4,840.49
Capital work-in-progress	3B	135.27	115.18
Right-of-use assets	3C	10,350.83	-
Investment properties	3D	413.99	-
Goodwill	4	367.95	161.33
Other intangible assets	5	433.81	363.85
Investments accounted for using equity method	6	-	-
Financial assets			
(i) Loans	7	491.60	458.41
(ii) Other financial assets	8	182.27	39.82
Deferred tax assets (net)	33	75.49	28.67
Income tax assets (net)	33	94.95	96.22
Other non-current assets	9	71.22	228.26
Total non-current assets		17,403.92	6,332.23
Current assets			
Inventories	10	720.87	549.42
Financial assets			
(i) Trade receivables	11	172.99	229.84
(ii) Cash and cash equivalents	12	132.26	265.72
(iii) Bank balances other than cash and cash equivalents	13	28.06	5.10
(iv) Loans	7	128.13	95.80
(v) Other financial assets	8	36.38	0.58
Other current assets	9	213.15	313.09
Total current assets		1,431.84	1,459.55
Total assets		18,835.76	7,791.78
Equity and liabilities			
Equity			
Equity share capital	14	1,061.67	1,061.67
Other equity	15	(2,952.68)	(243.19)
Equity attributable to owners of the Company		(1,891.01)	818.48
Non-controlling interests	48	(391.14)	(455.13)
Total equity		(2,282.15)	363.35

(INR in millions, except for share data and if otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019#
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	3,402.17	3,324.84
(ii) Lease liabilities	16	11,759.04	-
(iii) Other financial liabilities	19	52.82	33.72
Provisions	20	115.73	138.05
Other non-current liabilities	21	10.49	495.08
Total non-current liabilities		15,340.25	3,991.69
Current liabilities			
Financial liabilities			
(i) Borrowings	18	904.56	676.93
(ii) Trade payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		20.91	23.64
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,610.98	1,344.55
(iii) Lease liabilities	16	1,122.83	-
(iv) Other financial liabilities	19	1,896.91	1,179.27
Current tax liabilities (net)	33	6.88	2.82
Other current liabilities	21	170.44	177.27
Provisions	20	44.15	32.26
Total current liabilities		5,777.66	3,436.74
Total equity and liabilities		18,835.76	7,791.78

#The Group has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 2020

(INR in millions, except for share data and if otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019#
Income			
Revenue from operations	23	15,651.00	13,565.97
Other income	24	189.52	88.03
Total income		15,840.52	13,654.00
Expenses			
Cost of materials consumed	25	4,487.18	3,772.90
Purchases of stock-in-trade	26	321.83	317.29
Changes in inventories of stock-in-trade	27	(28.82)	(21.24)
Employee benefits expense	28	2,424.61	2,101.38
Finance costs	29	1,687.91	382.77
Depreciation and amortisation expense	30A	2,467.04	829.22
Impairment of non-financial assets	30B	38.77	247.53
Other expenses	31	5,983.55	6,677.14
Total expenses		17,382.07	14,306.99
Loss before execptional items and tax		(1,541.55)	(652.99)
Exceptional items	32	(345.78)	-
Loss before tax		(1,195.77)	(652.99)
Tax expense	33		
Current tax		13.48	8.53
Deferred tax		4.93	2.78
Total tax expense		18.41	11.31
Loss for the year		(1,214.18)	(664.30)
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		3.73	(9.55)
Income tax relating to above mentioned item		(0.34)	0.39
Other comprehensive income/(loss) not to be reclassified to profit or loss		3.39	(9.16)
Items that will be reclassified to profit or loss			
Exchange difference in translating financial statements of foreign operations		139.19	(20.88)
Income tax relating to above mentioned item		-	-
Other comprehensive income/(loss) to be reclassified to profit or loss		139.19	(20.88)
Other comprehensive income/(loss) for the year		142.58	(30.04)
Total comprehensive loss for the year		(1,071.60)	(694.34)

(INR in millions, except for share data and if otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019#
Loss attributable to:			
Owners of the Company		(1,216.73)	(483.54)
Non controlling interest	48	2.55	(180.77)
Loss for the year		(1,214.18)	(664.31)
Other comprehensive income/(loss) attributable to:			
Owners of the Company		106.98	(16.05)
Non controlling interest	48	35.60	(13.99)
Other comprehensive income/(loss) for the year		142.58	(30.04)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		(1,109.75)	(499.59)
Non controlling interest	48	38.15	(194.76)
Total comprehensive loss for the year		(1,071.60)	(694.35)
Loss per equity share of face value of INR 10/- each	34		
Basic (INR)		(11.46)	(4.55)
Diluted (INR)		(11.46)	(4.55)

#The Group has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

CONSOLIDATED CASH FLOW STATEMENT
For the year ended March 2020

(INR in millions, except for share data and if otherwise stated)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash flows from operating activities**		
	Loss before tax	(1,195.77)	(652.99)
	Adjustments for:		
	Depreciation and amortisation expense	2,467.04	829.22
	Impairment loss of non-financial assets	38.77	247.53
	Liabilities no longer required written back	(28.97)	(12.79)
	Loss on disposal of property plant and equipment	187.67	11.49
	Lease equalisation rent (included in rent expenses)	-	71.21
	Bad debts and advances written off	0.13	0.69
	Loss allowance	27.04	6.38
	Unrealised foreign exchange (gain)/loss	108.09	(1.23)
	Finance costs	1,687.91	382.77
	Derivatives at fair value through profit and loss	8.62	5.36
	Employee stock option scheme expenses/(reversal)	(12.18)	2.53
	Interest income	(93.47)	(72.43)
	Gain on termination of leases	(365.66)	-
	Gain on extinguishment of lease liability	(18.84)	-
	Gain on net investment in finance lease	(18.76)	-
	Operating profit before working capital changes	2,791.62	817.74
	Adjustments for changes in:		
	- trade receivables	29.31	(52.87)
	- inventories	(171.45)	(103.10)
	- loans, other financial assets, and other assets	(67.64)	(3.00)
	- trade payables, other financial liabilities and other liabilities	433.13	105.05
	Cash generated from operating activities	3,014.97	763.82
	Income tax (paid)(net)	(7.81)	(2.85)
	Net cash generated from operating activities	3,007.16	760.97
B	**Cash flows from investing activities**		
	Payment for property, plant and equipment and other intangible assets acquired under business combination	-	(288.29)
	Payment for property, plant and equipment and other intangible assets other than above	(999.09)	(1,422.56)
	Proceeds from sale of property plant and equipment and intangible assets	10.95	15.69
	Deposits made with banks	(22.96)	(176.01)
	Proceeds from maturity of deposits	21.10	179.13
	Interest received	15.71	12.31
	Net cash used in investing activities	(974.29)	(1,679.73)

(INR in millions, except for share data and if otherwise stated)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
C	**Cash flows from financing activities**		
	Proceeds from long term borrowings	800.00	1,921.78
	Repayment of long term borrowings	(651.19)	(619.36)
	Proceeds/(repayments) of cash credit and overdraft facilities from banks (net)	227.63	(249.54)
	Payment of lease liabilities- principal	(1,043.52)	-
	Payment of lease liabilities- interest	(1,123.90)	-
	Interest paid	(435.17)	(338.27)
	Net cash (used in)/generated from financing activities	(2,226.15)	714.61
D	**Effect of foreign currency fluctuation arising out of consolidation**	59.81	26.86
	Net decrease in cash and cash equivalents during the year (A+B+C+D)	(133.47)	(177.29)
	Effect of exchange rate changes on cash and cash equivalent held in foreign currency	0.01	(0.02)
E	**Cash and cash equivalents at the beginning of the year**	265.72	443.03
F	**Cash and cash equivalents as at the end of the year (refer note 12)**	132.26	265.72

#The Group has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

Notes:

1. The Consolidated Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

2. **Changes in liabilities arising from financing activities**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance of loans:		
Indian rupee term loan	3,107.08	2,283.64
Term Loan- Unsecured	563.83	520.77
Foreign currency term loan	430.01	407.88
Cash credit facilities from banks	676.93	407.25
Redeemable, non-cumulative, non-convertible preference shares (unsecured)	104.30	100.29
Cash flows		
Proceeds from long term borrowings	800.00	1,921.78
Repayment of long term borrowings	(651.19)	(619.36)
Proceeds/(repayments) of cash credit and overdraft facilities from banks (net)	227.63	(249.54)
Finance cost paid	(435.17)	(338.27)
Payment of lease liabilities- principal	(1,043.52)	-
Payment of lease liabilities- interest	(1,123.90)	-

(INR in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Non-cash changes		
Foreign currency exchange fluctuations due to reinstatement	52.99	45.97
Exchange difference of translation of foreign operations	0.52	14.24
Changes in loans received at amortisation cost	(59.68)	4.73
Finance cost expense	1,687.91	382.77
Lease liabilities recognised on adoption of Ind AS 116	12,317.18	-
Additions/remeasurement of lease liabilities	1,608.20	-
Closing balance of loans		
Indian rupee term loans (secured)	3,365.85	3,107.08
Foreign currency term loans (secured)	349.07	430.01
Term loans from others (unsecured)	713.86	563.83
Redeemable, non-cumulative, non-convertible preference shares (unsecured)	47.91	104.30
Lease liabilities (unsecured)	12,881.87	-
Cash credit facilities from banks (secured)	904.56	676.93

3. Significant non cash transactions - acquisition of right-of-use assets and investment properties (refer note 36 and 37).

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended March 2020

(Rupees in millions, except for share data and if otherwise stated)

A Equity share capital

	Note	For the year ended 31 March 2020		For the year ended 31 March 2019	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	14	106,166,666	1,061.67	106,166,666	1,061.67
Balance at the end of the year		106,166,666	1,061.67	106,166,666	1,061.67

B Other equity

	Attributable to owners of the Company							Attributable to Non controlling interest (NCI)	Total
	Reserves and Surplus				Items of Other comprehensive income		Total attributable to owners of the Company		
	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	Exchange difference of translation of foreign operations	Other item of other comprehensive income*			
Balance as at 01 April 2018	**4,632.61**	**110.89**	**5.47**	**(4,947.60)**	**528.32**	**-**	**329.69**	**(336.19)**	**(6.50)**
Loss for the year	-	-	-	(483.54)	-	-	(483.54)	(180.77)	(664.31)
Other comprehensive loss for the year	-	-	-	-	(6.91)	(9.14)	(16.05)	(13.99)	(30.04)
Total comprehensive loss for the year	**-**	**-**	**-**	**(483.54)**	**(6.91)**	**(9.14)**	**(499.59)**	**(194.76)**	**(694.35)**
Transferred to retained earnings	-	-	-	(9.14)	-	9.14	-	-	-
Employee stock options scheme expenses	-	2.53	-	-	-	-	2.53	-	2.53
Transactions with NCI	-	-	-	(75.82)	-	-	(75.82)	75.82	-
Balance as at 31 March 2019	**4,632.61**	**113.42**	**5.47**	**(5,516.10)**	**521.41**	**-**	**(243.19)**	**(455.13)**	**(698.32)**
Balance as at 01 April 2019	**4,632.61**	**113.42**	**5.47**	**(5,516.10)**	**521.41**	**-**	**(243.19)**	**(455.13)**	**(698.32)**
Changes in accounting policy (on account of adoption of Ind AS 116, Leases)	-	-	-	(1,506.81)	-	-	(1,506.81)	(54.91)	(1,561.72)
Profit/(loss) for the year	-	-	-	(1,216.73)	-	-	(1,216.73)	2.55	(1,214.18)
Other comprehensive income for the year	-	-	-	-	103.59	3.39	106.98	35.60	142.58

(Rupees in millions, except for share data and if otherwise stated)

	Attributable to owners of the Company							Attributable to Non controlling interest (NCI)	Total
	Reserves and Surplus				Items of Other comprehensive income		Total attributable to owners of the Company		
	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	Exchange difference of translation of foreign operations	Other item of other comprehensive income*			
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**(2,723.54)**	**103.59**	**3.39**	**(2,616.56)**	**(16.76)**	**(2,633.32)**
Transferred to retained earnings	-	-	-	3.39	-	(3.39)	-	-	-
Employee stock options scheme reversal	-	(12.18)	-	-	-	-	(12.18)	-	(12.18)
Transactions with NCI	-	-	-	(80.75)	-	-	(80.75)	80.75	-
Balance as at 31 March 2020	**4,632.61**	**101.24**	**5.47**	**(8,317.00)**	**625.00**	**-**	**(2,952.68)**	**(391.14)**	**(3,343.82)**

* Other comprehensive income represents remeasurement of defined benefit plans (net of tax)
#The Group has initially applied Ind AS 116, Leases, using the modified retrospective method. Under this method, the comparative information is not restated. Refer note 36 for further details.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

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CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

1. Company information/overview

Devyani International Limited (the 'Company' or 'the Holding Company') is a public limited company domiciled in India, having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi - 110020. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. These consolidated financial statements comprise the financial statements of the Company, its subsidiaries (collectively referred to as the 'Group') and its joint venture.

The Group is primarily engaged in the business of developing, managing and operating quick service restaurants and food courts for brands such as Pizza Hut, KFC, Costa, Vaango etc. and retail stores for TWG Tea.

For details regarding subsidiaries and joint venture of the Group, refer note 38.

2.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The consolidated financial statements are prepared on accrual and going concern basis. The Board of Directors can permit revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or amortized cost (refer note 35), defined benefit obligations (refer note 45) and share based payments (refer note 40).

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

Information about significant areas of estimation / uncertainty and judgements in applying accounting policies that have the most significant effect on the consolidated financial statements are as follows: -

- Note 2.2 (h) and 45 - measurement of defined benefit obligations: key actuarial assumptions.
- Note 2.2 (a) and (b) - measurement of useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets.
- Note 2.2 (j) - judgment required to determine probability of recognition of deferred tax assets.
- Note 2.2 (m) and 35 - fair value measurement of financial instruments
- Note 2.2 (f) impairment assessment of non-financial assets key assumptions underlying recoverable amount.
- Note 2.2 (m) impairment assessment of financial assets.
- Note 40 - judgment required to determine grant date fair value technique for employee stock option scheme expenses.
- Note 2.2 (q) and 35 - fair value measurement of financial guarantee contracts.
- Note 2.2 (d) and 36 - judgment required to ascertain lease classification, lease term, lease and non-lease component and impairment of ROU.
- Note 2.2 (g) and 39 - judgment is required to ascertain

whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.
- Note 2.2 (b) and 50 - measurement of consideration and assets acquired as part of business combination.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year except for as disclosed in these financial statements.

The Group has applied Ind AS 116 - Leases, for the first time for their annual reporting period commencing 1 April 2019. The Group had to change its accounting policies as a result of adopting Ind AS 116 - Leases. The Group adopted the new standard retrospectively but recognized the cumulative effect of initially applying the new standard on 1 April 2019. Refer note 36 for details. The other amendments did not have any impact on the amounts recognized in earlier periods and are not expected to affect the current period.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to / by the Group.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole.

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value of financial instruments measured at fair value through profit and loss and amortised cost are disclosed in Note 35.

(e) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of joint venture.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The standalone financial statements of the Company and financial statements of the subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and any unrealised incomes and expenses arising from intra-group transactions. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interest ("NCI") which represents part of consolidated net profit or loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded and presented in the consolidated Balance Sheet separately within Equity.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for

.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the consolidated profit or loss.

The equity accounted investee

The Group's interest in equity accounted investee comprise interest in joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Interest in joint venture is accounted for by using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of joint venture until the date on which joint control ceases.

Unrealised gains arising from transactions with equity accounted investee are eliminated against the investment to the extent of Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its equity accounted investee. At each reporting date, the Group determines whether there is objective evidence that the equity accounted investee is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity accounted investee and its carrying value, and then recognises the loss in the consolidated Profit or Loss.

In case, Group's share of losses of equity accounted investee equals or exceeds the interest in equity accounted investee (carrying value of investment), the Group discontinues recognising it's share of future losses.

The Group and its joint venture considered in these consolidated financial statements are as follows:

i) Subsidiaries

Name of the company	Country of incorporation	% voting power held as at 31 March 2020	% voting power held as at 31 March 2019
Devyani International (Nepal) Private Limited	Nepal	100%	100%
Devyani Food Street Private Limited	India	100%	100%
Devyani International (UK) Private Limited	United Kingdom	100%	100%
RV Enterprizes Pte. Limited	Singapore	87%	87%

Devyani International (Nigeria) Limited (subsidiary of RV Enterprizes Pte. Limited)	Nigeria	78.75%	78.75%
Devyani Airport Services (Mumbai) Private Limited	India	51%	51%

ii) Equity accounted investee

Name of the company	Country of incorporation	% voting power held as at 31 March 2020	% voting power held as at 31 March 2019
The Minor Food Group (India) Private Limited	India	30%	30%

The financial statements of the above entities (Subsidiaries and Equity accounted investee) are drawn upto the same accounting period as that of the Company.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements except for new accounting standards adopted by the Company [refer to 2.2 d below].

(a) Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure which are directly attributable to commissioning of quick service restaurants are capitalised. Other expenditure incurred during the commissioning phase, which is not directly attributable, is charged off to consolidated Profit or Loss.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, have been capitalised and disclosed separately under leasehold improvement.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the consolidated profit or loss when property, plant and equipment is derecognised.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other subsequent cost are charged to consolidated profit or loss at the time of incurrence.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the consolidated profit or loss. Depreciation on property, plant and equipment is provided on straight line basis based on their useful lives mentioned below and in the manner provided in Schedule II to the Companies Act, 2013.

Asset description	Useful life of asset (in years)
Buildings	30
Plant and equipment	12
Furniture and fixtures	6
Electrical fittings	10
Office equipments	10
Laptops	4
Computers	6
Utensil and kitchen equipments	10
Small wares*	4
Vehicles	5

* Included under the head Utensil and kitchen equipments.

Freehold land is not depreciated.

Leasehold improvements are depreciated on a straight line basis over the period of the initial lease term or 10 years, whichever is lower. Any refurbishment of structure is depreciated over a period of 5 years.

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II to the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset.

Depreciation is calculated on a pro rata basis for assets purchased/sold during the year.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

Investment properties

(Recognition and initial measurement)

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group. All other repair and maintenance costs are recognized in Statement of Profit and Loss as incurred.

Properties held under leases are classified as investment properties when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. In case of subleases, where the Group is immediate lessor, the right of use arising out of related sub leases is assessed for classification as investment property.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the straight-line method over the lease period of the right-of-use assets.

Though, the Group measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model acceptable internationally.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of de-recognition.

(b) Business combination and intangible assets

Business combination and goodwill

The Group accounts for the business combinations using the acquisition method when control is transferred to the respective company of the Group. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ('acquisition date'), as are the net identifiable assets (tangible and other intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Any goodwill that arises is not amortised but is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquirer. Such amounts are generally recognised in the consolidated profit or loss.

Other intangible assets

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of other intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible assets and are recognised in the consolidated profit or loss when the asset is derecognised.

i. Subsequent cost

Subsequent cost is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on other intangible assets is recognised in consolidated profit or loss, as incurred.

ii. Amortisation

Amortisation is calculated to write off the cost of other intangible assets over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year.

Amortisation has been charged based on the following useful lives:

Asset description	Useful life of asset (in years)
License fee	Period of license
Computer software	6

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Intangible assets under development

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

(c) Inventories

Inventories consist of raw materials which are of a perishable nature and traded goods. Inventories are valued at lower of cost and net realisable value ('NRV'). Raw materials are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their NRV. Cost of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting non-refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV for traded goods is made on at item group level basis at each reporting date.

(d) Leases

Transition to Ind AS 116 - Leases

The Group has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application, i.e. 1 April 2019. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on transition date.

Accounting policy applicable from 1 April 2019 onwards:

The Group as a lessee

As inception of the contract, the Group assesses whether a contract is, or contains a lease. In accordance with Ind AS 116 – Leases, at inception of the contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
b) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
c) The Group assessese whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) fixed payments, including in-substance fixed payments;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable under a residual value guarantee; and

d) the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Group presents right-of-use assets that do not meet the definition of investment property on the face of balance sheet below 'property, plant and equipment' and lease liabilities under 'financial liabilities' in the balance sheet.

The Group has elected not to apply the requirements of Ind AS 116-Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Accounting policy applicable till 31 March 2019 (in comparative period):

Leased assets

Leases of property, plant and equipment in which significant portion of risks and rewards of ownership are not transferred are classified as operating leases. In determining the appropriate classification, the substance of the transaction rather than the form is considered. In case, the lease arrangement includes other consideration, it is separated at the inception of the lease arrangement or upon a reassessment of the lease arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Lease classification is made at the inception of the lease. Lease classification is changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and are accounted prospectively over the remaining term of the lease.

Lease payments

Lease payments in respect of assets taken on operating lease are charged to the consolidated profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

(e) Borrowing costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs, if any.

(f) Impairment - non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU'). Goodwill arising from a business combination is allocated to a CGU or groups of CGU that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the consolidated profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Provisions and contingent liabilities and assets

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

(h) Employee benefits

Short-term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

Gratuity liability is partially funded by the Group through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. The Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by the laws of India.

The liability recognised in the consolidated Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefits expense in the consolidated profit or loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income and transferred to retained earnings.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in consolidated profit or loss as past service cost.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Other long-term employee benefits

Compensated absences

The Group's net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Remeasurements are recognised in consolidated profit or loss in the period in which they arise.

(i) Share based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to eligible employees of the Group under the Employee Stock Option Scheme ('ESOS') is recognised as employee stock option scheme expenses in the consolidated profit or loss, in relation to options granted to employees of the Group (over the vesting period of the awards), with a corresponding increase in other equity. The amount recognised as an expense to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Group revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(j) Income taxes

Income tax expense comprises of current tax and deferred tax. It is recognised in the consolidated profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Indian Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in consolidated Balance Sheet. Significant management judgment is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

(k) Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ (losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the consolidated profit or loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the consolidated profit or loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the consolidated profit or loss, within finance costs.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupees (INR), the functional currency of the Group at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (INR) at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as applicable.

(l) Revenue recognition

Under Ind AS 115 - Revenue from Contracts with Customers, revenue is recognised upon transfer of control of promised goods or services to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, performance bonuses, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

Sale of products

Revenue from the sale of manufactured and traded goods products is recognised upon transfer of control of products to the customers which coincides with their delivery to customer and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

Revenue from outdoor catering services is recognised at a point in time, on completion of the respective services agreed to be provided, the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Service income and management fee

Revenue from marketing support services, management fee and auxiliary and business support services are in terms of agreements with the customers and are recognised on the basis of satisfaction of performance obligation over the duration of the contract from the date the contracts are effective or signed provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method.

Rental income

Revenue from rentals is recognised over the period of the contract provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Scrap sale

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and initial measurement

Trade receivables and debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through consolidated profit or loss, transaction costs that are attributable to its acquisition or use.

Classification

For the purpose of initial recognition, the Group classifies its financial assets in following categories:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the consolidated profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the consolidated profit or loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the consolidated profit or loss.

Impairment of financial assets (other than at fair value)

The Group recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the consolidated profit or loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, for an item not at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated profit or loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in consolidated profit or loss. Any gain or loss on derecognition is also recognised in the consolidated profit or loss.

Compound financial instruments

Compound financial instruments are bifurcated into liability and equity components based on the terms of the contract.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of the compound financial instrument is not measured subsequently.

Interest on liability component is recognised in consolidated profit or loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Such derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in consolidated profit or loss.

(n) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting consolidated profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise share options granted to employees.

(o) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(p) Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

(q) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options in equity as a deduction, net of tax, from the proceeds.

(r) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker is considered to be the Board of Directors of the Holding Company who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

(t) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

(u) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Group operates, i.e., the functional currency, to be Indian Rupees (INR). The financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

(v) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

(w) Trade receivables

Trade receivables are amounts due from the customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group hold the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using effective interest method, less loss allowance.

(x) Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance.

(y) Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

(z) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Group from 01 April 2020.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3A. Property, plant and equipment

(INR in millions, except for share data and if otherwise stated)

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross carrying amount											
As at 31 March 2018	103.91	431.93	1,707.64	2,300.34	296.31	107.89	94.60	197.88	167.31	60.46	5,468.26
Acquisitions through business combination (refer note 50)	-	-	177.90	45.41	5.16	23.52	0.04	6.05	0.01	0.11	258.20
Additions other than above	-	-	462.46	648.42	219.16	2.91	79.94	72.33	71.71	10.09	1,567.02
Disposals	-	-	58.02	30.89	3.26	1.33	0.88	1.42	2.72	3.33	101.85
Exchange differences on translation of foreign operations	-	-	21.24	10.45	6.28	0.02	0.47	0.01	-	0.02	38.49
As at 31 March 2019	**103.91**	**431.93**	**2,311.22**	**2,973.73**	**523.65**	**133.01**	**174.17**	**274.85**	**236.31**	**67.35**	**7,230.12**
Acquisitions through business combination (refer note 50)	-	-	44.67	24.03	1.94	-	0.01	1.72	3.85	0.25	76.47
Additions other than above	-	-	268.41	297.16	55.00	9.06	23.17	133.79	55.48	6.95	849.02
Disposals	-	-	198.75	171.84	91.35	2.94	2.70	17.93	17.47	9.00	511.98
Exchange differences on translation of foreign operations	-	-	26.50	25.35	10.95	0.14	0.46	(0.03)	-	(0.09)	63.28
As at 31 March 2020	**103.91**	**431.93**	**2,452.05**	**3,148.43**	**500.19**	**139.27**	**195.11**	**392.40**	**278.17**	**65.46**	**7,706.91**
Accumulated depreciation											
As at 31 March 2018	-	15.34	412.15	446.54	96.26	27.11	19.04	73.67	41.92	29.52	1,161.56
Depreciation	-	12.93	244.01	297.63	89.40	15.57	18.96	43.28	32.33	16.29	770.39
Disposals	-	-	22.01	15.88	0.92	0.82	0.57	0.95	2.36	2.15	45.66
Exchange differences on translation of foreign operations	-	-	10.10	3.31	2.02	(0.06)	0.25	(0.82)	(0.11)	0.01	14.70

(INR in millions, except for share data and if otherwise stated)

As at 31 March 2019	**-**	**28.27**	**644.25**	**731.60**	**186.76**	**41.80**	**37.68**	**115.18**	**71.78**	**43.67**	**1,900.99**
Depreciation	-	12.93	321.74	316.55	90.13	18.38	19.85	55.75	39.95	10.41	885.69
Disposals	-	-	62.15	52.33	32.91	1.49	0.76	12.37	9.88	8.40	180.29
Exchange differences on translation of foreign operations	-	-	11.79	5.92	4.50	0.04	0.45	0.02	-	(0.07)	22.65
As at 31 March 2020	**-**	**41.20**	**915.63**	**1,001.74**	**248.48**	**58.73**	**57.22**	**158.58**	**101.85**	**45.61**	**2,629.04**
Accumulated impairment											
As at 31 March 2018	-	41.96	117.23	144.16	11.23	4.47	4.14	10.84	2.68	5.43	342.14
Impairment loss (refer note 42)	-	15.06	119.82	88.75	14.41	2.28	2.97	3.59	7.58	0.85	255.31
Impairment (reversal) (refer note 42)	-	(14.75)	(9.94)	(38.01)	(1.74)	(1.27)	(1.15)	(3.22)	(1.30)	(1.80)	(73.18)
Disposals	-	-	22.70	9.61	1.64	0.49	0.22	0.03	0.12	0.81	35.62
As at 31 March 2019	**-**	**42.27**	**204.41**	**185.29**	**22.26**	**4.99**	**5.74**	**11.18**	**8.84**	**3.67**	**488.65**
Impairment loss (refer note 42)	-	-	40.04	68.71	2.43	2.58	3.06	3.17	2.87	0.13	122.99
Impairment (reversal) (refer note 42)	-	(18.10)	(51.71)	(81.77)	(3.52)	(2.92)	(3.27)	(6.69)	(4.61)	(0.74)	(173.33)
Disposals	-	-	103.20	30.11	10.73	0.63	0.26	1.26	0.55	0.23	146.97
As at 31 March 2020	**-**	**24.17**	**89.54**	**142.12**	**10.44**	**4.02**	**5.27**	**6.40**	**6.55**	**2.83**	**291.34**
Net carrying amount											
As at 31 March 2019	**103.91**	**361.39**	**1,462.56**	**2,056.84**	**314.63**	**86.22**	**130.75**	**148.49**	**155.69**	**20.01**	**4,840.49**
As at 31 March 2020	**103.91**	**366.56**	**1,446.88**	**2,004.57**	**241.27**	**76.52**	**132.62**	**227.42**	**169.77**	**17.02**	**4,786.54**

Note:

i) For details regarding charge on property, plant and equipment- refer note 17.

ii) For details regarding capitalisation of expenses incurred during construction period- refer note 41.

iii) For details regarding contractual commitments for the acquisition of property, plant and equipment- refer note 39.

(INR in millions, except for share data and if otherwise stated)

Particulars	Amount
3B. Capital work-in-progress	
As at 1 April 2018	563.90
Additions	115.18
Transfers to property, plant and equipment	(563.90)
Exchange differences on translation of foreign operations	-
As at 31 March 2019	**115.18**
Additions	130.27
Transfers to property, plant and equipment	(110.18)
Exchange differences on translation of foreign operations	-
As at 31 March 2020	**135.27**
3C. Right-of-use assets (refer note 36)	
Gross carrying amount	
As at 1 April 2019	-
Recognition on transition to Ind AS 116, Leases	9,921.08
Additions	1,896.91
Adjustments on account of remeasurement/modification	379.72
Disposals	(759.34)
Exchange differences on translation of foreign operations	71.88
As at 31 March 2020	**11,510.25**
Accumulated amortisation	
As at 1 April 2019	-
Amortisation	1,462.81
Disposals	(387.75)
Exchange differences on translation of foreign operations	1.50
As at 31 March 2020	**1,076.56**
Accumulated impairment	
As at 1 April 2019	-
Impairment loss (refer note 42)	82.86
Impairment (reversal) (refer note 42)	-
Disposals	-
Exchange differences on translation of foreign operations	-
As at 31 March 2020	**82.86**
Net carrying amount as at 31 March 2020	**10,350.83**
3D. Investment properties (refer note 36 read with note 37)	
Gross carrying amount	
As at 1 April 2019	
Recognition on transition to Ind AS 116, Leases	470.66

(INR in millions, except for share data and if otherwise stated)

Particulars	Amount
Additions	5.90
Disposals	(9.07)
As at 31 March 2020	**467.49**
Accumulated amortisation	
As at 1 April 2019	-
Amortisation	52.73
Disposals	-
As at 31 March 2020	**52.73**
Accumulated impairment	
As at 1 April 2019	-
Impairment loss (refer note 42)	0.77
Impairment (reversal) (refer note 42)	-
Disposals	-
As at 31 March 2020	**0.77**
Net carrying amount as at 31 March 2020	**413.99**

4. Goodwill

Particulars	Goodwill on consolidation	Goodwill on business combination	Amount
Gross carrying amount			
As at 1 April 2018	**206.17**	**-**	**206.17**
Acquisitions through business combination (refer note 50)	-	9.49	9.49
As at 31 March 2019	**206.17**	**9.49**	**215.66**
Acquisitions through business combination (refer note 50)	-	218.58	218.58
As at 31 March 2020	**206.17**	**228.07**	**434.24**
Accumulated impairment			
As at 1 April 2018	-	-	-
Impairment loss	54.33	-	54.33
As at 31 March 2019	**54.33**	**-**	**54.33**
Impairment loss (refer below)	11.96	-	11.96
As at 31 March 2020	**66.29**	**-**	**66.29**
Net carrying amount			
As at 31 March 2019	**151.84**	**9.49**	**161.33**
As at 31 March 2020	**139.88**	**228.07**	**367.95**

Impairment testing for goodwill

Goodwill on consolidation

The Group tests goodwill on consolidation for impairment annually. For the purposes of impairment testing, goodwill on consolidation is allocated to respective subsidiary entity "CGU" within the Group.

(INR in millions, except for share data and if otherwise stated)

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

Particulars	As at 31 March 2020	As at 31 March 2019
Devyani Food Street Private Limited	139.88	139.88
Devyani Airport Services (Mumbai) Private Limited	54.33	54.33
RV Enterprizes Pte. Limited	11.96	11.96
Total	**206.17**	**206.17**

For CGU's containing goodwill, management conducts impairment assessment and compares the carrying amount of such CGU with its recoverable amount. Recoverable amount is value in use of the CGU computed based upon discounted cash flow projections. The key assumptions used for computation of value in use are the sales growth rate and discount rate as specified below. The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

Key assumptions	As at 31 March 2020	As at 31 March 2019
Discount rate	12.11% - 29.90	12.97% - 24.48%
Sales growth rate	Nil - 20%.	5% -18%

Discount rate is the weighted average cost of capital of the respective subsidiary (CGU).

As at 31 March 2020, for CGU, the Group has considered it appropriate to undertaken the impairment assessment with reference to the latest business plan which includes a 5 years (approximately) cash flow forecast and applicable terminal growth rate. Terminal growth is used to extrapolate the cash flows beyond the projected period.

Based on management's impairment assessment in respect of RV Enterprizes Pte. Limited, recoverable amount was lower than the carrying amount for such CGU due to higher operating costs and this resulted in provision for impairment loss of goodwill of INR 11.96 during the current year and the provision for impairment loss has been disclosed under ""Impairment on non-financial assets"" in the Consolidated Statement of Profit and loss.

During the previous year ended 31 March 2019, based on management's impairment assessment in respect of Devyani Airport Services (Mumbai) Limited, recoverable amount was lower than the carrying amount for such CGU due to higher operating costs and this resulted in provision for impairment of goodwill of INR 54.33 and such provision amount had been disclosed under "Impairment on non-financial assets" in the Consolidated Statement of Profit and loss.

For other CGUs containing goodwill, the impairment assessment did not result in any impairment loss and the management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said CGUs.

Goodwill on business combination

In accordance with Ind AS 36 "Impairment of Assets", the Group has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review.

Goodwill amounting to INR 218.58 (previous year INR 9.49) is allocated across multiple stores acquired under business combination during the current year. The entire goodwill allocated over the stores acquired under business combination agreement, is tested for impairment wherein the recoverable amount is compared with the carrying amount of these stores.

(INR in millions, except for share data and if otherwise stated)

Recoverable amount is the value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil - 20% and salary growth rate of 6% consistently, over balance useful life of lease period, discounted at rate of 12.11% p.a. No impairment has been recorded on the goodwill amount.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable (also refer note 42).

For goodwill impairment assessment management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores.

5. Other intangible assets

Particulars	License fee	Computer software	Amount
Gross carrying amount			
As at 1 April 2018	338.91	89.84	428.75
Acquisitions through business combination (refer note 50)	20.60	-	20.60
Additions other than above	130.23	6.22	136.45
Disposals	12.06	0.20	12.26
Exchange differences on translation of foreign operations	1.86	-	1.86
As at 31 March 2019	**479.54**	**95.86**	**575.40**
Acquisitions through business combination (refer note 50)	33.91	-	33.91
Additions other than above	92.80	15.47	108.27
Disposals	44.59	1.74	46.33
Exchange differences on translation of foreign operations	2.22	-	2.22
As at 31 March 2020	**563.88**	**109.59**	**673.47**
Accumulated amortisation			
As at 1 April 2018	70.39	40.02	110.41
Amortisation	41.44	17.39	58.83
Disposals	2.21	0.13	2.34
Exchange differences on translation of foreign operations	0.54	-	0.54
As at 31 March 2019	**110.16**	**57.28**	**167.44**
Amortisation	52.97	12.84	65.81
Disposals	19.19	1.20	20.39
Exchange differences on translation of foreign operations	1.21	-	1.21
As at 31 March 2020	**145.15**	**68.92**	**214.07**
Accumulated impairment			
As at 1 April 2018	28.95	7.39	36.34
Impairment loss (refer note 42)	17.05	1.59	18.64
Impairment (reversal) (refer note 42)	(6.53)	(1.04)	(7.57)
Disposals	3.24	0.06	3.30
As at 31 March 2019	**36.23**	**7.88**	**44.11**
Impairment loss (refer note 42)	10.83	-	10.83
Impairment (reversal) (refer note 42)	(17.31)	-	(17.31)
Disposals	11.82	0.22	12.04
As at 31 March 2020	**17.93**	**7.66**	**25.59**
Net carrying amount			
As at 31 March 2019	**333.15**	**30.70**	**363.85**
As at 31 March 2020	**400.80**	**33.01**	**433.81**

(INR in millions, except for share data and if otherwise stated)

6. Investments accounted for using equity method

Particulars	As at 31 March 2020	As at 31 March 2019
Investment in unquoted equity shares		
(accounted using equity method per Ind AS 28, Investments in Associates and Joint Ventures)		
7,223,144 (previous year: 7,223,144) equity shares of The Minor Food Group (India) Private Limited of INR 10/- each, fully paid up (refer note 47)	25.00	25.00
Provision for impairment loss in the value of investments	(25.00)	(25.00)
Aggregate value of unquoted non-current investment	-	-
Aggregate provision for impairment in value of investments	25.00	25.00

The Company does not have any quoted investments during the current and previous years.

7. Loans

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Security deposits (considered good, unsecured)	491.60	458.41	129.17	95.80
Less: loss allowance	-	-	(1.04)	-
	491.60	**458.41**	**128.13**	**95.80**

8. Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good				
Bank deposits ^ #	18.45	39.82	0.36	0.09
Lease rental receivables	21.59	-	1.04	-
Finance lease receivable	142.23	-	11.19	-
Other receivables	-	-	23.79	-
	182.27	**39.82**	**36.38**	**0.09**
Other receivables *(credit impaired)*	-	-	2.96	0.49
Less: loss allowance	-	-	(2.96)	-
	182.27	**39.82**	**36.38**	**0.58**

^Bank deposits include INR 16.24 (previous year : INR 37.87) as deposits with banks under lien. These deposits are used for issuing letter of credit/standby letter of credit/ bank guarantees.

Includes interest accrued but not due on bank deposits amounting to INR 2.21 (previous year: INR 2.04)

(INR in millions, except for share data and if otherwise stated)

9. Other assets

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Capital advances	25.20	23.99	-	-
Prepaid expenses	8.92	0.31	52.32	117.86
Prepaid rent#	9.68	189.22	1.89	42.22
Balance with statutory/government authorities	26.96	14.60	69.67	90.56
Advances to employees	-	-	19.48	8.53
Advance to suppliers	0.46	0.14	70.56	53.92
Less: loss allowance	-	-	(0.77)	-
	71.22	**228.26**	**213.15**	**313.09**

#The Group has adopted Ind AS 116, Leases, w.e.f 1 April 2019 and re-classified prepaid rent related to outlet leases amounting INR 224.23 to right-of-use assets on transition date. Refer note 36 for details.

10. Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
(Valued at the lower of cost and net realisable value)		
Raw materials including packaging materials		
[including goods-in-transit of INR Nil (previous year: INR 35.20)]	539.41	396.78
Stock-in-trade	181.46	152.64
	720.87	**549.42**

11. Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables		
- Considered good- unsecured	172.99	229.84
- Credit impaired	28.66	6.38
	201.65	**236.22**
Less: loss allowance	(28.66)	(6.38)
	172.99	**229.84**

Sub notes:

Trade receivables includes receivables from related parties. Refer note 38.

The carrying amount of trade receivables approximates their fair values, is included in note 35.

The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 35.

(INR in millions, except for share data and if otherwise stated)

12. Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks :		
- On current accounts	125.04	202.50
Cheques on hand	-	0.04
Cash in hand	6.47	50.26
Cash in transit	0.75	12.92
	132.26	**265.72**

13. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Other bank balances*		
- On deposit accounts^	28.06	5.10
	28.06	**5.10**

*Bank deposits INR 28.06 (previous year: INR 3.64) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees."

^ Includes interest accrued but not due on bank deposits amounting to INR 0.01 (previous year: INR 0.01)

14. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised capital		
125,000,000 (previous year: 125,000,000) equity shares of INR 10/- each	1,250.00	1,250.00
	1,250.00	**1,250.00**
Issued, subscribed and fully paid -up		
106,166,666 (previous year: 106,166,666) equity shares of INR 10/- each	1,061.67	1,061.67
	1,061.67	**1,061.67**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and paid up				
At the beginning of the year	106,166,666	1,061.67	106,166,666	1,061.67
At the end of the year	**106,166,666**	**1,061.67**	**106,166,666**	**1,061.67**

b) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity share having a par value of INR 10/- per share. Each holder of the equity share is entitled to one vote per share and is entitled to dividend declared, if any. The paid up equity shares of the Holding Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholder. Further, Dunearn

(INR in millions, except for share data and if otherwise stated)

Investments (Mauritius) Pte Limited ("Dunearn"), one of the shareholders of the Holding Company, enjoys certain exit rights as defined in the Shareholder's Agreement executed with the Holding Company that allows the Holding Company to buyback the equity shares from Dunearn at the option of the Holding Company, in case the Holding Company does not conduct public offering before a specified date.

c) Shares reserved for issue under options and contracts:

For terms and other details of shares reserved for issue under Employee Stock Option Scheme ("ESOS") of the Company. (Refer note 40)

d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of INR 10/- each fully paid-up held by:				
-RJ Corp Limited, India, holding company	81,108,607	76.40	81,108,607	76.40
	81,108,607	**76.40**	**81,108,607**	**76.40**

e) Particulars of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
Equity shares of INR 10/- each fully paid-up held by:				
-RJ Corp Limited, India, holding company	81,108,607	76.40	81,108,607	76.40
-Dunearn Investments (Mauritius) Pte Limited	16,333,333	15.38	16,333,333	15.38
-Mr. Varun Jaipuria	7,004,726	6.60	7,004,726	6.60

f) For the period of five years immediately preceding the date of the Balance Sheet, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding 31 March 2020 and 31 March 2019.

15. Other equity (refer Statement of Changes in Equity)

a) Reserve and Surplus (attitbutable to owners of the Company)

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium	4,632.61	4,632.61
General reserve	5.47	5.47
Retained earnings	(8,317.00)	(5,516.10)
Employee stock options outstanding account (refer note 40)	101.24	113.42
Total	**(3,577.68)**	**(764.60)**

i.) Securities premium is used to record the premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

ii.) General reserve are free reserves of the Group which are kept aside out of the Company's profit to meet the future requirements as and when they arise. The Group had, in the previous years, transferred a portion of profit after tax to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956.

(INR in millions, except for share data and if otherwise stated)

iii.) Retained earnings are the accumulated losses earned by the Company till date, as adjusted for distribution to owners.

iv.) Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer note 40 for further details of these plans.

b) Other comprehensive income

i.) Other comprehensive income pertains to remeasurement gains/ (losses) on defined benefit plans

ii.) Exchange differences on translation of foreign operations are foreign currency translation differences which are recognised in other comprehensive income.

16. Lease liabilities (refer note 36)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Lease liabilities (unsecured)	11,759.04	-	1,122.83	-
	11,759.04	**-**	**1,122.83**	**-**

17. Borrowings

	Non-current		Current portion*	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Term loans (secured) from banks:				
Indian rupee term loans	2,653.76	2,533.57	712.09	572.34
Foreign currency term loans	235.11	321.22	113.96	108.79
Vehicle loans (secured) from a body corporate	-	-	-	1.17
Unsecured term loans from others:				
Redeemable, non-cumulative, non-convertible preference shares	47.91	104.30	59.68	-
Bodies corporate (refer note 38)	465.39	365.75	248.47	198.08
	3,402.17	**3,324.84**	**1,134.20**	**880.38**

The information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 35.

*Current portion of long term borrowings includes interest accrued of INR 7.52 (previous year: INR 9.34). The same has been included in 'Other current financial liabilities'. Refer note 19.

(INR in millions, except for share data and if otherwise stated)

Details of long term borrowings:

<table>
<tr><th>S No.</th><th>Terms of loans</th><th>Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)</th><th>As at 31 March 2020</th><th>As at 31 March 2019</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">The term loan amounting to INR 1,000.00 was taken from Axis Bank Limited. Loan amounting to INR 500.00 was drawn down during the year ended 31 March 2017 and INR 500 during the year ended 31 March 2016. The tenure of the loan is 72 months.
The interest rate applicable is Axis Bank base rate +1.30 % presently 10.05% p.a. payable monthly (previous year: 9.85% p.a. payable monthly). Interest rate to be reset on an annual basis.
The term loan is secured by :
First pari passu charge by way of hypothecation of the Holding Company's entire moveable property, plant and equipment both present and future.
Pari passu first charge by way of equitable mortgage on the Holding Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.
Second pari passu charge by way of hypothecation on the entire current assets of the Holding Company.
Note : The outstanding balance of borrowings is net of unamortised transaction cost of INR. 0.90 (previous year : INR.2.06).</td><td>The term loan is repayable in 7 quarterly instalments as below mentioned :
- 4 instalments during Financial Year 2020-21 - INR. 60 each
- 3 instalments during Financial Year 2021-22 - INR. 60 each
Period of maturity from the balance sheet date is 21 months.</td><td>423.18</td><td>-</td></tr>
<tr><td>The term loan is repayable in 11 quarterly instalments as below mentioned :
- 4 instalments during Financial Year 2019-20 - INR 60 each
- 4 instalments during Financial Year 2020-21 - INR 60 each
- 3 instalments during Financial Year 2021-22 - INR 60 each
Period of maturity from the balance sheet date is 33 months.</td><td>-</td><td>663.85</td></tr>
</table>

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
2	The term loan amounting to INR 300.00 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 73 months. The interest rate applicable is 10.40% p.a payable monthly (previous year: 9.60% p.a payable monthly). The term loan was secured by : First pari passu charge on all movable property, plant and equipment of the Holding Company both present and future. Second pari passu charge over all current assets of the Holding Company both present and future. First pari passu charge on immovable property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.	The term loan is repayable in 3 annual instalments as below mentioned : - 1 instalment during Financial Year 2020-21 - INR. 60 - 1 instalment during Financial Year 2021-22 - INR. 60 - 1 instalment during Financial Year 2022-23 - INR. 60 Period of maturity from the balance sheet date is 36 months.	181.59	-
		The term loan is repayable in 4 annual instalments as below mentioned : - 1 instalment during Financial Year 2019-20- INR 60 - 1 instalment during Financial Year 2020-21- INR 60 - 1 instalment during Financial Year 2021-22- INR 60 - 1 instalment during Financial Year 2022-23- INR 60 Period of maturity from the balance sheet date is 48 months.	-	242.04
3	The term loan amounting to INR 800.00 was taken from Ratnakar Bank Limited during the year ended 31 March 2014. The tenure of loan is 66 months including moratorium period of 6 months. The interest rate applicable is 1.25% above RBL base rate presently 10.25 % p.a . (previous year: 10.25 % p.a). The term loan is secured by : First pari passu charge by way of hypothecation of the Holding Company's entire moveable property, plant and equipment both present and future. Pari passu first equitable mortgage by way of charge on the Holding Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR. Nil (previous year : INR. 0.01).	The loan is fully repaid during the financial year 2019-20	-	-
		The term loan is repayable in 1 quarterly instalment as below mentioned : - 1 instalment during Financial Year 2019-20 - INR 19.69 Period of maturity from the balance sheet date is 3 months.	-	19.68

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
4	The term loan amounting to INR 150.00 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 60 months from the date of first disbursement including the 12 month moratorium period. The interest rate applicable was 10.40% (previous year: 9.60% p.a., payable monthly). The term loan was secured by : First pari passu charge on all property, plant and equipment of the Holding Company (both present and future) with minimum 1.0x cover. Unconditional and irrevocable personal guarantee of Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF). Negative lien on industrial property situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 till 31 January 2015 post which the lender will have First pari passu charge by way of equitable mortgage. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR. Nil (previous year : INR. 0.03).	The loan is fully repaid during the financial year 2019-20	-	-
		The term loan is repayable in 1 quarterly instalment as below mentioned : - 1 instalment during Financial Year 2019-20- INR 9.38 Period of maturity from the balance sheet date is 3 months.	-	9.35

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
5	The term loan amounting to INR 750.00 was taken from Ratnakar Bank Limited during the year ended 31 March 2018. The tenure of the loan is 72 months including six months moratorium. The interest rate applicable is 9.10% p.a payable monthly (previous year: 9.70% p.a.). The term loan is secured by : First pari passu charge by way of hypothecation of the Holding Company's entire moveable property, plant and equipment, both present and future. Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Holding Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note : The outstanding balance of borrowings is net of unamortised transaction cost of INR. 1.89 (previous year : INR. 2.97).	The term loan is repayable in 15 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2020-21 - INR. 34.09 each - 4 instalments during Financial Year 2021-22 - INR. 34.09 each - 4 instalments during Financial Year 2022-23 - INR. 34.09 each - 3 instalments during Financial Year 2023-24 - INR. 34.09 each Period of maturity from the balance sheet date is 43 months.	509.60	-
		The term loan is repayable in 19 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2019-20 - INR 34.09 each - 4 instalments during Financial Year 2020-21 - INR 34.09 each - 4 instalments during Financial Year 2021-22 - INR 34.09 each - 4 instalments during Financial Year 2022-23 - INR 34.09 each - 3 instalments during Financial Year 2023-24 - INR 34.09 each Period of maturity from the balance sheet date is 55 months."	-	644.76

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
6	The term loan amounting to USD 3.09 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period. The interest rate applicable is fixed rate of 5.25% p.a (previous year: 5.25% p.a) payable monthly. The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR 0.86 (previous year : INR 1.50). The Holding Company has entered into interest rate swap with Yes Bank Limited basis which floating interest rate i.e. LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.25% p.a	The term loan is repayable in 12 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2020-21- USD 0.19 million each - 4 instalments during Financial Year 2021-22- USD 0.19 million each - 4 instalments during Financial Year 2022-23- USD 0.19 million each Period of maturity from the balance sheet date is 36 months.	173.88	-
		The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2019-20- USD 0.19 million each - 4 instalments during Financial Year 2020-21- USD 0.19 million each - 4 instalments during Financial Year 2021-22- USD 0.19 million each - 4 instalments during Financial Year 2022-23- USD 0.19 million each Period of maturity from the balance sheet date is 48 months.	-	212.28

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
7	"The term loan amounting to USD 3.08 million was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 months moratorium period. USD 0.43 million was repaid during the financial year 2018-19 and the repayment of quarterly installments was rescheduled. The interest rate applicable is fixed 5.50% p.a. payable monthly. (previous year: 5.50% p.a, payable monthly) The term loan is secured by : First pari passu charge by way of hypothecation of the Holding Company's entire moveable property, plant and equipments, both present and future. Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004. Note: The outstanding balance of borrowings is net of unamortised transaction cost of INR 0.76 (previous year : INR 1.48). The Company has entered into Interest rate swap with Yes Bank Limited basis which floating interest rate i.e. LIBOR + 2.5% p.a have been exchanged with fixed interest rate of 5.50% p.a.	The term loan is repayable in 12 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2020-21- USD 0.17 million each - 4 instalments during Financial Year 2021-22- USD 0.17 million each - 4 instalments during Financial Year 2022-23- USD 0.17 million each Period of maturity from the balance sheet date is 36 months.	149.61	-
		The term loan repayable in 16 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2019-20- USD 0.17 million each - 4 instalments during Financial Year 2020-21- USD 0.17 million each - 4 instalments during Financial Year 2021-22- USD 0.17 million each - 4 instalments during Financial Year 2022-23- USD 0.17 million each Period of maturity from the balance sheet date is 48 months.	-	182.34

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
8	The term loan amounting to INR 1,000 was taken from IndusInd Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months. The interest rate applicable is as follows: - 8.85% p.a. linked to MIBOR, for first drawdown of INR 250, payable monthly (previous year: Nil) - 9.10% p.a. linked to MIBOR, for second drawdown of INR 500, payable monthly (previous year: Nil) - 9.93% p.a. linked to MIBOR, for third drawdown of INR 250, payable monthly (previous year: Nil) The term loan is secured by : First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. Second pari passu charge by way of hypothecation on the entire current assets of the Company. First pari passu charge by way of extension of mortgage on the immovable properties, property, plant and equipment of the Company's industrial land situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.	The term loan is repayable in 18 quarterly instalments as below mentioned : - 2 instalment during Financial Year 2020-21- INR. 25 each - 2 instalments during Financial Year 2020-21- INR. 37.5 each - 2 instalment during Financial Year 2021-22- INR. 37.5 each - 2 instalments during Financial Year 2021-22- INR. 50 each - 2 instalment during Financial Year 2022-23- INR. 50 each - 2 instalments during Financial Year 2022-23- INR. 62.5 each - 2 instalment during Financial Year 2023-24- INR. 62.5 each - 2 instalments during Financial Year 2023-24- INR. 75 each - 2 instalment during Financial Year 2024-25- INR. 75 each Period of maturity from the balance sheet date is 52 months.	950.21	-
		The term loan is repayable in 20 quarterly instalments as below mentioned : - 2 instalments during financial year 2019-20- INR 25 each - 2 instalment during financial year 2020-21- INR 25 each - 2 instalments during financial year 2020-21- INR 37.5 each - 2 instalment during financial year 2021-22- INR 37.5 each - 2 instalments during financial year 2021-22- INR 50 each - 2 instalment during financial year 2022-23- INR 50 each - 2 instalments during financial year 2022-23- INR 62.5 each - 2 instalment during financial year 2023-24- INR 62.5 each - 2 instalments during financial year 2023-24- INR 75 each - 2 instalment during financial year 2024-25- INR 75 each Period of maturity from the balance sheet date is 64 months.	-	1,000.00

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
9	The term loan amounting to INR. 400 was taken from IDFC Bank Limited during the year ended 31 March 2019. The tenure of the loan is 72 months with moratorium of 12 months. The interest rate applicable is 10.15 % p.a., payable monthly (previous year: 9.90 %) The term loan is secured by : First pari passu charge on the entire moveable property, plant and equipment of the Company. First pari passu charge on the immovable Property, plant and equipment of the Company situated at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004 and immovable property, plant and equipment of the Company.	The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2020-21- INR. 25 each - 4 instalments during Financial Year 2021-22- INR. 25 each - 4 instalments during Financial Year 2022-23- INR. 25 each - 4 instalments during Financial Year 2023-24- INR. 25 each Period of maturity from the balance sheet date is 48 months.	400.12	-
		The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during financial year 2020-21- INR 25 each - 4 instalments during financial year 2021-22- INR 25 each - 4 instalments during financial year 2022-23- INR 25 each - 4 instalments during financial year 2023-24- INR 25 each Period of maturity from the balance sheet date is 60 months.	-	400.12

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
10	The term loan amounting to INR 800.00 was taken from IndusInd Bank Limited during the year ended 31 March 2020. The tenure of the loan is 81 months with moratorium of 12 months. The interest rate applicable is as follows: Amount upto INR 20 cr - 9.70% p.a. payable monthly linked to MCLR,(previous year: Nil) Over and Above INR 20 cr - 9.72% p.a. payable monthly linked to MCLR,(previous year: Nil) The term loan is secured by : First pari passu charge by way of hypothecation of the Holding Company's entire moveable property, plant and equipment both present and future. Second pari passu charge by way of hypothecation on the entire current assets of the Holding Company both present and future. First pari passu first charge on the Holding Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.	The term is loan repayable in 23 quarterly instalments as below mentioned : - 2 instalment during Financial Year 2020-21- INR. 10 each - 4 instalment during Financial Year 2021-22- INR. 10 each - 1 instalment during Financial Year 2022-23- INR. 10 - 3 instalment during Financial Year 2022-23- INR. 40 each - 4 instalment during Financial Year 2023-24- INR. 40 each - 1 instalment during Financial Year 2024-25- INR. 40 - 3 instalment during Financial Year 2024-25- INR. 50 each - 4 instalment during Financial Year 2025-26- INR. 50 each - 1 instalment during Financial Year 2025-26- INR. 60 Period of maturity from the balance sheet date is 73 months.	800.26	-
11	Vehicle loans from Tata Motors Finance Limited represent four vehicle loans taken by the Company during the year ended 31 March 2017. The tenure of the loans is 36 months. Loans from Tata Motors Finance Limited is repayable in 35 monthly instalments. The loans are secured against the respective vehicles. The interest rate applicable to the loans was 9.25% p.a (previous year : 9.25% p.a) The amount of instalment ranging from INR. 0.35 to INR. 0.40 per month .	The loan is fully repaid during the year ended 31 March 2020	-	1.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
12	The unsecured term loan amounting to INR 57.63 was taken by Devyani Airport Services (Mumbai) Private Limited from High Street Food Services Private Limited during the year ended 31 March 2014. The interest rate applicable is 12% p.a. payable quarterly (previous year : 12% p.a, payable quarterly) The tenure of the loan is 60 months including moratorium period of 24 months.	The term loan is repayable in 1 quarterly installment as below mentioned : - 1 installment during 2020-21- INR 0.39 Period of maturity from the balance sheet date is 3 months.	0.39	-
		The term loan is repayable in 1 quarterly installment as below mentioned : - 1 installment during 2019-20- INR 0.39 Period of maturity from the balance sheet date is 3 months.	-	0.39
13	The term loan amounting to INR 150 was taken by Devyani Food Street Private Limited from Yes Bank Limited during the year ended 31 March 2018. The interest rate applicable is 10.00% p.a. payable monthly (previous year : 9.50% p.a). The tenure of the loan is 84 months. The term loan is secured by : First pari passu charge over entire movable property, plant and equipment and current assets of the company. Unconditional and irrevocable corporate guarantee of Devyani International Limited. Non Disposable Undertaking (NDU) from Devyani International Limited for its shareholding in the Company.	The term loan is repayable in 16 equal quarterly installments as mentioned below. - 4 installment during 2020-21- INR 6.25 each - 4 installment during 2021-22- INR 6.25 each each - 4 installment during 2022-23- INR6.25 each each - 4 installment during 2023-24- INR 6.25 each each Period of maturity from the balance sheet date is 48 months	100.90	-
		The term loan is repayable in 20 equal quarterly installments as mentioned below. - 4 installments during 2019-20- INR 6.25 each - 4 installment during 2020-21- INR 6.25 each - 4 installment during 2021-22- INR 6.25 each each -4 installment during 2022-23- 6.25 each each - 4 installment during 2023-24- INR 6.25 each each Period of maturity from the balance sheet date is 60 months	-	126.11

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
14	The unsecured term loan amounting to Nigerian Naira ('NGN') 35,104,939 was taken from Chellarams Plc during the year ended 31 March 2010. The interest rate applicable is 5% p.a. (previous year : 5% p.a)	The term loan rescheduled in financial year 2019-20 and repayable in 5 semi-annual installments as below mentioned : - 2 installments during 2020-21- INR1.47 each - 2 installments during 2021-22- INR1.47 each - 1 installment during 2022-23- INR1.47 each Period of maturity from the balance sheet date is 30 months.	7.35	-
		The term loan rescheduled in financial year 2018-19 and repayable in 5 semi-annual installments as below mentioned : - 2 installments during 2019-20- INR1.35 each - 2 installments during 2020-21- INR1.35 each - 1 installment during 2021-22- INR 1.33 Period of maturity from the balance sheet date is 30 months.	-	6.73
15	The unsecured term loan amounting to NGN 105,140,615 was taken from Chellarams Plc during the year ended 31 March 2010. The interest rate applicable is 5% p.a. (previous year : 5% p.a)	The term loan rescheduled in financial year 2019-20 and repayable in 5 semi-annual installments as below mentioned : - 2 installments during 2020-21- INR 4.39 each - 2 installments during 2021-22- INR 4.39 each - 1 installment during 2022-23- INR 4.40 Period of maturity from the balance sheet date is 27 months.	21.96	-
		The term loan rescheduled in financial year 2018-19 and repayable in 5 semi-annual installments as below mentioned : - 2 installments during 2019-20- INR 4.03 each - 2 installments during 2020-21- INR 4.03 each - 1 installment during 2021-22- INR 4.03 Period of maturity from the balance sheet date is 27 months.	-	20.15

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
16	The unsecured term loan amounting to NGN 93,075,000 was taken from Chellarams Plc during the year ended 31 March 2017. The interest rate applicable is 5% p.a. (previous year : 5% p.a)	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 1.62 each - 4 installments during 2021-22- INR 1.62 each - 4 installments during 2022-23- INR 1.62 each Period of maturity from the balance sheet date is 36 months.	19.44	-
		The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 1.49 each - 4 installments during 2020-21- INR 1.49 each - 3 installments during 2021-22- INR 1.49 each - 1 installments during 2021-22- INR 1.45 Period of maturity from the balance sheet date is 36 months.	-	17.84

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
17	The unsecured term loan amounting to USD 2,124,941 was taken from Chellarams Plc during the year ended 31 March 2012. The interest rate applicable is 5% p.a.(previous year: 5% p.a)	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 13.35 each - 4 installments during 2021-22- INR 13.35 each - 4 installments during 2022-23- INR 13.34 each Period of maturity from the balance sheet date is 36 months.	160.19	-
		The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 10.42 each - 4 installments during 2020-21- INR 10.42 each - 3 installments during 2021-22- INR 10.42 each - 1 installments during 2021-22- INR 10.38 Period of maturity from the balance sheet date is 36 months.	-	125.00

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
18	The unsecured term loan amounting to USD 1,806,049 was taken from Chellarams Plc during the year ended 31 March 2013. The interest rate applicable is 5% p.a. (previous year: 5% p.a).	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 11.35 each - 4 installments during 2021-22- INR 11.35 each - 3 installments during 2022-23- INR 11.35 each - 1 installment during 2022-23- INR 11.30 each Period of maturity from the balance sheet date is 36 months.	136.15	-
		The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 8.85 each - 4 installments during 2020-21- INR 8.85 each - 3 installments during 2021-22- INR 8.85 each - 1 installments during 2021-22- INR 8.85 each Period of maturity from the balance sheet date is 36 months.	-	106.24

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
19	The unsecured term loan amounting to USD 849,982 was taken from Chellarams Plc during the year ended 31 March 2013. The interest rate applicable is 5% p.a.(previous year : 5% p.a).	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 5.34 each - 4 installments during 2021-22- INR 5.34 each - 4 installments during 2022-23- INR 5.34 each Period of maturity from the balance sheet date is 36 months.	64.08	-
		The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 4.17 each - 4 installments during 2020-21- INR 4.17 each - 3 installments during 2021-22- INR 4.17 each - 1 installments during 2021-22- INR 4.13 Period of maturity from the balance sheet date is 36 months.	-	50.00

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
20	The unsecured term loan amounting to USD 849,982 was taken from Chellarams Plc during the year ended 31 March 2015. The interest rate applicable is 5% p.a. (previous year : 5% p.a).	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 5.34 each - 4 installments during 2021-22- INR 5.34 each - 3 installments during 2022-23- INR 5.34 each - 1 installment during 2022-23- INR 5.32 Period of maturity from the balance sheet date is 36 months.	64.06	-
		The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 4.17 each - 4 installments during 2020-21- INR 4.17 each - 3 installments during 2021-22- INR 4.17 each - 1 installments during 2021-22- INR 4.12 Period of maturity from the balance sheet date is 36 months.	-	49.99

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
21	The unsecured term loan amounting to USD 1,274,791 was taken from Chellarams Plc during the year ended 31 March 2015. The interest rate applicable is 5% p.a. (previous year : 5% p.a).	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 8.01 each - 4 installments during 2021-22- INR 8.01 each - 3 installments during 2022-23- INR 8.01 each - 1 installment during 2022-23- INR 7.99 Period of maturity from the balance sheet date is 36 months.	96.10	-
		The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 6.25 each - 4 installments during 2020-21- INR 6.25 each - 3 installments during 2021-22- INR 6.25 each - 1 installments during 2021-22- INR 6.24 Period of maturity from the balance sheet date is 36 months.	-	74.99

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
22	The unsecured term loan amounting to USD 1,517,045 was taken from Chellarams Plc during the year ended 31 March 2016. The interest rate applicable is 5% p.a. (previous year : 5% p.a).	The term loan rescheduled in financial year 2019-20 and repayable in 10 quarterly installments as below mentioned is repayable in 10 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 12.46 each - 4 installments during 2021-22- INR 12.46 each - 2 installments during 2022-23- INR 12.44 each Period of maturity from the balance sheet date is 28 months.	124.56	-
		The term loan rescheduled in financial year 2018-19 and repayable in 10 quarterly installments as below mentioned is repayable in 10 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 9.72 each - 4 installments during 2020-21- INR9.72 each - 2 installment during 2021-22- INR 9.72 each Period of maturity from the balance sheet date is 28 months.	-	97.20

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
23	The unsecured term loan amounting to USD 395,055 was taken from Chellarams Plc during the year ended 31 March 2017. The interest rate applicable is 5% p.a (previous year : 5% p.a).	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2020-21- INR 1.63 each - 4 installments during 2021-22- INR 1.63 each - 3 installments during 2022-23- INR 1.63 each - 1 installment during 2022-23- INR 1.65 Period of maturity from the balance sheet date is 36 months.	19.58	-
		The term loan rescheduled in financial year 2018-19 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2019-20- INR 1.27 each - 4 installments during 2020-21- INR 1.27 each - 3 installments during 2021-22- INR 1.27 each - 1 installments during 2021-22- INR 1.33 Period of maturity from the balance sheet date is 36 months.	-	15.30

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
24	The term loan amounting to NPR 100,00,000 was taken from Everest Bank Limited during the year ended 31 March 2019. The tenure of the loan is 18 months . The rate of Interest is 11.70 % (previous year: 11.70%) linked to BR quarterly rest The term loan is secured by : Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company. Further the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors	The loan is fully repaid during the financial year 2019-20	-	-
		The term loan is repayable in 2 half yearly installments as below mentioned: - 2 installments during 2019-20- INR2.17 and INR1.86 Period of maturity from the balance sheet date is 10 months.	-	4.03
25	"The term loan amounting to NPR 304,93,505 was taken from Everest Bank Limited during the year ended 31 March 2019. The tenure of the loan is 60 months . The rate of Interest is 11.70 % (previous year: 11.70 %) linked to BR quarterly rest The term loan is secured by : Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company. Further the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors	The term loan is repayable in 15 quarterly installments as below mentioned : - 4 installments during 2020-21- INR0.984 each - 4 installments during 2021-22- INR0.984 each - 4-installments during 2022-23- INR0.984 each - 2-installments during 2023-24- INR0.984 each - 1-installments during 2023-24-of INR0.35 each Period of maturity from the balance sheet date is 45 months.	14.12	-
		The term loan is repayable in 20 quarterly installments as below mentioned : - 4 installments during 2019-20- INR0.98 - 4 installments during 2020-21- INR0.98 - 4 installments during 2021-22- INR0 .98 - 4-installments during 2022-23- INR0.98 - 2-installments during 2023-24- INR0.98 - 1-installments during 2023-24-of INR0.35 Period of maturity from the balance sheet date is 57 months.	-	17.95

(INR in millions, except for share data and if otherwise stated)

S No.	Terms of loans	Remaining contractual liability as at respective reporting date (2019 data is presented in 2nd section)	As at 31 March 2020	As at 31 March 2019
26	The term loan amounting to NPR 21,583,603 was taken from Everest Bank Limited during the year ended 31 March 2019. The tenure of the loan is 60 months . The rate of Interest is 11.70 % (previous year : 11.70 %) linked to BR quarterly rest The term loan is secured by : Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company. Further the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the Directors.	The term loan is repayable in 17 quarterly installments as below mentioned : - 5 installments during 2020-21- INR0.674 each - 4 installments during 2021-22- INR0.674 each - 4-installments during 2022-23- INR0.674 each -3-installments during 2023-24- INR0.674 each -1-installments during 2023-24- INR0.664 each Period of maturity from the balance sheet date is 45 months.	11.45	-
		The term loan is repayable in 20 quarterly installments as below mentioned : - 4 installments during 2019-20- INR0.67 each - 4 installments during 2020-21- INR0.67 each - 4 installments during 2021-22- INR0.67 each - 4-installments during 2022-23- INR0.67 each -3-installments during 2023-24- INR0.67 each -1-installments during 2023-24- INR0.66 each Period of maturity from the balance sheet date is 57 months.	-	13.39
27	2.25 million redeemable preference shares were issued during the year 2017-2018 as fully paid with a par value of INR 10/-. The redeemable preference shares are mandatorily redeemable at par and the Group is obliged to pay holders of these shares dividends at the rate of 8 % of the par amount per annum, subject to availability of distributable profits .The preference shares are redeemable at the end of fifth year from the date of issue and maturity period has been extended by another term of five years for certain number of preference shares.		107.59	104.30

18. Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Loans repayable on demand from banks		
Cash credit facilities from banks (secured)	904.56	676.93
	904.56	**676.93**

(INR in millions, except for share data and if otherwise stated)

Details for short term borrowings:

Terms of loan	**As at 31 March 2020**	**As at 31 March 2019**
The credit facility taken from Standard Chartered Bank carries interest rate of 18% p.a.(previous year : 19% p.a) The facility is secured by: - Charge on all the assets of Devyani International (Nigeria) Limited - Corporate Guarantee from Chellarams Plc - Corporate Guarantee from RV Enterprises Pte Ltd	127.47	190.40
The credit facility taken from ICICI Bank Limited carries variable interest rate, currenty 9.75% p.a. (previous year: Nil). The facility is secured by: first pari passu charge on current assets of the Holding Company, subservient charge over movable property, plant and equipment of the of Holding Company.	255.82	-
The credit facility taken from HDFC Bank Limited carries interest rate of HDFC Bank Limited, currently 9.15 % p.a (previous year: 8.80 % p.a). (interest payable on monthly rests). The credit facility is secured by: Primary - first pari passu charge on entire current assets of the Holdig Company both present and future. Secondary - subservient charge on all property, plant and equipment of the Holding Company both present and future.	496.55	486.53
The credit facility taken from IndusInd Bank Limited carries variable interest rate, currently 9.95% p.a. (previous year: Nil). The facility is secured by: first pari passu charge on current assets of the Holding Company, subservient charge over movable property, plant and equipment of the of Holding Company.	24.72	-

19. Other financial liabilities

	Non-current		**Current portion***	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Current portion of long-term borrowings (Refer to Note 17)	-	-	1,134.20	880.38
Security deposits payable	38.84	28.36	20.79	17.23
Derivatives (interest rate swap)	13.98	5.36	-	-
Employee related payables	-	-	258.54	116.51
Capital creditors	-	-	467.69	143.82
Other payables	-	-	15.69	21.33
	52.82	**33.72**	**1,896.91**	**1,179.27**

20. Provisions

	Non-current		**Current portion***	
	As at 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Provision for employee benefits				
Gratuity (Refer to Note 45)	76.26	82.70	27.25	8.41
Compensated absences	39.47	55.35	16.90	23.85
	115.73	**138.05**	**44.15**	**32.26**

(INR in millions, except for share data and if otherwise stated)

21. Other liabilities

	Non-current		Current portion*	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Deferred income	10.49	6.90	3.62	3.16
Advances from customers	-	-	32.40	31.19
Lease equalisation reserve #	-	488.18	-	-
Statutory dues payable				
Goods and service tax/ value added tax payables	-	-	42.67	57.78
Tax deducted at source payable	-	-	49.28	34.52
Other statutory dues payable	-	-	42.47	43.94
Other payable	-	-	-	6.68
	10.49	**495.08**	**170.44**	**177.27**

The Group has transferred lease equalisation reserve of INR 488.18 to retained earnings as at 1 April 2019 per Ind AS 116 transition requirements. Refer note 36.

***Contract balances**

The following table provides information about contractual liability (advance from customers) from contract with customers:

Contract liabilities (advances from customers against sale of goods)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	31.19	20.13
Revenue recognized that was included in the contract liability balance at the beginning of the year	(31.19)	(20.13)
Closing balance	**32.40**	**31.19**

22. Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Micro enterprises and small enterprises (refer note below)	20.91	23.64
Other than micro enterprises and small enterprises*	1,610.98	1,344.55
	1,631.89	**1,368.19**

* Includes payable to related parties. Refer note 38.

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35.

Dues to micro and small enterprises

Particulars	As at 31 March 2020	As at 31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	20.37	23.36

(INR in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
- Interest	0.54	0.28
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	21.65	38.93
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	0.39	0.24
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.55	0.29
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	0.58	0.29

23. Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Finished goods	14,785.81	12,838.46
Traded goods	531.75	490.01
Other operating revenues		
Marketing and other services	105.76	90.78
Rental and maintenance income	221.43	142.61
Scrap sales	6.25	4.11
	15,651.00	**13,565.97**

24. Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income under effective interest method from:		
-bank deposits	4.55	3.12
-others	11.16	9.18
Interest income from financial assets at amortized cost	77.76	60.13
Liabilities no longer required written back	28.97	12.79
Gain on extinguishment of lease liabilities	18.84	-
Gain on termination of leases	19.88	-
Gain on net investment in finance lease	18.76	-
Others	9.60	2.81
	189.52	**88.03**

(INR in millions, except for share data and if otherwise stated)

25. Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw material and packing material consumed		
Inventories at the beginning of the year	396.78	314.92
Add: Purchases during the year (net)	4,629.81	3,854.76
Less: Inventories at the end of the year	539.41	396.78
	4,487.18	**3,772.90**

26. Purchases of stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of stock-in-trade	321.83	317.29
	321.83	**317.29**

27. Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock-in-trade	152.64	131.40
Closing stock-in-trade	181.46	152.64
Net (increase)/decrease in stock-in-trade	**(28.82)**	**(21.24)**

28. Employee benefits expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus #	2,162.12	1,892.88
Contribution to provident and other funds	160.45	142.25
Gratuity (refer note 45)	25.09	21.85
Staff welfare expenses	76.95	44.40
	2,424.61	**2,101.38**

The amount includes "Employee stock option scheme (reversal)" for INR (12.18) (Previous year: INR 2.53). Refer note 40.

29. Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses	1,559.82	366.83
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost	127.37	14.24
Others borrowing costs	0.72	1.70
	1,687.91	**382.77**

(INR in millions, except for share data and if otherwise stated)

30A. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment (refer note 3A)	885.69	770.39
Depreciation on right-of-use asset (refer note 3C)	1,462.81	-
Depreciation on investment property (refer note 3D)	52.73	-
Amortisation of other intangible assets (refer note 5)	65.81	58.83
	2,467.04	**829.22**

30B. Impairment of non-financial assets

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(Reversal)/impairment on property, plant and equipment (refer note 3A)	(50.34)	182.13
Impairment on right-of-use assets (refer note 3C)	82.86	-
Impairment on investment properties (refer note 3D)	0.77	-
Impairment of goodwill (refer note 4)	11.96	54.33
(Reversal)/impairment of other intangible assets (refer note 5)	(6.48)	11.07
	38.77	**247.53**

31. Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	968.80	865.19
Rent (refer note 36)	811.65	2,714.43
Repairs and maintenance		
-Plant and equipment	164.16	159.86
- Buildings	384.59	303.42
-Others	76.83	71.24
Rates and taxes	138.23	72.67
Travelling and conveyance	105.14	122.39
Legal and professional	68.52	53.00
Management fee	-	8.76
Auditor's remuneration (refer note below)	11.33	14.36
Water	41.22	39.90
Insurance	16.49	15.73
Printing and stationery	15.87	14.93
Communication	103.84	107.47
Directors' sitting fee	1.73	1.53
Security and service	128.32	106.52
Bank charges	28.95	17.65
Advertisement and sales promotion	837.79	600.18
Commission and delivery	517.90	240.59
Royalty and continuing fees	842.16	731.03
Freight, octroi and insurance	210.53	309.35
Delivery vehicle running and maintenance	13.57	11.40

(INR in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss on sale of property, plant and equipment (net)	187.67	11.49
Bad debts and advances written off	0.13	0.69
Loss allowance	27.04	6.38
Corporate social responsibility	0.09	-
Net loss on foreign currency transactions and translations	193.78	2.66
Derivatives at fair value through profit and loss	8.62	5.36
General office and other miscellaneous	78.60	68.96
	5,983.55	**6,677.14**

Note: Auditor's remuneration

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
Statutory audit*	9.69	11.89
Tax matters	0.31	0.21
Others matters	1.01	1.51
Outlays	0.32	0.75
	11.33	**14.36**

*Inclusive of applicable taxes

32. Exceptional items

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain on termination of lease #	(345.78)	-
	(345.78)	**-**

#During the year ended 31 March 2020, one of the subsidiary of the Group has booked a gain of INR 345.78 on account of termination of a significant lease.

33. Income and deferred taxes

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
The tax expense comprises of :		
Current tax	13.48	8.53
Deferred tax	4.93	2.78
	18.41	**11.31**
Income tax recognised in other comprehensive income		
Income tax relating to remeasurement of defined benefit plans	(0.34)	0.39
Income tax relating to exchange difference in translating financial statements of foreign operations	-	-
	(0.34)	**0.39**

(INR in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:		
Loss before tax	**(1,195.77)**	**(653.00)**
Tax using the Company's domestic tax rate [25.168% (previous year: 34.944%)]	(300.95)	(228.18)
Effect of :		
Difference in tax rate of various entities	15.10	49.48
Income tax pertaining to previous years	-	4.37
Unrecognised tax losses	-	1.87
De-recognition of deferred tax due to lack of virtual/probably certainity	-	62.05
Effect of change in income tax rate [refer note (ii) below]	400.14	4.83
Difference in tax rates @	15.22	45.45
Others	101.65	(8.19)
Unrecognised deferred tax asset on deductible temporary differences [refer note (iv) below]	(249.57)	57.01
	18.41	**11.31**

@ Represents the difference in income tax rates of long term capital gains/losses and items taxed at normal rates.

Income tax assets and liabilities:	Non Current	
	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provision of tax)	94.95	96.22
	94.95	**96.22**

	Current	
	As at 31 March 2020	As at 31 March 2019
Income tax liability(net of provision of advance tax)	6.88	2.82
	6.88	**2.82**

Deferred taxes (net)	Non Current	
	As at 31 March 2020	As at 31 March 2019
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused tax losses and depreciation	513.46	1,047.57
Expenses allowed on payment/actual basis	140.44	76.04
Employee stock option outstanding account	25.80	39.81
Derivative instruments	3.52	1.87
Provision for impairment of investments	193.99	112.46
Lease liabilities (net of right of use assets)	437.00	-
Property, plant and equipment exceeds its tax base	243.89	368.73
Financial instruments measured at amortised cost	22.88	18.38
Deferred tax assets	**1,580.98**	**1,664.86**
Deferred tax asset (restricted to deferred tax liability)	76.77	167.74

(INR in millions, except for share data and if otherwise stated)

Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(1.28)	(139.07)
Deferred tax liabilities	**(1.28)**	**(139.07)**
Net deferred tax assets/(liabilities) [refer note (iv) below]	**75.49**	**28.67**

Notes:

(i) Movement in deferred tax assets/(liabilities) for year ended 31 March 2020:

Tax effect of items constituting deferred tax assets:	As at 31 March 2019	On adoption of Ind AS 116	Credited/(charged to)		As at 31 March 2020
			Profit and loss	OCI	
Unused tax losses and depreciation	1,047.57	-	(534.11)	-	513.46
Expenses allowed on payment/actual basis	76.04	-	64.74	(0.34)	140.44
Employee stock option outstanding account	39.81	-	(14.01)	-	25.80
Derivative instruments	1.87	-	1.65	-	3.52
Provision for impairment of investments	112.46	-	81.53	-	193.99
Lease liabilities (net of right of use assets)	-	417.08	19.92	-	437.00
Property, plant and equipment exceeds its tax base	368.73	-	(124.84)	-	243.89
Financial instruments measured at amortised cost and others	18.38	-	4.50	-	22.88
Total deferred tax assets	**1,664.86**	**417.08**	**(500.62)**	**(0.34)**	**1,580.98**
Tax effect of items constituting deferred tax liabilities					
Financial instruments measured at amortised cost-liability	(139.07)	-	137.79	-	(1.28)
Total deferred tax liabilities	**(139.07)**	**-**	**137.79**	**-**	**(1.28)**

Movement in deferred tax assets/(liabilities) for year ended 31 March 2019:

Tax effect of items constituting deferred tax assets:	As at 31 March 2018	On adoption of Ind AS 116	Credited/(charged to)		As at 31 March 2019
			Profit and loss	OCI	
Unused tax losses and depreciation	950.26	-	97.31		1,047.57
Expenses allowed on payment/actual basis	67.64	-	8.01	0.39	76.04
Employee stock option outstanding account	38.75	-	1.06	-	39.81
Derivative instruments	-	-	1.87	-	1.87
Provision for impairment of investments	-	-	112.46	-	112.46
Property, plant and equipment exceeds its tax base	311.74	-	56.99	-	368.73
Financial instruments measured at amortised cost and others	170.19	-	(151.81)	-	18.38
Total deferred tax assets	**1,538.58**	**-**	**125.89**	**0.39**	**1,664.86**
Tax effect of items constituting deferred tax liabilities					
Financial instruments measured at amortised cost-liability	(154.19)		15.12	-	(139.07)
Total deferred tax liabilities	**(154.19)**	**-**	**15.12**	**-**	**(139.07)**

(INR in millions, except for share data and if otherwise stated)

(ii) Certain companies of the Group, incorporated in India and covered under the Income-tax Act 1961 ("the Act") elected to exercise the option of reduced income-tax rates permitted under section 115BBA of the Act, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, deferred tax assets (net) are re-measured, basis the rate prescribed in the said section subject to certain conditions as prescribed therein. Impact on account of change in income tax rates amounted to INR 400.14 lacs deferred tax assets (net) as referred above.

(iii) Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2020		As at 31 March 2019	
	Gross Amount	Unrecognised Tax Effects	Gross Amount	Unrecognised Tax Effects
Unabsorbed depreciation				
Never expire	2,198.07	553.21	2,722.09	888.47
Business losses				
Expire year:				
2026-27	73.21	19.04	73.21	19.04
2027-28	131.06	32.98	-	-
Other deductible temporary differences (never expire)	3,571.92	898.98	537.26	140.06

(iv) The Group recognised deferred tax assets INR 75.49 (previous year: INR 28.67) which belongs to Devyani International (Nepal) India Private Limited and Devyani Food Street Private Limited having convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. As at 31 March 2020 and As at 31 March 2019, the Group has significant unabsorbed depreciation and carry forward losses. Therefore, in absence of convincing evidences that sufficient taxable profits will be available against which such deferred tax asset shall be utilised, the Group has recognised deferred tax asset to the extent of deferred tax liabilities as at respective reporting dates for companies other than mentioned above.

34. Loss per share (LPS)

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Loss attributable to owners of the Company for calculation of basic and diluted LPS	(1,216.73)	(483.54)
Weighted average number of equity shares for the calculation of basic LPS	106,166,666	106,166,666
Effect of dilutive potential equity shares*		
– Employee stock options	*	*
Weighted average number of equity shares for calculation of diluted LPS	106,166,666	106,166,666
Loss per share (INR) (basic)	(11.46)	(4.55)
Loss per share (INR) (diluted)	(11.46)	(4.55)
Nominal value per shares (INR)	10.00	10.00

* For the years ended 31 March 2020 and 31 March 2019, the outstanding potential equity shares had an anti-dilutive effect on LPS, hence there was no dilution of LPS in current and previous years.

(INR in millions, except for share data and if otherwise stated)

35. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2020

Particulars	Carrying value				Fair value measurement using		
	Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non current							
(i) Loans	-	-	491.60	491.60	-	-	491.60
(ii) Other financial assets*	-	-	182.27	182.27	-	-	-
Current							
(i) Trade receivables*	-	-	172.99	172.99	-	-	-
(ii) Cash and cash equivalents*	-	-	132.26	132.26	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	-	-	28.06	28.06	-	-	-
(iv) Loans	-	-	128.13	128.13	-	-	128.13
(v) Other financial assets*	-	-	36.38	36.38	-	-	-
Total	**-**	**-**	**1,171.69**	**1,171.69**			
Financial liabilities							
Non current							
(i) Lease liabilities#	-	-	11,759.04	11,759.04	-	-	11,759.04
(ii) Borrowings#	-	-	3,402.17	3,402.17	-	-	3,402.17
(iii) Other financial liabilities (other than derivates below)	-	-	38.84	38.84	-	-	-

(INR in millions, except for share data and if otherwise stated)

(iv) Derivatives (interest rate swap)	13.98	-	-	13.98	-	13.98	-
Current**							
(i) Lease liabilities#	-	-	1,122.83	1,122.83	-	-	1,122.83
(ii) Borrowings#	-	-	904.56	904.56	-	-	904.56
(iii) Trade payables*	-	-	1,631.89	1,631.89	-	-	-
(iv) Other financial liabilities	-	-	1,896.91	1,896.91	-	-	-
Total	**13.98**	**-**	**20,756.24**	**20,770.22**			

(i) As on 31 March 2019

Particulars	Carrying value				Fair value measurement using		
	Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non current							
(i) Loans	-	-	458.41	458.41	-	-	458.41
(ii) Other financial assets*	-	-	39.82	39.82	-	-	-
Current**							
(i) Trade receivables*	-	-	229.84	229.84	-	-	-
(ii) Cash and cash equivalents*	-	-	265.72	265.72	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	-	-	5.10	5.10	-	-	-
(iv) Loans	-	-	95.80	95.80	-	-	95.80
(v) Other financial assets*	-	-	0.58	0.58	-	-	-
Total	**-**	**-**	**1,095.27**	**1,095.27**			

(INR in millions, except for share data and if otherwise stated)

Financial liabilities							
Non current							
(i) Borrowings#	-	-	3,324.84	3,324.84	-	-	3,324.84
(ii) Other financial liabilities (other than derivates below)	-	-	28.36	28.36	-	-	-
(iii) Derivatives (interest rate swap)	5.36	-	-	5.36	-	5.36	-
Current							
(i) Borrowings#	-	-	676.93	676.93	-	-	676.93
(ii) Trade payables*	-	-	1,368.19	1,368.19	-	-	-
(iii) Other financial liabilities:	-	-	1,179.27	1,179.27	-	-	-
Total	**5.36**	**-**	**6,577.59**	**6,582.95**			

** For details regarding charge on such current financial assets - refer note 16.

The Group's borrowings and lease liabilities have fair values that approximate to their carrying amounts as they are based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

* The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents ,other current financial assets, trade payables, capital creditors and certain other current financial liabilities approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

Other notes:

The fair values for loan were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values for security deposits payable were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2020 and 31 March 2019.

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

-Fair value of derivatives using dealer quote for similar instruments (on marked to market value as on balance sheet date of such derivative transaction)

(INR in millions, except for share data and if otherwise stated)

-Fair value of non-derivative financial instruments using present value techniques, which is based on discounting expected cash flows using a risk-adjusted discount rate.

The finance department of the respective company of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. These teams perform valuation either internally or externally through valuers and reports directly to the respective senior management. Discussions on valuation and results are held between the senior management and valuation teams on annual basis.

Significant inputs

Significant inputs used in Level 2 fair value of derivatives measured at FVTPL is marked to market value as on balance sheet date of such derivative transaction.

b. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market Risk - Foreign Currency; and
- Market Risk - Interest Rate

Risk Management Framework

The Board of Directors of the Company is responsible for reviewing the risk management policies and ensuring its effectiveness.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and the Group's activities.

The Board of Directors of the Company oversee, how the management monitors compliance with Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group.

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Loans (security deposits, current and non current)	619.73	554.21
(ii) Trade receivables	172.99	229.84
(ii) Cash and cash equivalents	132.26	265.72
(iv) Bank balances other than cash and cash equivalents, above	28.06	5.10
(v) Other financial assets (current and non-current)	218.65	40.40

(INR in millions, except for share data and if otherwise stated)

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents above) and other financial assets is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loans primarily represents security deposits given to lessors for premises taken on lease. Such deposits will be returned to the Group on vacation of the premises or termination of the agreement whichever is earlier.

The exposure to the credit risk at the reporting date is primarily from security deposit receivables and trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, Nigeria, United Kingdom and Nepal. Trade receivables also includes receivables from credit card companies which are generally realisable on fortnightly basis. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers. Based on the business environment in which the Group operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due however the Group based upon past trends determine an impairment allowance for loss on receivables (other than receivables from related parties) outstanding for more than 180 days past due. For receivables from related parties impairment allowance is made on receivables outstanding for more than 365 days past due. Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group's exposure to credit risk for trade receivables is as follows:

For trade receivables other than receivables from related parties (net):

Particulars	Gross Carrying Amount	
	As at 31 March 2020	**As at 31 March 2019**
Not due	93.44	124.72
1-90 days past due*	56.61	47.02
91 to 180 days past due*	5.17	5.69
181 to 365 days past due *	9.86	9.95
	165.08	**187.38**

For trade receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2020	**As at 31 March 2019**
Not due	6.60	29.77
1-90 days past due*	0.78	8.13
91 to 180 days past due*	0.53	0.66
181 to 365 days past due *	-	3.90
	7.91	**42.46**

(INR in millions, except for share data and if otherwise stated)

* The Group believes that the unimpaired amounts that are past due for less than 180 days in case of receivables from other than related parties and 365 days in case of receivables from related parties are still collectible in full, based on historical payment behavior, and subsequently collected. Also, the amounts are not material.

The Group based upon past trends determine an impairment allowances for doubtful receivables outstanding for more than 180 days past due. For receivables from related parties, impairment allowance is made on receivables outstanding for more than 365 days past due.

Changes in the loss allowance in respect of trade receivables	Gross Carrying Amount	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	6.38	25.63
Bad debts written off	0.13	(25.63)
Impairment allowances for doubtful receivables #	22.15	6.38
Balance at the end of the year	**28.66**	**6.38**

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank deposits maturing within a year (including bank deposits under lien and excluding interest accrued but not due) of INR 160.32 (previous year: INR 270.82), anticipated future internally generated funds from operations and its fully available, revolving undrawn credit facility of INR 73.10 (previous year: INR 255.03) and other current assets (financial and non-financial) of INR 1,058.37 (previous year: INR 875.64) will enable it to meet its future known obligations due in next year in the ordinary course of business. In the current year ended 31 March 2020, the Group has earned a cash inflow from operating activities of INR 3,004.91 (previous year INR 760.97). Further, the Group generated Earnings before Tax, depreciation and amortisation, impairment and fair valuation gains/losses of INR 964.26 (previous year: INR 423.76) Based on the projections, the Group expects to earn cash inflow from operating activities , which can be used to settle liabilities in the near future. However, if a liquidity needs were to arise, the Group has access to financial and operational support from RJ Corp Limited (holding company), which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

(INR in millions, except for share data and if otherwise stated)

Particulars	Carrying amount	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
As at 31 March 2020						
Non-derivative financial liabilities						
Long term borrowings including current portion	4,536.37	427.21	523.20	2,857.31	728.65	4,536.37
Lease liabilities	12,881.87	932.11	1,922.11	8,173.38	8,010.41	19,038.01
Trade Payables	1,631.89	1,631.89	-	-	-	1,631.89
Security deposits payable	59.63	12.60	2.45	49.79	9.48	74.32
Short term borrowings	904.56	904.56	-	-	-	904.56
Capital creditors	467.69	467.69	-	-	-	467.69
Others	741.92	274.23	-	-	-	274.23
	21,223.93	**4,650.29**	**2,447.76**	**11,080.48**	**8,748.54**	**26,927.07**
Derivative financial liabilities						
Derivatives (interest rate swap)	13.98	-	-	-	13.98	13.98
	13.98	**-**	**-**	**-**	**13.98**	**13.98**
As at 31 March 2019						
Non-derivative financial liabilities						
Long term borrowings including current portion	4,205.22	483.85	404.74	3,149.82	166.81	4,205.22
Trade payables	1,368.19	1,368.19	-	-	-	1,368.19
Security deposits payable	45.59	13.34	4.14	22.49	16.15	56.12
Short term borrowings	676.93	676.93	-	-	-	676.93
Capital creditors	143.82	143.82	-	-	-	143.82
Others	281.66	137.84	-	-	-	137.84
	6,721.41	**2,823.97**	**408.88**	**3,172.31**	**182.96**	**6,588.12**
Derivative financial liabilities						
Derivatives (interest rate swap)	5.36	-	-	-	5.36	5.36
	5.36	**-**	**-**	**-**	**5.36**	**5.36**

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

A. Exposure to interest rate risk

The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

(INR in millions, except for share data and if otherwise stated)

Fixed-rate instruments	As at 31 March 2020	As at 31 March 2019
Indian rupee vehicle loan	-	1.17
Foreign currency term loans	713.86	563.83
Impact of interest rate swaps	323.49	394.62
	1,037.35	**959.62**

Variable - rate instruments	As at 31 March 2020	As at 31 March 2019
Indian rupee term loans	3,365.85	3,105.91
Short term borrowings	904.56	676.93
Foreign currency term loan	349.07	430.01
Impact of interest rate swaps	(323.49)	(394.62)
	4,295.99	**3,818.23**

Interest rate sensitivity analysis

The following table illustrates the sensitivity of consolidated profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

Change in interest rate on loans from banks (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increasse/(decrease) in consolidated profit or loss and other equity for the year ended 31 March 2020	(42.96)	42.96
Increasse/(decrease) in consolidated profit or loss and other equity for the year ended 31 March 2019	(38.18)	38.18

Derivative financial instruments:

The Group uses derivative instruments as part of its management of exposure to fluctuations in interest rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage treasury risks. Treasury derivative contracts are normally in the nature of swap contracts and these are subject to the Group's guidelines and policies. Derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on valuations obtained from banks. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within other financial assets/liabilities, as applicable. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks. The use of derivative instruments are subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non qualifying hedges

The Group enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include as on date

(INR in millions, except for share data and if otherwise stated)

include ""Interest Rate Swaps"" being entered by the Group with bankers to hedge floating interest foreign currency loan and interest payments as due related thereto. Fair value changes on such derivative instruments are recognized in the Statement of Profit and Loss.

B. Currency risk

Exposure to Foreign currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Investment and Borrowing Committee of the Company evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

Exposure to Foreign currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2020 and 31 March 2019 are as below:

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount (in foreign currency)	Amount (in INR)	Amount (in foreign currency)	Amount (in INR)
Financial assets					
Other receivables	GBP	0.01	1.30	0.02	1.81
Total financial assets			**1.30**		**1.81**
Financial liabilities					
Trade payables	GBP	0.17	15.50	0.11	10.27
Trade payables	USD	0.46	34.52	0.18	12.42
Foreign currency loans from banks	USD	4.31	323.49	5.70	394.62
	NPR	40.96	25.58	57.02	35.37
Borrowings	USD	8.82	713.86	8.82	563.44
Total financial liabilities			**1,112.95**		**1,016.12**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at 31 March 2020 (previous year ending as on 31 March 2019) would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss and other equity by the amounts shown below. This analysis is performed on foreign currency denominated monitory financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(INR in millions, except for share data and if otherwise stated)

Particulars	Consolidated profit/ (loss) for the year ended 31 March 2020		Consolidated profit/ (loss) for the year ended 31 March 2019	
	Gain/(loss) on appreciation	Gain/(loss) on depreciation	Gain/(loss) on appreciation	Gain/(loss) on depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	53.59	(53.59)	48.43	(48.43)
NPR	1.28	(1.28)	1.77	(1.77)
GBP	0.71	(0.71)	0.42	(0.42)

Particulars	Other equity As at 31 March 2020		Other equity As at 31 March 2019	
	Gain/(loss) on appreciation	Gain/(loss) on depreciation	Gain/(loss) on appreciation	Gain/(loss) on depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	53.59	(53.59)	48.43	(48.43)
NPR	1.28	(1.28)	1.77	(1.77)
GBP	0.71	(0.71)	0.42	(0.42)

USD: United States Dollar, GBP: Great British Pound, NPR: Nepali Ruppees

c. Offsetting financial assets and financial liabilities:

The following table represents recignised financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2020 and 31 March 2019.

Variable - rate instruments	As at 31 March 2020	As at 31 March 2019
Amounts subject to master netting arrangements		
Non current borrowings	2,888.87	2,854.79
Current borrowings	826.05	682.30
	3,714.92	**3,537.09**
Financial instruments collateral		
Trade receivables	166.57	223.11
Cash and cash equivalents	94.57	227.15
Bank balances other than cash and cash equivalents	25.44	2.60
Loans	85.73	95.70
Other financial assets	36.17	0.45
	408.48	**549.01**
Net amount *	**3,306.44**	**2,988.08**

* Net amount shows the impact on the Group's balance sheet, if all rights were excersied.

(INR in millions, except for share data and if otherwise stated)

36. Leases

A. Leases where the Group is a lessee

The Group leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with minimum guarantee and lease term ranges 1-26 years.

Lease payments are generally fixed or are linked to revenue with minimum guarantees. The Group has limited number of leases where rentals are linked to annual changes in an index (either RPI or CPI).

i. Right-of-use assets

	Buildings
Recognised as at 1 April 2019 (refer note 3C)	9,921.08
Additions during the year	1,896.91
Adjustments on leases modification/ remeasurement	379.72
Disposals during the year	(371.59)
Foreign exchange fluctuation	70.38
Amortisation charge for the year	(1,462.81)
Impairment charge for the year	(82.86)
Closing balance as at 31 March 2020	**10,350.83**

ii. Lease liabilities

Lease liability included in balance sheet as on 31 March 2020	As at 31 March 2020
Current	1,122.83
Non current	11,759.04

Note: Refer note 35 for maturity analysis of lease liabilities.

iii. Amounts recognised in the consolidated statement of profit or loss

Lease liability included in balance sheet as on 31 March 2020	Note	For the year ended March 2020
Depreciation on right-of-use assets	30A	1,462.81
Impairment on right-of-use assets	30B	82.86
Interest on lease liabilities (included in interest expenses)	29	1,123.88
Expenses relating to short-term leases	31	59.12
Expense relating to variable lease payments not included in the measurement of the lease liability	31	752.53
Net impact on consolidated statement of profit and loss		**3,481.20**

iv. Amounts recognised in the consolidated cash flow statement

Lease liability included in balance sheet as on 31 March 2020	For the year ended March 2020
Payment of lease liabilities- principal	1,043.52
Payment of lease liabilities- interest	1,123.90
Total cash outflows	**2,167.42**

(INR in millions, except for share data and if otherwise stated)

v. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidarted statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

B. Leases where the Group is a lessor

The Group has sub-leased out some of its leased properties primarily in various food courts. All leases are classified as operating leases from a lessor perspective with the exception of certain sub-leases, which the Group has classified as finance subleases.

i. Finance lease (sub leases classified as finance leases)

During the year ended 31 March 2020, the Group has sub-leased a portion of multiple leased properties that have been presented as part of a right-of-use assets.

	Note	For the year ended March 2020
Gain on net investment in finance lease	24	18.76
Finance income on net investment in finance leases	23	12.47
Income relating to variable lease payments not included in the net investment in finance leases	23	1.77
Finance lease receivables	8	153.42

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date. Under Ind AS 17, the Group did not have any finance leases as a lessor (being sub leases classified as finance leases).

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

Amounts receivable under finance leases:

Lease liability included in balance sheet as on 31 March 2020	For the year ended March 2020
Less than one year	25.97
One to five years	115.44
More than five years	90.95
Total undiscounted lease payments receivable	**232.36**
Less: Unearned finance income	(78.94)
Net investment in the lease	**153.42**

ii. The incremental borrowings rate range between 9.25% - 10.85%.

The management of the Group estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime expected credit loss under simplified approach. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 19), the management of the Group consider that no finance lease receivable is impaired.

(INR in millions, except for share data and if otherwise stated)

The Group entered into finance leasing arrangements as a lessor for certain leased properties under sub leasing arrangements. The average term of finance leases entered into is 9.04 years. The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in INR. Residual value risk on such right of use assets under lease is not significant.

ii. Operating lease (sub leases classified as operating leases)

Operating leases, in which the Group is the lessor, relate to leased properties by the Group with lease terms of between 1 to 9 years.

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to leased properties of lessor under sub leasing contracts which are located in a location with active market for lessees. The Group did not identify any indications that this situation will change.

The following table presents the amounts included in profit or loss.

	Note	For the year ended March 2020
Lease income on operating leases	23	144.00
Therein lease income relating to variable lease payments that do not depend on an index or rate		9.25

Amounts receivable under operating leases:

	As at 31 March 2020
Less than one year	92.24
One to five years	287.91
More than five years	32.73
Total	**412.88**

C. Changes in accounting policies:

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements. The Group applied Ind AS 116, Leases with a date of initial application of 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below. The adoption of this new Standard has resulted in the Group recognising a right-of-use assets and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.The Group applied Ind AS 116, Leases, using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019 and prior periods amounts have not been restated. The details of the changes in accounting policies are disclosed below.

i. Definition of a lease

On transition to Ind AS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied Ind AS 116, Leases, only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition

(INR in millions, except for share data and if otherwise stated)

of a lease under Ind AS 116, Leases, was applied only to contracts entered into or changed on or after 1 April 2019.

ii. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, Leases, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

a. Leases classified as operating leases under Ind AS 17

The Group has elected to include initial direct costs in the measurement of the right-of-use assets for operating leases in existence at the date of initial application of Ind AS 116, Leases, being 1 April 2019.

The Group used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

-Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

-Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

b. There were no leases previously classified as finance leases.

iii. As a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for certain sub-leases. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. Under Ind AS 116, the Group is required to assess the classification of a sub-lease with reference to the right-of-use assets, not the underlying asset. On transition, the Group reassessed the classification of a sub-lease contract previously classified as an operating lease under Ind AS 17. The Group concluded that the sub-lease is a finance lease under Ind AS 116 for certain leases for which adequate disclosures are made. For others, they are still being treated as normal operating leases under Ind AS 116.

iv. Impacts on the consolidated financial statements

On transition to Ind AS 116, Leases, the Group recognised INR 10,424.30 as right-of-use assets (refer below) and INR 12,317.18 of lease liabilities, with corresponding impact of INR 2,090.10 (net of deferred tax assets INR 52.08) on retained earnings as at 1 April 2019 and reclassification of deferred rent of INR 224.23 to right-of-use assets. Also, the Group has transferred lease equalisation reserve of INR 488.18 to retained earnings as at 1 April 2019 per Ind AS transition requirements. Further, the Group has recognised INR 72.78 as finance lease receivables and INR 470.66 as investment properties in respect of subleases and derecognised right-of-use assets of INR 503.24 with corresponding impact of INR 40.20 on retained earnings as at 1 April 2019. Net impact on retained earnings amounted to INR 1,561.72 out of which INR 54.91 is attributed to NCI. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. Incremental borrowing rates applied range between 3.41% - 19%.

v. Reconciliation to previous year lease commitment

The difference between the lease obligation disclosed as of 31 March 2019 under Ind AS 17 and the value of the lease liabilities as of 1 April 2019 is primarily on account of practical expedients exercised for low value assets and short term

(INR in millions, except for share data and if otherwise stated)

leases, as at adoption of the standard, in measuring lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

vi. Total lease liabilities recognised under Ind AS 116 at 1 April 2019	**12,317.18**
-current lease liabilities	1,192.74
-non current lease liabilities	11,124.44

Measurement of right-of-use assets	**Amount**
Right-of-use assets recognised under Ind AS 116 at 1 April 2019	10,200.09
Adjustments for:	
Prepaid rentals	224.23
Right-of-use assets treated as investment properties in case of subleases	(470.66)
Right-of-use assets derecognised against sublease treated as finance leases	(32.58)
Total right-of-use assets recognised under Ind AS 116 at 1 April 2019	**9,921.08**

Adjustments recognised in the balance sheet on 1 April 2019

The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

Particulars	Sub notes	Amount reported as at 31 March 2019	Impacts of adoption Ind AS 116	Adjusted amount as at 1 April 2019
Total equity	a, b & d	363.35	1,561.72	1,925.07
Other assets	a	231.44	(224.23)	7.21
Lease equalisation reserve	b	488.18	(488.18)	-
Right-of-use assets	a, c & d	-	9,921.08	9,921.08
Investment properties (refer to note 37)	c	-	470.66	470.66
Finance lease receivables	d	-	72.78	72.78
Lease liabilities (including current liabilities)	a	-	(12,317.18)	(12,317.18)

Sub notes:

a) Refer point (iv) above for impact on consolidated financial statements of adoption of Ind AS 116, Leases.

b) The Group has transferred lease equalisation reserve of INR 488.18 to retained earnings as at 1 April 2019 per Ind AS 116, Leases, transition requirements.

c) The Group has recognised INR 470.66 as investment properties in respect of sub-leases as at 1 April 2019. Refer to note 36 for further details.

d) The Group has recognised INR 72.78 as finance lease receivables in respect of sub-leases and derecognised right-of-use assets of INR 32.58 with corresponding impact of INR 40.20 on retained earnings as at 1 April 2019.

(INR in millions, except for share data and if otherwise stated)

37. Other disclosures in regard to investment properties:

i. Information regarding income and expenditure of investment properties:

	For the year ended 31 March 2020
Rental income derived from investment properties	210.65
Direct operating expenses (including repairs and maintenance) generating rental income	70.22
Direct operating expenses (including repairs and maintenance) that did not generate rental income	11.86
Profit arising from investment properties before interest, depreciation and indirect expenses	**128.57**
Less: finance costs	(50.35)
Less: depreciation	(52.73)
Less: impairment	(0.77)
Profit arising from investment properties before indirect expenses	**24.72**

ii. Minimum lease payments receivable under operating leases of investment properties are as follows:

	For the year ended 31 March 2020
Less than one year	73.03
One to five years	335.08
More than five years	344.00

iii. Fair value

	As at 31 March 2020
Investment properties	654.64

Estimation of fair value

The Group's investment properties consist of right-of-use assets in leased food courts, which has been determined based on the nature, characteristics of leases of each property.

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Company obtained independent valuation for its investment properties and fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental of 5% p.a. and discount rate of 14.97%.

38. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

(a) Parent and Ultimate Controlling Party

RJ Corp Limited

(b) Wholly owned subsidiaries

Devyani International (Nepal) Private Limited

(INR in millions, except for share data and if otherwise stated)

Devyani Food Street Private Limited

Devyani International (UK) Private Limited

(c) Subsidiaries

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)

(d) Joint Venture

The Minor Food Group (India) Private Limited

(II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

(a) Parent and Ultimate Controlling Party

RJ Corp Limited

(b) Joint Venture

The Minor Food Group (India) Private Limited

(c) Key management personnel (KMP) # :

Mr. Ravi Kant Jaipuria - Director

Mr. Raj. P. Gandhi- Director

Mr. Virag Joshi- Chief Executive Officer and Whole Time Director

Mr. Sanjeev Arora- Chief Financial Officer and Director (with effect from 18 January 2019)

Mrs. Rashmi Dhariwal- Independent Director (with effect from 06 April 2018)

Dr. Ravi Gupta - Independent Director (with effect from 06 April 2018)

Mr. Lalit Yadav - Company Secretary (from 4 December 2017 till 28 March 2019)

Mr. Vivek Kumar Singh - Company Secretary (from 01 September 2019 to 16 October 2019)

Mr. Anil Dwivedi - Company Secretary (from 7 February 2020)

(d) Other related parties - Entities which are joint venture or where control/significant influence exist of parties given in note (I) and (II) above :

Ravi Kant Jaipuria & Sons (HUF)

S V S India Private Limited

Devyani Food Industries Limited

Alisha Retail Private Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

(INR in millions, except for share data and if otherwise stated)

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Diagno Labs Private Limited

High Street Food Services Private Limited

Varun Beverage Nepal Private Limited

Parkview City Limited

Chellarams Plc

(e) Relative of KMP:

Mrs. Dhara Jaipuria (wife of Mr. Ravi Kant Jaipuria - Dierctor)

As per section 203 of the Companies Act, 2013, definition of Key Managerial Personnel includes Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary.

(III) Transactions with related parties during the year ended 31 March 2020 and 31 March 2019:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Sale of products (Finished goods)		
Lineage Healthcare Limited	-	0.12
Modern Montessori International (India) Private Limited	1.99	2.27
Champa Devi Jaipuria Charitable Trust	50.39	45.36
RJ Corp Limited	0.17	0.49
Alisha Retail Private Limited	0.02	6.81
Devyani Food Industries Limited	46.61	51.73
Varun Beverages Limited	3.48	3.49
Mala Jaipuria Foundation	1.89	1.49
(ii) Sale of products (Traded goods)		
RJ Corp Limited	0.47	0.01
Varun Beverages Limited	6.61	0.83
Lineage Healthcare Limited	0.01	-
(iii) Marketing and other services		
Lineage Healthcare Limited	0.06	0.06
(iv) Sale of property, plant and equipment (PPE)		
Alisha Retail Private Limited	-	0.48
Diagno Labs Private Limited	-	0.15

(INR in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(v) Purchase of raw materials		
Varun Beverages Limited	64.66	84.56
Devyani Food Industries Limited	0.85	0.41
Alisha Retail Private Limited	-	1.74
Varun Beverage Nepal Private Limited	6.12	5.70
Chellarams Plc	-	5.50
(vi) Purchase of PPE and intangible assets		
Alisha Retail Private Limited	-	0.13
The Minor Food Group (India) Private Limited	-	0.52
Varun Beverages Limited	1.34	-
(vii) Payment to gratuity trust		
DIL Employee Gratuity Trust	5.00	10.00
(viii) Expenses incurred by other company on behalf of the Company		
Alisha Retail Private Limited	-	0.03
Devyani Food Industries Limited	-	0.02
RJ Corp Limited	0.86	-
(ix) Expenses incurred on behalf of other company		
The Minor Food Group (India) Private Limited	-	0.60
(x) Rent expense		
S V S India Private Limited	0.08	0.08
Alisha Retail Private Limited	-	0.10
(xi) Rental and maintenance income		
The Minor Food Group (India) Private Limited	-	0.83
Alisha Retail Private Limited	-	3.82
(xii) Interest income		
Parkview City Limited	8.06	-
(xiii) Repair and maintenance - others		
Varun Beverages Limited	2.27	-
(xiv) Finance costs		
High Street Food Services Private Limited	4.48	4.01
(xv) Loan given		
Parkview City Limited	550.00	-
(xvi) Loan recovered		
Parkview City Limited	550.00	-

(INR in millions, except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(xvii) Director's Sitting Fees*		
Mr. Ravi Gupta	0.90	0.50
Mrs. Rashmi Dhariwal	0.60	0.80
*Excludes applicable taxes.		
(xviii) Compensation to KMPs		
Short-term employment benefits		
Mr. Virag Joshi	25.13	26.38
Mr. Sanjeev Arora	6.18	1.54
Mr. Som Nath Chopra	-	5.79
Mr. Lalit Yadav	-	1.20
Mr. Anil Dwivedi	0.72	-
Post employment benefits		
Mr. Virag Joshi	1.30	1.30
Mr. Sanjeev Arora	0.36	0.09
Mr. Som Nath Chopra	-	0.27
Mr. Lalit Yadav	-	0.06
Mr. Anil Dwivedi	0.02	-
Share based payments		
Mr. Raj. P. Gandhi	(0.43)	-
Mr. Virag Joshi	(1.05)	-
(xix) Compensation to relative of KMP		
Dhara Jaipuria	12.00	-

The above remuneration to Key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

(IV) Balances as at 31 March 2020 and 31 March 2019:

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Trade payables		
Varun Beverage Nepal Private Limited	0.31	0.36
Varun Beverages Limited	7.31	-
Chellarams Plc	8.87	18.07
The Minor Food Group (India) Private Limited	-	0.29
Devyani Food Industries Limited	0.29	-

(INR in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
(ii) Employee related payables		
Mr. Virag Joshi	2.20	-
Mr. Sanjeev Arora	0.55	-
Mrs. Dhara Jaipuria	1.00	-
Mr. Anil Dwivedi	0.24	-
(iii) Employee stock options outstanding account #		
Mr. Raj. P. Gandhi	26.68	27.11
Mr. Virag Joshi	44.01	45.06

The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/ exercise.

Particulars	As at 31 March 2020	As at 31 March 2019
(iv) Trade receivables		
Alisha Retail Private Limited	-	3.34
Varun Beverages Limited	-	2.26
Devyani Food Industries Limited	-	26.16
Modern Montessori International (India) Private Limited	0.34	0.38
Champa Devi Jaipuria Charitable Trust	6.74	6.21
Lineage Healthcare Limited	0.03	0.03
Mala Jaipuria Foundation	0.27	1.24
Diagno Labs Private Limited	-	1.69
RJ Corp Limited	0.53	1.20
(v) Borrowings		
High Street Food Services Private Limited	0.90	0.86
Chellarams Plc	713.86	563.44
(vi) Redeemable, non-cumulative, non-convertible preference shares (unsecured)		
High Street Food Services Private Limited	107.59	104.30
(vii) Guarantees/security given by the other party on behalf of the Company		
Ravi Kant Jaipuria^	-	9.35
Ravi Kant Jaipuria & Sons (HUF)^	-	9.35

^ Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF) have given a personal guarantee to Yes Bank Limited in respect of term loan of INR 150.00 taken during the year ending 31 March 2015. The loan has been fully repaid during the year.

Particulars	As at 31 March 2020	As at 31 March 2019
(viii) Guarantees/security given by the other party on behalf of the subsidiaries		
Ravi Kant Jaipuria @	25.57	35.37

@ Mr. Ravi Kant Jaipuria has given a personal gaurantee to Everest Bank Limited in respect of term loans of NPR 62,077,108 taken during the earlier years by Devyani International (Nepal) Private Limited.

(INR in millions, except for share data and if otherwise stated)

(V) Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at year end are unsecured and settlement occurs in cash.

39. Contingent liabilities, commitments and other claims

(to the extent not provided for)

Contingent liabilities and other claims:

(a) Claims against the Group not acknowledged as debts-: #

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Claims made by Sales tax authorities, Service tax authorities and Income tax authorities		
- Goods and service tax	0.31	-
- Value added tax	26.39	13.59
- Service tax	22.18	26.55
- Income tax	184.65	96.11
	233.53	**136.25**
(ii) Others (miscellaneous claims in relation to Company's operations) #	24.40	35.72

(b) Guarantees

Particulars	As at 31 March 2020	As at 31 March 2019
Corporate guarantee *	21.17	7.78
Guarantee in favor of Custom Department for EXIM code	0.19	0.19

* RV Enterprizes Pte. Ltd. ('Subsidiary') and a director of the subsidiary, together with two other parties, are, under a deed of Guarantee, committed to guarantee the due and punctual payments to be paid by the subsidiary to Yum Restaurants International Proprietary Limited (the "Franchisor") and to indemnify the Franchisor for any breach of any term or condition under the Franchise Agreement entered into between the Subsidiary and the Franchisor.

(c) Others

Particulars	As at 31 March 2020	As at 31 March 2019
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of INR 25.20 (previous year: INR 23.99)] (refer note 50 for business combination transactions yet to be effected under said BTA shown as capital commitments as on date)	2,079.19	57.72

The Group is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the consolidated financial statements and hence no provision has been recorded against these legal proceedings at this stage. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. Accordingly, the above mentioned contingent liabilities are disclosed at an undiscounted amount.

(INR in millions, except for share data and if otherwise stated)

40. Share based payments

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

On 20 September 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 (""ESOS 2011""), which was subsequently approved by the shareholders on 20 December 2011. ESOS 2011 was formulated with the objective to enable the Group to grant Options for equity shares of the Group to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. ESOS 2011 was amended subsequently and was approved by the shareholders on 18 May 2012. The resolution provides that Options so granted, shall not represent more than 4,900,000 shares of the Company at any given point of time (""Ceiling Limit"") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 111.70.

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 (""ESOS 2018""), which was subsequently approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the paid up share capital of the Company at any given point of time (""Ceiling Limit"") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 306.12. Under the above schemes, no vesting shall occur until the filing of Red Herring Prospectus (""RHP"") by the Company for the purpose of Initial Public Offer (""IPO"").

The Options were granted on the dates as mentioned in the table below:

S. No	Grant Date	Number of Options	Exercise Price (INR)	Vesting Condition	Vesting Period	Contractual Period
1	19 May 2012	2,088,200	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022 (Previous year: 31 December 2020)*	2.25 years to 7.25 years (Previous year 1.75 years to 6.75 years)
2	31 May 2014	300,000	111.70	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022 (Previous year: 31 December 2020)*	2.25 years to 7.25 years (Previous year 1.75 years to 6.75 years)
3	21 September 2018	506,000	306.12	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	Refer note below	2.25 years to 7.76 years (Previous year 1.75 years to 6.75 years)

*During the year ended 31 March 2020, the expected date of RHP filling has changed from 31 December 2020 to 30 June 2022.

Note: 379,500 options on 30 June 2022 and 126,500 options on 1 January 2023 (previous year: 126,500 options each on 31 December 2020, 1 January 2021, 1 January 2022 and 1 January 2023)

(INR in millions, except for share data and if otherwise stated)

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

Particulars	Options granted on 21 September 2018	Options granted on 31 May 2014	Options granted on 19 May 2012
Fair value per Option at grant date (in INR)	105.28 - 133.03	123.17	56.35 - 57.28
Share price at grant date (in INR)	268.99	151.07	93.21
Exercise price (in INR)	306.12	111.70	111.70
Expected volatility	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%
Risk-free interest rate	8.06% - 8.11%	9.19%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

c. Effect of employee stock option schemes on the consolidated statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee stock option scheme (reversal)/expense*	(12.18)	2.52
	(12.18)	**2.52**

*included in Salaries, wages and bonus (refer note 28)

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes are as follows:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of options	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)
Number of options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	2,365,500	153.29	1,871,500	111.70
Add: Options granted during the year	-	-	506,000	306.12
Less: Options forfeited/ lapsed during the year	380,000	306.12	12,000	111.70
Options outstanding as at the end of the year	**1,985,500**	**124.04**	**2,365,500**	**153.29**
Options exercisable at the end of the year	**-**	**-**	**-**	**-**

(INR in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Weighted average remaining life of options outstanding at the end of year (in years)	7.30	6.92

41. Capitalisation of expenditure incurred during construction period

The Group has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2020 and 31 March 2019. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. This cost has been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee benefits expense	25.65	23.92
Other expenses	27.59	40.06
	53.24	**63.98**

42. Impairment of non-financial assets

In accordance with Ind AS 36 "Impairment of Assets", the Group has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. In view of higher operating costs or decline in projected sales growth, certain stores have been impaired in the current year and in the previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment, right-of-use assets, investment properties and other intangible assets value of these stores aggregating INR 366.92 (excluding opening provision for impairment of INR 68.86) have been reduced to the recoverable amount aggregating to INR 78.54 by way of impairment charge of INR 219.52. Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil-20% (after considering the impact of estimation uncertainty of current Covid 19), (previous year: 5% - 20%) and salary growth rate of 6% (previous year 8%), over balance useful life of plant and machinery being the principle asset, discounted at rate of 12.11% - 12.72% p.a. (previous year: 12.97% p.a). Carrying value of a store includes property, plant and equipment, right-of-use assets, investment properties, intangible assets used at a store and allocated corporate assets.

Moreover, the impairment reversal of INR 147.27 is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to INR 337.33 has exceeded the written down value of these stores aggregating INR 190.06 (after considering impairment charge recorded in previous years amounting to INR 258.59). Further, impairment reversal also occurs in respect of certain property, plant and equipment at stores which have been closed during the year.

Goodwill amounting to INR 228.06 is allocated across multiple stores acquired under business combination and the amount so allocated to each store is not significant in comparison with the Company's total carrying amount of goodwill. However, the entire goodwill allocated over the stores acquired under business combination agreement, is tested for impairment wherein the recoverable amount is calculated based on the same key assumptions as mentioned above. No impairment loss has been recorded on the goodwill amount.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

(INR in millions, except for share data and if otherwise stated)

For goodwill impairment assessment, management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores.

Management has identified that a reasonably possible change in the three key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/(reversal) would increase/(decrease) on change in these assumptions by 1%. All other factors remaining constant.

Increase/(decrease) in impairment loss	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount Rate		
(Increase by 1%)	8.97	(7.49)
(Decrease by 1%)	(8.42)	7.82
Sales Growth Rate		
(Increase by 1%)	(30.37)	(48.11)
(Decrease by 1%)	29.19	52.40
Salary Growth Rate		
(Increase by 1%)	3.84	12.28
(Decrease by 1%)	(3.87)	(11.91)

43. Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

44. Capital management

The Group's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plan and other strategic investment plans. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to all its shareholders. The Group's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. The Group raises long term loans mostly for its expansion requirements and based on the working capital requirement utilise the working capital facilities. The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis.

45. Employee benefits

Defined contribution plans

An amount of INR 113.86 (previous year: INR 89.61) has been recognised as an expense in respect of the Group's contribution to the Employees' Provident Fund and other fund deposited with the relevant authorities and has been charged to the Consolidated Statement of Profit and Loss.

(INR in millions, except for share data and if otherwise stated)

Defined benefit plans*

The Group operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by law of India

The funding requirements of the plan are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose for which assumptions may differ from the assumptions set out in (iii) below. Employees do not contribute to the plan.

The Company has defined that, in accordance with the terms and conditions of the aforesaid plan and in accordance with statutory requirements (including minimum funding requirements) of the plan of relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less than total present value of obligations.

*One of the subsidiary was operating gratuity plan till 16th July 2019 and w.e.f. 17th July 2019 it opted for contribution to Social Security Fund (SFF) in lieu of gratuity. Accordingly, the subsidiary has provided and accumulated the gratuity liability till 16th July 2019.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - 'Employee Benefits'

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of obligation as at beginning of year	113.02	90.39
Acquisition adjustment	3.00	3.62
Interest cost	7.69	6.71
Current service cost	16.97	16.52
Benefits paid	(19.80)	(14.36)
Actuarial (gain)/loss recognised in other comprehensive income	-	-
-changes in demographic assumption	(0.05)	(0.06)
-changes in financial assumption	(1.34)	1.58
-experience adjustment	(2.26)	8.32
Exchange differences on translation	0.30	0.30
Present value of obligation as at end of year	**117.53**	**113.02**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	21.91	19.92
Return on plan assets recongised in other comprehensive income	1.63	1.78
Fund Charges	(0.12)	(0.12)
Contribution paid into the plan	5.00	10.00

(INR in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Benefits paid	(14.40)	(9.67)
Balance at the end of the year	**14.02**	**21.91**
Net defined benefit liability/ (asset)	**103.51**	**91.11**

iii.Actuarial assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows

Particulars	31 March 2020	31 March 2019
Discounting rate	5% - 14%	6.52% - 14%
Future salary increase	6% - 11%	8% - 11%

B. Demographic assumptions

Particulars	31 March 2020	31 March 2019
(i) Retirement age (years)	58-60	58-60
(ii)Ages	**Withdrawal rate per annum(%)**	**Withdrawal rate per annum(%)**
Up to 30 years	50	50
From 31 to 44 years	37	37
Above 44 years	30	30

(iii) Assumptions regarding future mortality are not based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a retiring employee.

iv. (a) Information for funded plans with a defined benefit obligation:

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligations	116.02	94.01
Fair value of plan assets	14.02	21.91
	102.00	**72.10**

iv. (b) Information for non funded plans with a defined benefit obligation:

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	1.51	19.01
	1.51	**19.01**

(INR in millions, except for share data and if otherwise stated)

iv. (c) Expense recognised in Consolidated Profit or Loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee benefit expenses:		
(a) Current service cost	18.83	16.52
(b) Interest cost	7.69	6.71
(c) Interest income on plan assets	(1.43)	(1.38)
	25.09	**21.85**

iv. (d) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gain)/loss on defined benefit obligation	(3.65)	9.84
Actuarial (gain)/loss on plan assets	(0.08)	(0.29)
	(3.73)	**9.55**
Expenses recognised in Consolidated Statement of profit and loss	**21.36**	**31.40**

v. Reconciliation statement of expense in Consolidated Statement of Profit and Loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Present value of obligation as at the end of the year	117.53	113.02
Present value of obligation as at the beginning of the year	(113.02)	(90.39)
Benefits paid	21.56	14.36
Actual return on plan assets	(1.51)	(1.67)
Acquisition adjustment	(3.00)	(3.62)
Exchange differences on translation	(0.21)	(0.30)
Expenses recognised in the Consolidated Statement of Profit and Loss	**21.36**	**31.40**

The Group expects to contribute INR 31.37 (previous year INR 30.32) to gratuity in the next year.

vi. Change in fair value of plan assets:

Particulars	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	21.91	19.92
Actual return on plan assets	1.63	1.78
Fund charges	(0.12)	(0.12)
Contribution by employer	5.00	10.00
Benefits paid	(14.40)	(9.67)
Fair value of plan assets as at year end	**14.02**	**21.91**

vii. The Group's expected maturity analysis of discounted defined benefit liability is as follows:

Particulars	Less than a year	Between one to two years	Between two to five years	Over 5 years
31 March 2020	31.37	25.27	36.32	24.57
31 March 2019	30.32	6.99	14.07	61.63

(INR in millions, except for share data and if otherwise stated)

viii. Bifurcation of closing net liability at the end of year

Particulars	As at 31 March 2020	As at 31 March 2019
Current liability (amount due within one year)	27.25	8.41
Non-current liability (amount due over one year)	76.26	82.70
	103.51	**91.11**

ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
a) Impact due to increase of 1%	(1.86)	(2.77)
b) Impact due to decrease of 1%	2.23	2.93

Impact of the change in Salary on defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
a) Impact due to increase of 1%	2.23	2.84
b) Impact due to decrease of 1%	(1.86)	(2.74)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Consolidated Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease is discount yield will increase plan liabilities

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in a increase in plan liabilities.

46. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

(INR in millions, except for share data and if otherwise stated)

As the Group's business activity primarily falls within a single business and geographical segment, i.e., food and beverages, and in India, thus there are no additional disclosures to be provided under Ind AS 108 – "Operating Segments'. The CODM considers that the various goods and services provided by the Company constitutes single business segment.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a. Food and beverage segment #		
(i) Domestic	13,758.60	12,064.67
(ii) International	1,892.40	1,501.30
b. Other income (refer note 24) @	189.52	88.03
Total	**15,840.52**	**13,654.00**
Non-current assets ^		
(i) Domestic	15,178.15	4,598.10
(ii) International	1,381.46	1,111.01

No single external customer amounts to 10% or more of the Group's revenue.

Revenue from food and beverage segment is directly attributed to domestic and international operations. @ Other income is not allocated as the underlying assets/ liabilities/income are used interchangeably.

^ Non-current assets, other than financial instruments and income tax assets (net)/deferred tax asset (net), primarily comprises property, plant and equipment.

47. Interest in joint venture

Food Group (India) Private Limited (Minor) is a joint arrangement in which the Group has joint control and a 30% ownership interest. Minor is engaged in the business of developing, managing and operating ice cream parlours for Swensen's brands in Bengaluru, India. Minor is not publicly listed and accordingly, no quoted market price is available for the investment.

Based on contractual arrangement between MFG International Holding (Singapore) Pte. Ltd and the Company, the Group has classified its interests in Minor as a joint venture. However, as at 31 March 2020, the carrying value of the investment in Minor is Nil (31 March 2019: Nil) and therefore, not material to the Group. Minor, in year ended 31 March 2018 was fully impaired considering its financial position at that time. However, as of reporting date, there is no change in its financial position and still, it continues to be impaired with NIL (31 March 2019: Nil) carrying value.

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amount of interest in Minor (immaterial joint venture)	-	-
Loss for the year	(2.13)	(91.35)
Other comprehensive income (OCI)	-	-
Total comprehensive loss for the year	**(2.13)**	**(91.35)**
Group's share of loss	-	-
Group's share of OCI	-	-
Group's share of total comprehensive loss [refer note (i) below]	-	-

(INR in millions, except for share data and if otherwise stated)

Notes:

i) The Group has not recognised it's share of total comprehensive loss of current year and previous year from the joint venture.

ii) In years ended 31 March 2020 and 31 March 2019, the Group did not receive any dividends from Minor.

48. Non-controlling interests (NCI)

The following table summarises the financial information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations:

Particulars	RV Enterprizes Pte. Limited *		Devyani Airport Services (Mumbai) Private Limited	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
NCI Percentage	**13%**	**13% #**	**49%**	**49%**
Summary of balance sheet				
Non-current assets	1,061.17	216.61	645.88	157.68
Current assets	103.69	123.12	57.14	35.20
Non-current liabilities	(1,799.81)	(654.94)	(1,236.84)	(451.37)
Current liabilities	(1,110.63)	(599.00)	(152.93)	(140.00)
Net assets	**(1,745.58)**	**(914.21)**	**(686.75)**	**(398.49)**
Accumulated NCI	*(103.45)*	*(46.49)*	*(287.69)*	*(408.64)*
Summary of statement of profit and loss				
Total revenue	1,143.14	794.83	531.16	534.00
Profit/(loss) for the year	(329.44)	(50.87)	208.10	(310.89)
Other comprehensive (loss(/income for the year	155.72	(15.83)	1.95	0.56
Total comprehensive (loss)/ income for the year	**(173.72)**	**(66.70)**	**210.05**	**(310.33)**
Profit/(loss) allocated to NCI	(99.42)	(28.43)	101.97	(152.34)
Other comprehensive income allocated to NCI	34.64	(14.27)	0.96	0.28
Total comprehensive income allocated to NCI	*(64.78)*	*(42.70)*	*102.93*	*(152.06)*
Summary of cash flow statement				
Cash flows generated from/(used in) operating activities	259.30	26.05	112.49	(54.66)
Cash flows used in investing activities	(87.12)	(25.52)	(5.66)	(3.10)
Cash flows generated from/(used in) financing activities	(179.65)	83.32	(112.27)	56.37
Net increase/(decrease) in cash and cash equivalents	**(7.47)**	**83.85**	**(5.44)**	**(1.39)**

* Post consolidation of Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)

NCI percentage of RV Enterprizes Pte. Limited has been changed to 13% with effect from 10 September 2018.

(INR in millions, except for share data and if otherwise stated)

Transactions with NCI (adjustments with in other equity)

Particulars	As at 31 March 2020	As at 31 March 2019
Due to change in control @	-	75.82
Due to adoption of IndAS 116 - Leases	(54.91)	-
Distributions of non reciprocal capital contributions	80.75	-
	25.84	**75.82**

@ During the previous year ended 31 March 2019, the Group acquired an additional 13% stake in RV Enterprizes Pte Limited on 10 September 2018 by issue of new equity shares for INR 68.80. Immediately prior to acquisition, the carrying amount of 13% NCI acquired was INR (75.82). The Group recognised a increase in NCI by INR 75.82 and a decrease in equity attributable to owners by the same amount.

49. Additional information required by Schedule III to the Act:

As at 31 March 2020

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated Net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive loss	Amount
Parent								
Devyani International Limited (DIL)	-6.88%	156.94	111.25%	(1,350.74)	1.06%	1.51	125.91%	(1,349.23)
Subsidiaries (Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	5.65%	(128.90)	-1.75%	21.30	0.19%	0.27	-2.01%	21.57
Devyani Airport Services (Mumbai) Private Limited	30.09%	(686.75)	-8.74%	106.13	0.69%	0.99	-10.00%	107.12
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	-1.41%	32.22	-0.36%	4.33	0.73%	1.04	-0.50%	5.37
Devyani International (UK) Private Limited	19.70%	(449.62)	36.10%	(438.26)	-12.46%	(17.76)	42.56%	(456.02)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(INR in millions, except for share data and if otherwise stated)

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated Net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive loss	Amount
RV Enterprizes Pte. Limited	71.96%	(1,642.14)	18.94%	(230.02)	84.92%	121.08	10.17%	(108.94)
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	12.61%	(287.69)	-8.40%	101.97	0.67%	0.96	-9.61%	102.93
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	4.53%	(103.45)	8.19%	(99.42)	24.30%	34.64	6.05%	(64.78)
Joint Venture (Investment accounted as per equity method)								
The Minor Food Group (India) Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Inter group eliminations	-36.25%	827.24	-55.22%	670.53	-0.11%	(0.15)	-62.56%	670.38
As at 31 March 2020	**100.00%**	**(2,282.15)**	**100.00%**	**(1,214.18)**	**100.00%**	**142.58**	**100.00%**	**(1,071.60)**

As at 31 March 2019

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated Net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive loss	Amount
Parent								
Devyani International Limited (DIL)	745.12%	2,707.40	57.04%	(378.92)	26.33%	(7.91)	55.71%	(386.83)
Subsidiaries (Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	-3.36%	(12.20)	2.02%	(13.42)	1.36%	(0.41)	1.99%	(13.83)
Devyani Airport Services (Mumbai) Private Limited	-109.67%	(398.49)	29.54%	(196.22)	-0.93%	0.28	28.22%	(195.94)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(INR in millions, except for share data and if otherwise stated)

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/ (loss)		Share in total comprehensive income/ (loss)	
	As % of consolidated Net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive loss	Amount
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	12.34%	44.83	-0.53%	3.51	1.74%	(0.52)	-0.43%	2.99
Devyani International (UK) Private Limited	24.49%	89.00	38.89%	(258.36)	27.16%	(8.16)	38.38%	(266.52)
RV Enterprizes Pte. Limited	-402.06%	(1,460.90)	2.05%	(13.60)	7.27%	(2.19)	2.27%	(15.79)
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-112.46%	(408.64)	22.93%	(152.34)	-0.95%	0.28	21.90%	(152.06)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	-12.79%	(46.49)	4.28%	(28.43)	47.49%	(14.27)	6.15%	(42.70)
Joint Venture (Investment accounted as per equity method)								
The Minor Food Group (India) Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Inter group eliminations	-41.60%	(151.16)	-56.22%	373.48	-9.52%	2.86	-54.20%	376.34
At 31 March 2019	**100.00%**	**363.35**	**100.00%**	**(664.30)**	**99.96%**	**(30.04)**	**100.00%**	**(694.34)**

(INR in millions, except for share data and if otherwise stated)

50. Business Combination

During the year ended 31 March 2020, the Group has entered into Business Transfer Arrangement dated 11 December 2019 ('BTA') with Yum Restaurants (India) Private Limited ("Yum"). Under the said BTA, the Group will acquire sixty one stores in multiple tranches being every store treated as a separate business. Till 31 March 2020, the Group has acquired nine KFC stores on 01 March 2020 from Yum on slump sale basis for an estimated purchase consideration of INR 339.34. Yum is the franchiser of KFC, Pizza Hut, Taco Bell brand and the Group has acquired KFC stores from Yum in order to expand its operations in Karnataka, Andhra Pradesh and Telangana. Also, refer note 52 for further details. Similarly, in the previous year, the Group acquired four KFC stores on 01 October 2018, six KFC stores on 01 November 2018 and three KFC stores on 01 December 2018 from Yum on slump sale basis for an estimated purchase consideration of INR 311.38.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Assets		
Property, plant and equipment (refer note 3A)	76.32	258.20
Intangible assets (refer note 5)	33.91	20.60
Inventories	4.67	8.33
Other assets	8.86	18.38
	123.76	**305.51**
Liabilities	3.00	3.62
	3.00	**3.62**
Total identifiable net assets (at fair value)	**120.76**	**301.89**
Purchase consideration to be transferred/transferred in cash	**339.34**	**311.38**
Goodwill (refer note 4)	**218.58**	**9.49**

The goodwill is attributable to the operational synergies and expansion on market share.

Transaction cost of INR 0.20 (previous year: INR 0.48) has been expensed and is included in Other expenses in the Consolidated Statement of Profit and Loss and are part of the operating cash flows in the consolidated Cash Flow Statement.

Acquired stores under business combination contributed revenue of INR 26.54 (previous year: INR 251.95) and profit of INR 3.51 (previous year profit of: INR 8.09) to the Group's profit or loss for the year from respective acquisition dates.

In respect of the business combination, the Group does not have access to the records of Yum prior to the date of acquisition and hence, it is impractical to disclose the revenue and profit or loss of the group along with the acquired stores for the current reporting period as though the acquisition date for the business combinations that occurred during the current year had been as of the beginning of the annual reporting period as required by Ind AS 103.

(INR in millions, except for share data and if otherwise stated)

51. Disclosure pursuant to Section 186(4) of the Companies Act, 2013:

Nature of the transaction (loans given/investments made/guarantees given)	As at 31 March 2020	As at 31 March 2019
(A) Loans and advances		
Parkview City Limited^	-	-
	-	-

^ during the year the Group has given loan of INR 550.00 to the party and full repayment of the loan has also been received including interest accrued thereon.

52. Events occurring after reporting period

i) Acquisition of stores: The Group has completed acquisition of thirty seven KFC stores (till adoption of the consolidated financial statements of the Group) from Yum on slump sale basis in order to expand its operations in Karnataka, Andhra Pradesh and Telengana under the BTA. (Refer note 50).

ii) Issue of equity share capital: The Group has allotted 3,369,644 equity shares of the Company at INR 433.28 per equity share (face value of INR 10/- per equity share and share premium of INR 423.28/- per equity share to YUM in two tranches on 30 April 2020 and 3 July 2020.

53. Disclosures about the Group's ability to continue as a going concern.

The Group has incurred losses of INR 1,214.18 in current year (previous year: INR 664.31) and has accumulated losses of INR 3,343.82 as at 31 March 2020 (previous year: INR 698.32), which has significantly eroded the net worth of the Company as at 31 March 2020. Further, the Company's current liabilities exceed its current assets as at 31 March 2020 by INR 4,345.82 (previous year: INR 1,977.19).

Based on financial projections, revised and detailed business strategies (including business combination transactions referred to in note 50 above), subsequent equity issues as referred in note 52, the Group expects growth in its operations and improved operating performance in coming years and also, expects to earn enhanced cash inflows from its operating activities. The Group believes such anticipated internally generated funds from operations in future and its available revolving undrawn credit facilities as at 31 March 2020 and certain other current assets (financial and non-financial) as on date, will enable it to meet its future known obligations due in next year, in the ordinary course of business. Based on the projections, the Group expects to earn cash inflow from operating activities, which can be used to settle liabilities due in the near future. The Group has also availed moratorium period for principal and interest payments, under Covid 19 - Regulatory Package announced by the Reserve Bank of India by rescheduling its repayments of loans and payment of interest. Further, the RJ Corp Limited, holding company, has confirmed its intent as well as ability to extend continued financial support to the Group, as and when needed, so as to enable the Group continues its operations as a going concern in foreseeable future and board of directors of the Company have acknowledged the continued support.

54. Estimation of uncertainties relating to the global health pandemic from Coronavirus (Covid 19)

The global spread of Covid 19 has impacted businesses across all sectors and geographies. As a result, operations of most restaurants and commissaries have been affected temporarily in compliance with lockdown announced by Central Government of India and other directives/orders issued by other relevant authorities. The management of the Group has considered all internal and external sources of information, including economic forecasts and estimates from market sources as at the date of the approval of these standalone financial statements in determining carrying value of assets comprising property, plant and equipment, right of use assets, inventories, receivables and other current assets as at the balance sheet date. On the basis

(INR in millions, except for share data and if otherwise stated)

of evaluation and current indicators of future economic conditions, the Group has concluded that no material adjustments are required in the standalone financial statements other than those already recognised in form of impairment of non financial assets and assets and writing of inventories for perishable goods as of the reporting date. Given the uncertainties associated with nature, condition and duration of Covid 19, the impact assessment on the Group's consolidated financial statements will be continuously made and provided for as required.

55. The amounts of previous reported period have been regrouped/reclassified wherever considered necessary in order to comply with financial reporting requirements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration
No.: 001076N/N500013

For **APAS & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000340C

For and on behalf of the **Board of Directors of Devyani International Limited**

Anupam Kumar
Partner
Membership No.: 501531

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 09 September 2020

Sanjeev Arora
CFO and Director
DIN: 00009288

Anil Dwivedi
Company Secretary
Membership No.: 18893

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Pizza Hut
COSTA COFFEE
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1837
TWG TEA
GRANDS CRUS PRESTIGE
the food street