DEVYANI INTERNATIONAL LIMITED

ANNUAL REPORT 2020-21

Healthy Base, Steady Pace.

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Healthy Base of Global & Own Brands

To view this report online & to know more about us, please visit: **dil-rjcorp.com**

Forward-looking statements

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements, although we believe we have been cautious.

> **The most successful men, in the end, are those whose success is the result of steady accretion.**
>
> – Alexander Graham Bell

A wild, no holds barred sprint at the end of the race burns energy at a humungous rate, depleting the athlete quicker than it swallows up the winning margin. In racing terms, this is called the finishing burst.

Our race is continuous - it is one that we persevere with lengthening strides. To us, what matters is the steady pace that builds on our already existing base.

Healthy Base, Steady Pace.

Our strategy for the continuous race.

FACTS AT A GLANCE

3
Core Brands viz. KFC, Pizza Hut and Costa Coffee

24
years of long-standing relationship with Yum

9,000+
employees across verticals

692
stores across India, Nepal and Nigeria

155
cities in India where we are present

54%
of the core brand stores are in top 10 cities of India

₹11,348 Mn
Revenue from Operations in FY21

₹2,269 Mn
EBITDA in FY21

20%
EBITDA Margin in FY21

Note: All figures are as of March 31, 2021, unless mentioned otherwise.

Reference to "Yum" or "Yum India" means Yum Restaurants (India) Private Limited.

KNOW US BETTER

Devyani International Limited (DIL) is a multi-dimensional comprehensive quick service restaurant (QSR) player in India.

WE ARE THE LARGEST FRANCHISEE OF YUM BRANDS IN INDIA AND AMONG THE LARGEST OPERATORS OF CHAIN QSRs IN INDIA, ON A NON-EXCLUSIVE BASIS. IN ADDITION, WE ARE A FRANCHISEE FOR THE COSTA COFFEE BRAND AND STORES IN INDIA. ALONG WITH PARTNERING SOME OF THE BEST BRANDS IN THE WORLD, WE ALSO HAVE IN-HOUSE BRANDS. WITH WELL RECOGNIZED BRAND PORTFOLIO AND THE DEPTH OF OUR EXPERTISE IN THE QSR SEGMENT, OUR BUSINESS HAS ALL THE INGREDIENTS FOR BUILDING ON OUR SUCCESS.

KFC

Pizza Hut

COSTA COFFEE

Vaango!

the food street

Our Proud Heritage

Our penchant for sustainable value creation finds its roots in our Promoter company. Our corporate promoter, RJ Corp Ltd. is a diversified conglomerate that is focused on F&B sectors. Driven by a daring vision, a pioneering spirit and an outstanding team of people, RJ Corp continues to scale new heights of success.

KNOW US BETTER

VISION
To be the most preferred restaurant company for people and customers alike.

MISSION
To be people-centric, customer-focused & process-driven striving for excellence day in and day out with a beat year ago & turnaround mentality.

PURPOSE
Spreading happiness and joy on all occasions.

VALUES

Ownership
Encouraging demonstration of a proactive approach, care and concern for utilization of all available resources, recurring personal initiatives and information sharing.

Customer First
Delighting - not only satisfying - both internal and external customers, walking an extra mile to meet customer's expectations; by being passionate about maniacal service delivery and recognizing and fulfilling the interests of all stakeholders.

Profitability
Enhancing resource efficiency and effectiveness.

Growth
Continuous focus towards visible action for overall development, leveraging opportunities to enhance 'canvas' operations.

Off the starting block in 1997

We began our relationship with Yum in 1997, when we commenced operations of our first Pizza Hut store in Jaipur. We have subsequently continued to expand our operations with both KFC and Pizza Hut franchises. In FY05, we also became a franchisee of the Costa Coffee brand in India. Over the years, we have built a healthy restaurant network for KFC, Pizza Hut and Costa Coffee, also referred to as our Core Brands, in India. Maintaining a steady pace in portfolio expansion, in FY11 we launched our own brand Vaango – a QSR restaurant chain delivering authentic South Indian food.

Setting the pace with our value proposition

Our value proposition to customers is predicated on the quality of products we offer, the brand recall of the Core Brands we operate, our sustained focus on customer satisfaction and implementation of digital measures to increase efficiency in operations. Raw materials for our operations are sourced from vendors that are pre-approved and meet international safety and quality standards. Our stores are routinely audited and accredited to ensure compliance with global standards. For example, our KFC and Pizza Hut stores are certified by Yum as part of their restaurant operations compliance check. Our service and diverse menu including various value offerings across the Core Brands has led to significant brand recall for these brands.

Motivated by visionary leadership

We are a passionate and committed team of professionals with a strong intent to achieve our vision and stay ahead in the race. Our advancement draws on the experience of our senior management and promoters. Our individual promoter, Ravi Kant Jaipuria, has significant experience in the F&B sector, and he has been instrumental in our Company's growth. Our Whole-time Director and Chief Executive Officer, Virag Joshi, has been a key strategist in expanding Pizza Hut, KFC and Costa Coffee stores.

Crossing milestones while keeping a steady pace

Today, 24 years after we set off the starting block, we have traversed a great distance. As of March 31, 2021, we operate 297 Pizza Hut stores and 264 KFC stores across India. We also operate a chain of 44 Costa Coffee stores. Cumulatively, we have 655 stores across all brands in India and are present in 26 states and 3 union territories across 155 cities as of March 31, 2021. Our defined store expansion and development process is focused on high potential locations across towns and cities, airports, high street locations, malls, food courts, hospitals, business hubs and transit areas.

KNOW US BETTER

OUR KEY STRENGTHS

Portfolio of highly recognized global brands catering to a range of customer preferences

- Our Core Brands, namely, KFC, Pizza Hut and Costa Coffee, are highly recognized global QSR brands
- Brands catering to diverse cuisine segments and available across multiple formats of dine-in, takeaway and delivery
- Product offerings across various price points

Multi-dimensional comprehensive QSR player

- Expertise and control in all areas of operations, including safety & quality, customer experience, digital adoption and delivery services, while ensuring a transparent and open work culture

Presence across key consumption markets with a cluster-based approach

- 304 stores of our Core Brands located in five major metros in India*
- Stores situated in locations with significant footfalls
- Optimizing and managing supply chain and associated costs through cluster-based expansion

Cross brand synergies with operating leverage

- Centralized sourcing, warehousing and distribution of raw materials for particular regions and across our Core Brands Business facilitates cost efficiencies
- Multiple brands in specific locations enables competitive store lease rentals

Disciplined financial approach with focus on cash flows and returns

- RoI analysis undertaken prior to opening a store to determine its financial feasibility

Distinguished Board and experienced senior management team

- Board comprising of individuals from various fields and having diverse experience
- Well-qualified management team with significant experience in all aspects of our business

*as of March 31, 2021

With leading international QSR brands along with promising homegrown brands in our portfolio, we are catering to diverse cuisine requirements. Our growing restaurant network enables us to make our delicious food and beverages accessible to customers across the length and breadth of the country. These strengths, together with our technical, marketing and operational ability, have enabled us to establish ourselves as a comprehensive player in India's QSR industry.

BUILDING A HEALTHY BASE, SETTING A STEADY PACE

FISCAL YEAR & STAGE OF PROGRESS

1997
Signed a development agreement for opening Pizza Hut outlets in North India

2002
Acquired Speciality Restaurants Private Limited

2004
Yum India issued a letter of intent for opening KFC outlets in Kolkata

2005
Signed a development agreement for opening Costa Coffee outlets in India

2010
- Opened the first KFC outlet in Nigeria
- Opened the first KFC and Pizza Hut outlets in Nepal
- Devyani Food Street Private Limited (DFSPL) formed in a joint venture with Delhi International Airport Limited

2011
Launched own brand for South Indian QSR - Vaango

2012

- First Pizza Hut Delivery opened in Nepal
- Acquired 60% stake in Delhi Select Service Hospitality Private Limited
- ICICI Venture invested ₹ 991.41 million in the company

2015

- Acquired Pizza Hut delivery outlets from Yum India in Western and Southern India
- Dunearn invested ₹ 4 billion to acquire ~16% stake in the company

2016

Acquired the balance 40% stake in DFSPL

2019

Acquired 13 KFC outlets in FY19

2020

Acquired 9 KFC outlets in FY20

2021

Acquired 51 KFC outlets in FY21

Yum India acquired 4.76% stake in DIL - other than DIL, Yum! Brands, Inc. has a minor equity stake only in one other franchisee located in Brazil [(1)]

(1) Source: Yum Brands Inc. 2020 Annual Report.

CHAIRMAN'S MESSAGE

We have strengthened our relationship with Yum, following the acquisition of its stores and the strategic equity investment. We acquired 60 KFC stores from Yum India, out of which 9 stores were acquired in FY20 and the balance 51 stores in FY21.

Dear Shareholders,

We are pleased to present to you our Company's Annual Report for the fiscal year 2021.

Devyani International - An Overview

Before presenting an overview of our performance in FY21, I would like to give you a brief introduction of our Company and business model. Devyani International Limited is the largest franchisee of Yum Brands in India, on a non-exclusive basis and is among the largest operators of chain QSR restaurants in India. We are also a franchisee for Costa Coffee in India.

Our business is broadly classified into three verticals – Core Brands Business that include stores of KFC, Pizza Hut and Costa Coffee operated in India, International Business that includes stores operated outside India primarily comprising KFC and Pizza Hut stores operated in Nepal and Nigeria and Other Business that includes other operations in the F&B industry, including stores of our own brands such as Vaango and Food Street.

We began our relationship with Yum in 1997, when we commenced operations of our first Pizza Hut store in Jaipur. Our close association with Yum together with our technical, marketing and operational expertise has enabled us to establish ourselves as a comprehensive player in the QSR industry in India. We collaborate with Yum across various aspects of our operations for KFC and Pizza Hut for the franchisor's brand protection and management, including product innovation and development, brand strategy and technology initiatives. We also work closely with Yum on advertising, promotion and marketing activities. For Costa Coffee, we retain flexibility over our operations with respect to similar parameters and are supported by Costa in determining our menu, ingredients, suppliers and distributors.

Fiscal 2021 Overview

The fiscal year 2021 began amidst a challenging operating environment with the spread of the COVID-19 pandemic in early March 2020. Nationwide lockdowns and localized containment measures across different states and regions in the first half of the fiscal year disrupted our operations. One of our key focus areas during this unprecedented period was ensuring the safety of our consumers, employees, business partners, and mitigating business risks to the best possible extent. We introduced several initiatives in order to ensure safety of all our customers, such as contactless delivery and takeaway services, greater initiatives towards anti-viral and hygiene cleanliness at stores, and frequent sanitization and temperature checks. In order to counter the effects of COVID-19 on our business, we adopted various measures including re-developing our menus to focus on delivery and takeaway options.

As the country moved to the un-lock phase in the latter half of the fiscal year, we saw a healthy uptick in demand. The decline in number of COVID-19 infections in India, easing of restrictions, and gradual recovery of the economy led to improved footfalls in the last quarter of FY21.

Against this macro-economic backdrop, revenues from operations stood ₹ 11,348 million in FY21 compared to ₹ 15,164 mn in FY20. On the profitability front, we undertook sustainable cost-optimization measures across our business model, which resulted in improved EBITDA margins at 20% for FY21 as compared to ~17% for FY20. With a sharp focus towards rationalizing unviable businesses and cutting non-essential costs, during the year, our Company has surrendered three loss-making food courts at airports and divested the loss-making TWG tea business in India as well as in UK subsidiary. In addition, we have also renegotiated lease rentals for most of the stores and moved majority of the store rentals to revenue sharing basis. These long-term sustainable initiatives enabled us to reduce the losses from ₹ 1,214 million in FY20 to ₹ 630 million in FY21.

Key Developments

We are excited to share that we have strengthened our relationship with Yum, following the acquisition of its stores and the strategic equity investment. We acquired 60 KFC stores from Yum India, out of which 9 stores were acquired in FY20 and the balance 51 stores in FY21. In addition, Yum India invested in the Company to acquire a minority stake. We have consistently invested to grow the Yum brands - KFC and Pizza Hut in India for over two decades. Our partnership with Yum is based on our track record to build the brands by expanding geographic presence and running operations not only in India, but also in international markets of Nepal and Nigeria. This transaction is a testimony to the partnership we have built over the years and of the future potential of our business.

During FY21, across Core Brands, we have added 101 stores (net) in India, taking the total restaurant count to 605. While the total new stores added during FY21 were 162, including 51 acquired from Yum India, we had to close 61 stores primarily due to store relocations and other commercial reasons, including closure of under-performing stores.

Message to Stakeholders

In the backdrop of a challenging macro-environment, we have reported a resilient performance in the fiscal year 2021. It is encouraging how our teams and employees traversed through several operating hurdles during the year to ensure continuity in business operations with minimal disturbances.

From a demand standpoint, while we have been able to ramp-up our new store openings, the macro-environment has softened on account of the second wave of COVID-19. We are monitoring the situation closely and are undertaking all precautionary measures to mitigate business risks and ensure safety of all our stakeholders. With the phased implementation of the vaccination rollout in India, economic and business activities are projected to resume normalcy sooner than later. We will be undertaking several steps in reinforcing our competitive advantages, while simultaneously adding substantial value to our resilient business model.

I am also pleased to share that in May 2021, our Company has filed a draft red herring prospectus with market regulator - SEBI to launch an initial public offer. We are excited about the prospect of listing ourselves as a public entity on the Indian stock exchanges, which will help expand our shareholder base.

On behalf of the Board, I would like to thank all our stakeholders including shareholders, bankers and creditors for their continued support. I would also like to express our gratitude to all our employees for their diligent efforts in accomplishing our objectives and achieving our vision.

I would like to express my sincere gratitude to all the members of our Board for their continued insights and invaluable guidance as we explore new opportunities and move ahead with confidence.

To conclude, I would like to take this opportunity to thank every one of you for being a part of our Company's prosperous journey over these years. We are also honored to be associated with you as we embark on a path of long-term growth and value creation.

Warm regards,

Ravi Jaipuria
Chairman

HEALTHY BASE OF GLOBAL & OWN BRANDS

Our powerful brand portfolio, encompassing international and indigenous brands catering to diverse cuisines, infuses our strides with abundant energy.

KFC

DIL is the franchise partner of Yum for KFC in India and sole franchise partner for KFC in Nepal and Nigeria, through its subsidiaries. KFC, a global chicken restaurant brand, has over 25,000 restaurants in over 140 countries as of December 31, 2020.

Pizza Hut

DIL is the franchise partner of Yum for Pizza Hut in India. Pizza Hut, the largest restaurant chain in the world, specializes in the sale of ready-to-eat pizzas. Pizza Hut operates in the delivery, carry-out and casual dining segments around the world with 17,639 restaurants, as of December 31, 2020.

Costa Coffee

DIL is also the franchisee for the Costa Coffee in India. Costa Coffee is a global coffee shop chain with over 3,400 coffee shops in 31 countries.

Vaango

Vaango is our home-grown brand offering authentic vegetarian South Indian food in a modern and contemporary ambience.

Food Street

We also operate multiple food courts under the brand name Food Street.

STEADY PACE OF INNOVATION

We strive to deliver a memorable brand experience with innovation across products, services and ambience.

Our KFC stores have an extensive menu featuring fried chicken buckets and allied chicken products, grilled chicken, burgers, rice bowls, and beverages. KFC's core offerings of fried chicken products with select herbs and spices are a unique offering in the Indian QSR industry, as there is no other recognized international chain of restaurants that has successfully been able to introduce fried chicken products in India. Being among the first international chains that entered the Indian QSR industry in 1996, the KFC brand is associated with its vibrant, contemporary store designs, and signature menu items.

We provide both delivery and dine-in options for KFC customers.

Pizza Hut's constant menu innovations and affordable pizza offerings make it a strong competitor in the Indian QSR industry, driving consumption of pizza as a regular meal rather than an occasional/ celebratory meal opportunity. In addition to the original pan pizza offering, our Pizza Hut stores have an extensive menu featuring pizzas, pasta, beverages and desserts.

We mainly operate two formats of our Pizza Hut stores, namely, a larger format with full service dining-in capacities, and small-store formats to cater to delivery/take-away orders.

Our Costa Coffee stores have an extensive menu featuring coffee, sandwiches, wraps, Indian snacks, desserts, and other beverages. We currently operate two formats of Costa Coffee stores, namely, our full retail stores at high-street locations and malls, and branded kiosks at airports, hospitals and food courts at highways. Our multi-business formats enable us to cater to different stages of a customer's lifecycle/preferences.

HEALTHY BASE OF BRAND PRESENCE

Our focus on consolidating our presence in key metro cities while also foraying into smaller towns has enabled us to take our brands closer to customers pan India.

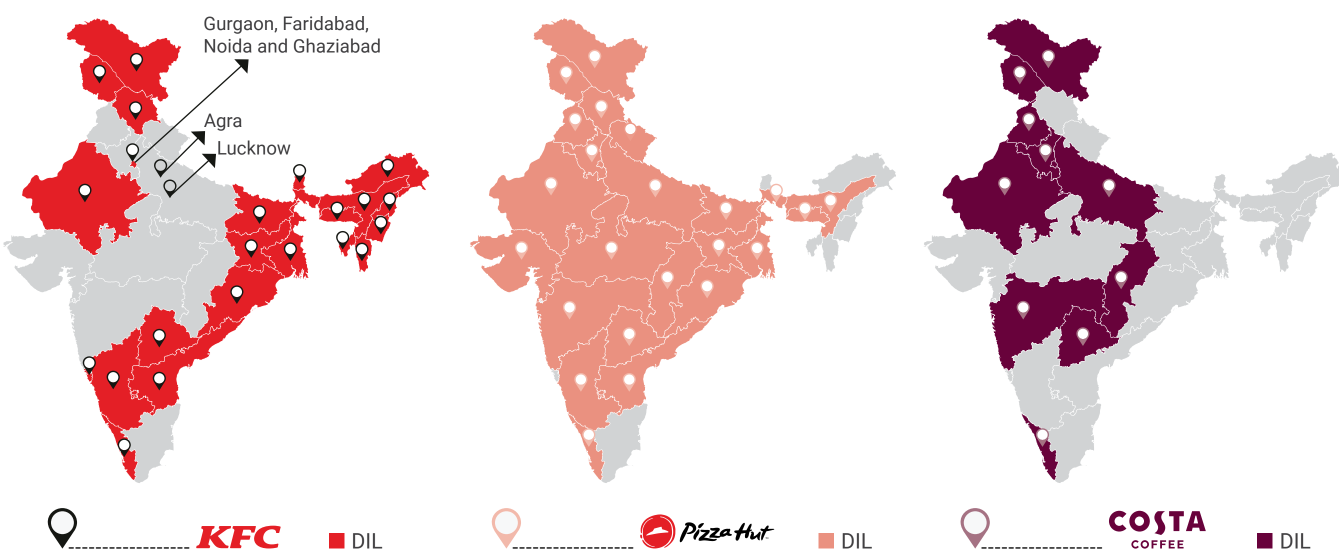
In India, DIL operates 600+ stores across Core Brands, namely KFC, Pizza Hut and Costa Coffee. These brands have established a strong foothold in key metro cities to address the demand in these high-potential markets. At the same time, there is significant untapped opportunity in Tier II and III cities due to its growing base of customers who seek to enjoy global cuisines. By augmenting our presence in these markets, we are enhancing the accessibility of the core brands to these aspirational customers.

Consistent with our strategy to steadily expand presence across new cities and simultaneously broaden accessibility at existing cities, 101 stores (net) were opened for our Core Brands in FY21 including 51 KFC stores acquired during the year. Our healthy presence has created a strong platform for leveraging the appeal of our brands and augmenting revenues.

600+

stores across core brands, namely KFC, Pizza Hut and Costa Coffee.

Core Brands Presence



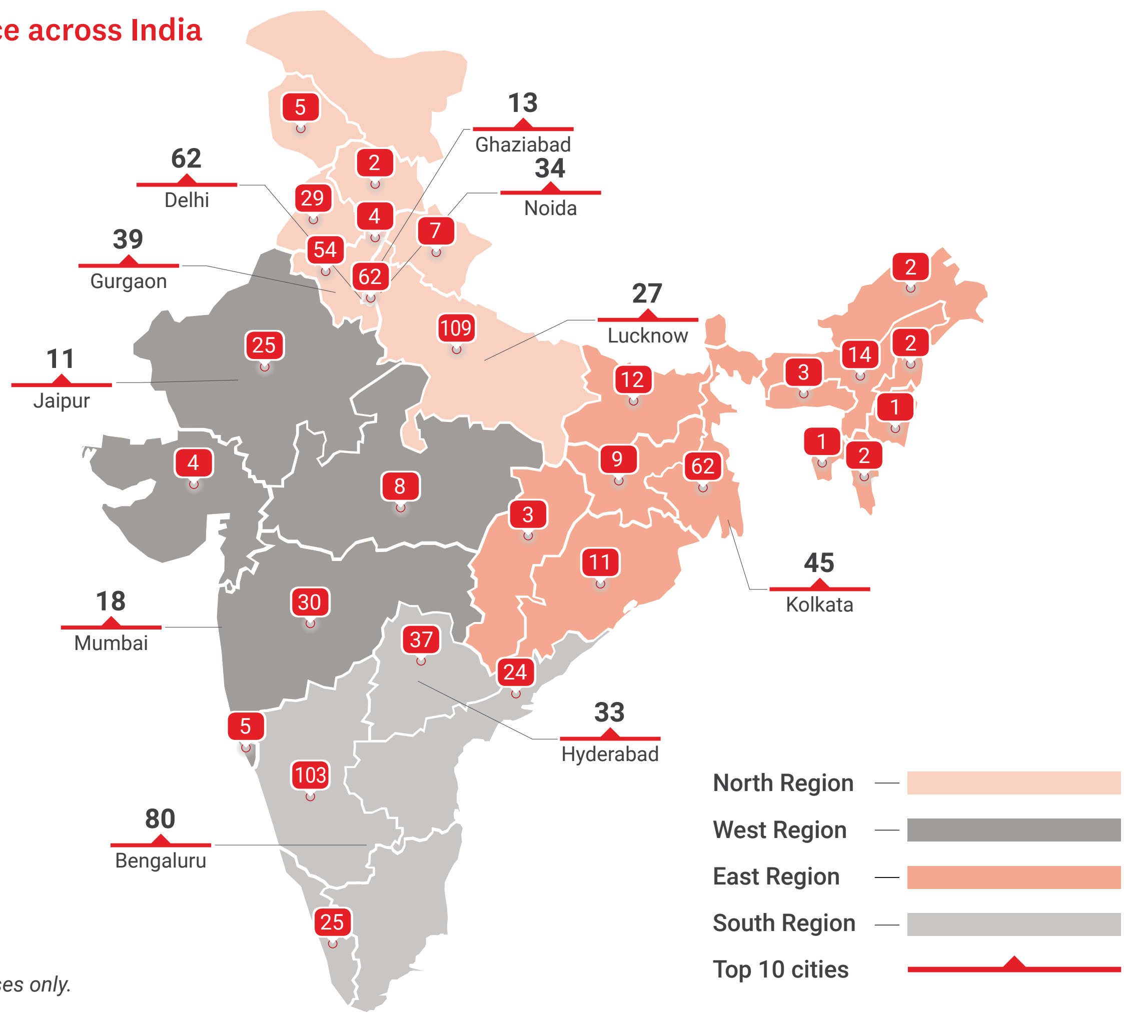
Brand	KFC		Pizza Hut		Costa Coffee	
	FY21	FY20	FY21	FY20	FY21	FY20
No. of Stores	264	172	297	269	44	63
No. of Cities	97	76	100	82	17	18

Map not to scale. For illustrative purposes only.

Cluster-based Expansion

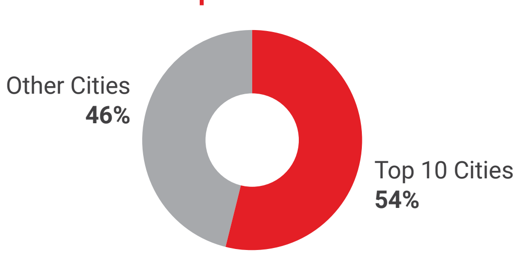
We have adopted cluster-based expansion to drive greater brand penetration. With this expansion approach, we have been able to address demand in high-potential domestic markets. As of March 31, 2021, 76.69% of the stores in our Core Brands Business, i.e. 464 stores were located across 40 key cities in India while 50.25% of the stores in our Core Brands Business, i.e. 304 stores were present across five regions in India, i.e. Bengaluru, Kolkata, Hyderabad, Mumbai and Delhi NCR (comprising Faridabad, Ghaziabad, Gurgaon, Delhi and Noida). Cluster-based expansion also helps in better economies of scale in sourcing, logistics and promotional activities.

Store Presence across India

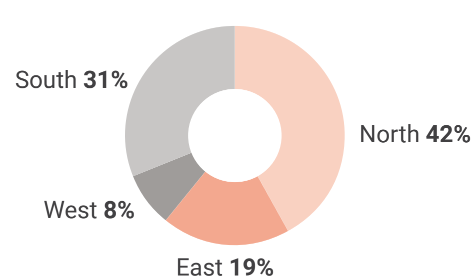


Map not to scale.
For illustrative purposes only.

Cluster-based Spread



Region-wise Presence



Both the above charts are for Core Brands in India and data is as of March 31, 2021.

HEALTHY BASE OF BRAND PRESENCE

Cross Brand Synergies leading to Operational leverage

Economies of Scale

Logistics
Centralized warehousing; Common vehicle for delivery of raw materials across brands

Sourcing
Centralized sourcing from an optimal number of vendors results in cost efficiencies

Overhead
Common corporate overhead across brands

Real Estate/ Anchor Tenant
Multiple brands in specific locations helps in negotiation of competitive lease rentals

STEADY PACE IN ENHANCING CONNECT

We have actively adopted tech-enabled enhancements to provide our customers with a personalized and enriched dining experience and to increase our operational efficiency. The digital ordering and payment technologies we have adopted for the brands we operate has allowed us to optimize staffing at our stores and reduce associated costs for ordering and cash management.

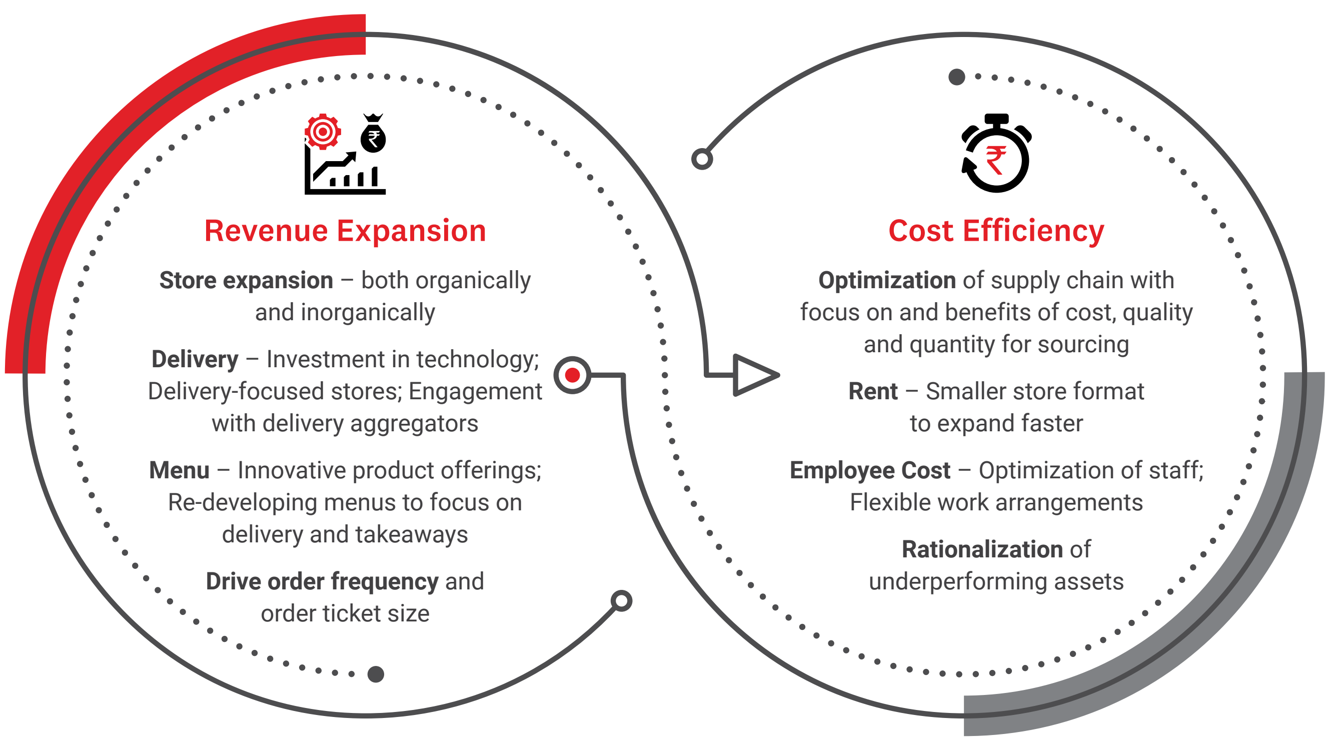
OVERCOMING HURDLES ON THE TRACK

COVID-19 was something that no one had expected. It shuttered the entire country and its citizens at homes for an extended interval of time. There was disruption at every point of business - logistics, supply chains, workers, and sales - each of these presented unique challenges.

Strong Emergence Post COVID-19

- Divestment of early stage TWG tea business & rationalization of non-performing airport/stores
- Rentals reorientation (terms renegotiation like revenue sharing instead of fix rental etc.)
- Menu re-engineering
- Store format rationalization (smaller formats leading to quick turnaround and faster store development at lower cost)
- Benefits from integration of KFC acquired stores from Yum – cash neutral transaction

Focus to Improve Unit Level Profitability



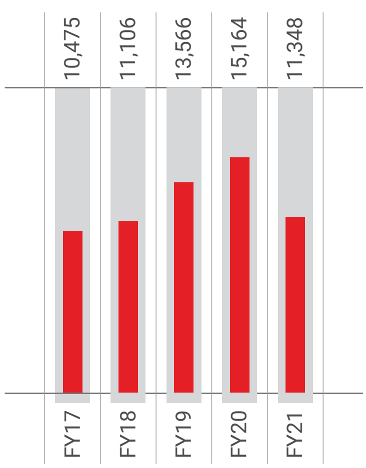
Store expansion with focus on bringing cost-efficiencies at each level to result in higher profitability

STRIDING AHEAD WITH A STEADY PACE

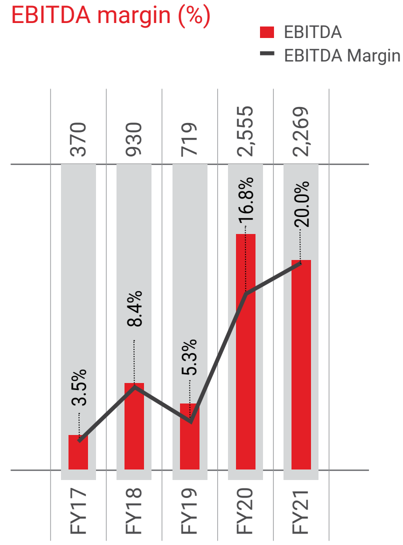
Like a runner in a race that is still in its middle miles, there is time to recover lost ground and make up for the lost time.

Our Key Performance Parameters*

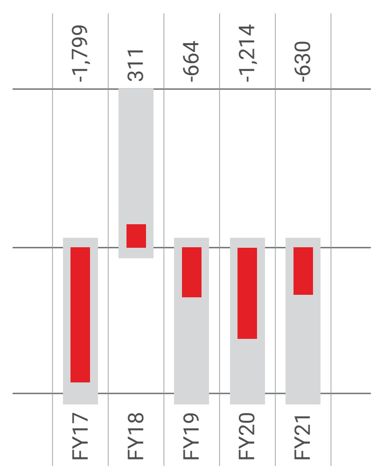
Revenue from Operations (₹ Million)



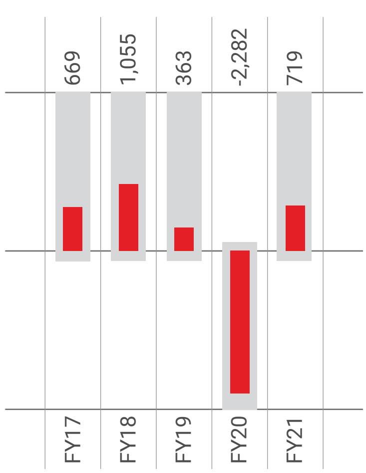
EBITDA (₹ Million) and EBITDA margin (%)



PAT (₹ Million)



Net Worth (₹ Million)



*FY20 onwards financials are as per Ind-AS 116 and FY17 financials are as per comparative restated numbers included in FY18 financials (first time Ind AS adoption).

STEADY FOCUS ON SHAPING A SUSTAINABLE FUTURE

At DIL, we seek to consistently do the right thing, rather than treating these as a “must also do” activity. We bring genuine enthusiasm in employing the specially-abled as well as in women’s empowerment.

SOME OF OUR INITIATIVES INCLUDE:

Employing the Specially-abled

DIL has consistently employed specially-abled people across our restaurants, with a view to mainstream their lives and offer them sustainable livelihoods. One of our restaurants is entirely managed by a team of specially-abled employees.

Empowering Women

We ensure diversity and inclusion in our operations and operate stores that are managed only by women and our riders and delivery personnel include women riders. Our diversity driven measures have led us to be awarded as one of “India’s 100 Best Workplaces for Women 2020” by the Great Place to Work Institute, India.

AWARDS & RECOGNITION

2015

Brand Vaango was recognized as a "**Promising Brand**" by the Economic Times.

2019

Pizza Hut and KFC were recognized among the "**Most Trusted Brands**" in Food Services category in Brand Equity Survey conducted by The Economic Times.

2018

Our Company was certified as a "**Great Workplace**" by the Great Place to Work Institute, India.

Costa Coffee (T3 International Departure Pier) was awarded the Certificate of Excellence for "**Outlet of the Year- F&B (International)**" by Delhi International Airport Limited at the IGIA Awards 2018.

Grid Bar (T3 Domestic Departure Food Court) was awarded the Certificate of Excellence for "**Outlet of the Year- F&B (Domestic)**" by Delhi International Airport Limited at the IGIA Awards 2018.

2020

Our Company was recognized as one of "**India's 100 Best Workplaces for Women 2020**" by the Great Place to Work Institute, India.

BOARD OF DIRECTORS

Ravi Kant Jaipuria
Non-Executive Director

He is a promoter of our Company and has over three decades of experience in conceptualizing, executing, developing and expanding food, beverages and dairy business in South Asia and Africa. He has completed his higher secondary education from Delhi Public School Mathura Road, New Delhi. He has an established reputation as an entrepreneur and a business leader and has received PepsiCo's award for International Bottler of the Year, awarded in 1997. He was also awarded the 'Distinguished Entrepreneurship Award' at the PHD Annual Awards for Excellence 2018.

Varun Jaipuria
Non-Executive Director

He attended Millfield School, Somerset, England and degree course in international business from the Regent's University, London. He has 12 years of experience in the soft drinks industry and has also completed a program for leadership development at the Harvard Business School.

Raj Pal Gandhi
Non-Executive Director

He holds a bachelor's degree in commerce (honours course) from the University of Delhi and was admitted as an associate of the Institute of Chartered Accountant of India in 1981. He has over 28 years of experience with one of our group companies (Varun Beverages Limited) and has been instrumental in strategizing our diversification, expansion, mergers and acquisitions, capex funding and institutional relationship. He also has experience in the field of finance and accounts. Prior to this, he has worked with Electronic Trade and Technology Development Corporation Limited and Uptron Powertronics Limited.

Virag Joshi
Whole-time Director (President & CEO)

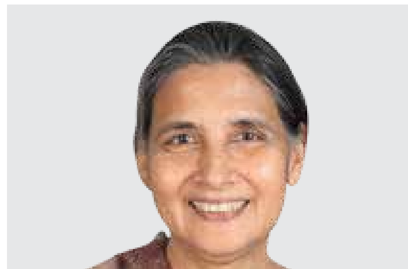
He holds a diploma course in hotel management and catering from the State Institute of Hotel Management and Catering, Lucknow, Uttar Pradesh. He has been a key strategist in expansion of Pizza Hut, KFC, Costa Coffee outlets from a small base of five restaurants in 2002 to 600 plus outlets in last 19 years. He has been earlier associated with Indian Hotels Company Limited, Domino's Pizza India Limited, Milkfood Limited, and Priya Village Roadshow Limited.

Manish Dawar
Whole-time Director & CFO

He holds a bachelor's degree in commerce with honors from the Panjab University, Chandigarh and is a Chartered Accountant and a member of the Institute of Company Secretaries of India. He has wide experience in various industry domains and across various geographies in the world. He has worked in various corporate setups including Reebok India, Reckitt Benckiser, Vedanta, DEN Networks Limited, and Vodafone India Limited.

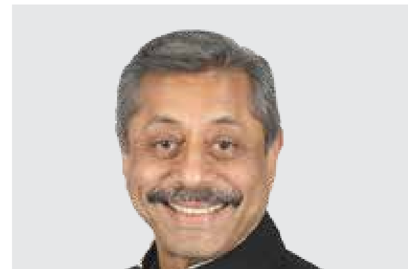
Dr. Ravi Gupta
Independent Director

He holds a bachelor's degree in commerce and a master's degree in commerce from the University of Delhi. He also holds a bachelor's degree in law from the University of Delhi, a diploma in labour law from the Indian Law Institute, a master's degree in business administration from the Faculty of Management Studies, University of Delhi and a doctorate in philosophy for his thesis on 'Country Risk Analysis in Investment Financing Decision Making' from the University of Delhi. He was employed as an Associate Professor in the commerce department of Shri Ram College of Commerce, University of Delhi.



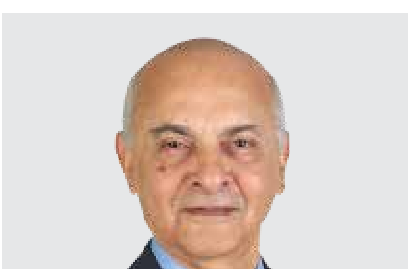
Rashmi Dhariwal
Independent Director

She holds a bachelor's degree in arts from the University of Delhi and attorney-at-law from the Calcutta High Court. She is also a trustee of a registered charitable trust called Prayatn.



Dr. Naresh Trehan
Independent Director

He holds a bachelor's degree in medicine and surgery from the University of Lucknow and has been certified as a thoracic and cardiac surgeon by the American Board of Thoracic Surgery. He attended the residency training program of the New York University Medical Center at Bellevue Hospital, University Hospital and Manhattan V.A. Hospital, New York from July 1, 1971 to June 30, 1975 and is an honorary fellow at the Royal Australasian College of Surgeons. He has received the Padma Bhushan Award in 2001, presented by the Government of India.



Pradeep Khushalchand Sardana
Independent Director

He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Delhi. He has 19 years of industry experience and was previously associated with PepsiCo.

Girish Kumar Ahuja
Independent Director

He holds a Ph.D. from the University of Delhi for his thesis on Financial Sector Reforms: Capital Market Efficiency and Portfolio Investment completed in 2006. He is a qualified and practicing chartered accountant for the past 45 years and a member of the Institute of Chartered Accountants of India. He was a lecturer at the Shri Ram College of Commerce, University of Delhi. He was a member of a committee on direct tax matters constituted by the Government of India and part-time non-official director on the central board of directors of State Bank of India.

CORPORATE INFORMATION

Board of Directors

Mr. Ravi Kant Jaipuria

Mr. Varun Jaipuria

Mr. Raj Pal Gandhi

Mr. Virag Joshi

Mr. Manish Dawar

Dr. Ravi Gupta

Ms. Rashmi Dhariwal

Dr. Girish Kumar Ahuja

Dr. Naresh Trehan

Mr. Pradeep Khushalchand Sardana

Chief Financial Officer

Mr. Manish Dawar

Company Secretary

Mr. Anil Dwivedi

Joint Auditors

a) **Walker Chandiok & Co LLP,**
Chartered Accountants,
Gurugram

b) **APAS & Co. LLP**
Chartered Accountants,
New Delhi

Registered Office

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

Corporate Office

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

Bankers

Axis Bank Limited

HDFC Bank Limited

RBL Bank Limited

Induslnd Bank Limited

Yes Bank Limited

ICICI Bank Limited

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th (Thirtieth) Board Report on the business and operations of your Company along with the Audited Financial Statements, for the Financial Year ("FY") ended March 31, 2021.

Financial Results

The financial performance of your Company for the Financial Year ended March 31, 2021 is summarized below:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year Ended 31-Mar-21	Year Ended 31-Mar-20	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Sales & other Income	10,473.30	12,511.05	11,988.95	15,350.41
Profit before Interest, Depreciation, Impairment & Tax	1,989.13	2,019.95	2,269.28	2,554.84
Less: Interest	1,265.41	1,186.87	1,528.03	1,584.37
Less: Depreciation & Impairment	2,367.19	1,769.80	2,774.58	2,271.91
Loss before exceptional items and tax	**(1,157.81)**	**(703.8)**	**(1,392.76)**	**(1,114.89)**
Less: Exceptional item (expense)/income	(457.53)	-	(568.84)	345.78
Profit/ (Loss) before Tax	**(700.28)**	**(703.8)**	**(823.92)**	**(769.11)**
Less: Income tax expenses	-	-	(10.68)	18.41
Add: Profit/(Loss)from discontinued operation	47.23	(646.94)	183.37	(426.66)
Add/Less: Other Comprehensive income	(11.92)	1.51	(52.20)	(142.58)
Total comprehensive income for the year (net of tax)	**(664.97)**	**(1,349.23)**	**(577.67)**	**(1,071.60)**
Total comprehensive income for the year attributable to:				
Owners of the Company	(664.97)	(1,349.23)	(542.47)	(1,109.75)
Non-controlling interests	-	-	(35.20)	38.15

Consolidated Financial Statements

The Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2021, are prepared in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), Indian Accounting Standards ("Ind AS") which shall also be provided to the Members in their forthcoming Annual General Meeting ("AGM").

To comply with the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the Financial Statement of subsidiary/ associate/ joint venture Companies, in prescribed format (Form AOC – 1) is attached as **Annexure - 1** to the Board's Report.

State of Company's Affairs

Your Company is among the largest operators of QSR chain in India and is the largest franchisee of Yum Brands (Pizza Hut and KFC) in India on a non-exclusive basis. In addition, DIL is also a franchisee for Costa Coffee in India. Along with these three well recognized global brands, the Company also has in-house brands such as Vaango and Food Street in its portfolio. As of March 31, 2021, the Company operated in total 655 stores across 155 cities in India. The Company also has operations in Nepal and Nigeria through a network of 37 stores as of March 31, 2021.

Our operations in Fiscal 2021 were severely impacted by COVID-19 and consequent lockdowns and restrictions imposed in India. Dine-in operations at many of our stores were suspended or restricted, on account of government restrictions imposed during Fiscal 2021, in particular during the six months ended September 30, 2020, which resulted in decline in sales. In line with our motto of "Healthy Base, Steady Pace", we have redoubled our efforts to ensure a safe & hygienic environment at our stores. We have also taken concrete steps to emerge out of the challenging year stronger by optimizing our cost structures and improving productivity levels.

Despite the ongoing COVID-19 pandemic, the Company has continued to expand its store network and we added 168 stores (including 51 KFC stores acquired from Yum Restaurants (India) Private Limited) and closed unviable stores resulting in net additions of 82 stores. We aim to continue the momentum in store openings in Financial Year 2021-22 as well.

The Management is continuously monitoring the evolving situation of COVID-19 and its impact on the Company's performance. We are a firm believer in the long term prospects of the QSR sector in India and believe that our culture of strong execution and our committed employees will see us emerge stronger from the current crisis.

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

Your Directors have not recommended any dividend on equity shares for the year under review.

Share Capital

As on March 31, 2021, the Authorised Share Capital of the Company was ₹ 1,25,00,00,000 (Rupees One Hundred Twenty Five Crores) divided into 1,25,00,00,000 (One Hundred Twenty Five Crores) Equity Shares of ₹ 1 each and it was increased to ₹ 500,00,00,000/- (Rupees Five Hundred Crores) divided into 500,00,00,000 (Five Hundred Crores) Equity Shares of ₹ 1/- (Rupee One) each by passing a special resolution by the Shareholders of the Company in Extra-ordinary General Meeting held on May 04, 2021. Further the Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 1,15,36,34,990 /- (Rupees One Hundred Fifteen Crores Thirty Six Lakh Thirty Four Thousand and Nine Hundred Ninety only).

During the year under review, your Company has allotted the following Equity Shares of ₹ 10/- each consequent to private placement cum preferential basis and exercise of Employee Stock Options and accordingly the Paid-up Share Capital of the Company stood increased:

Sl. No.	Date of Allotment(s)	No of shares	Particulars
1	April 30, 2020	20,77,178	Equity Shares allotted to Yum Restaurants (India) Private Limited on private placement cum preferential basis
2	July 03, 2020	12,92,466	Equity Shares allotted to Yum Restaurants (India) Private Limited on private placement cum preferential basis
3	October 22, 2020	19,38,689	Equity Shares allotted to Yum Restaurants (India) Private Limited on private placement cum preferential basis
4	March 19, 2021	22,00,000	Equity Shares allotted to RJ Corp Limited (Promoter and Holding Company) on private placement cum preferential basis
5	March 22, 2021	1,07,000	Equity Shares allotted to few group company employees on private placement cum preferential basis
6	March 22, 2021	15,57,500	Equity Shares allotted pursuant to ESOP exercise
7	March 24, 2021	24,000	Equity Shares allotted pursuant to ESOP exercise

Further, with effect from March 25, 2021, your Company has sub-divided its Equity Share Capital, which has resulted in sub-division of the face value per share from ₹ 10/- to ₹ 1/- per share, the number of equity shares in Share Capital stands multiplied by 10.

During the year under review, your Company has not issued shares with differential voting rights nor granted sweat equity shares.

Initial Public Offer

The Board of Directors of your Company at its meetings held on February 17, 2021 and subsequently on May 13, 2021, approved the proposed Initial Public Offering of Equity Shares of face value of ₹ 1 each (the "Equity Shares") of the Company comprising of a fresh issue of Equity Shares aggregating up to ₹ 4,000 million ("Fresh Issue") and an offer for sale of up to 125,333,330 Equity Shares comprising of up to 65,333,330 Equity Shares by Dunearn Investments (Mauritius) Pte. Ltd. ("Dunearn") and up to 60,000,000 Equity Shares by RJ Corp Limited ("RJ Corp" together with Dunearn, the "Selling Shareholders") ("Offer for Sale", and together with the Fresh Issue, the "Offer").

Further, the Board of Directors and IPO Committee at their meetings held on May 13, 2021 and May 14, 2021 respectively have approved the draft red herring prospectus of the Company dated May 14, 2021 ("DRHP") and filed with the Securities and Exchange Board of India, BSE Limited and the National Stock Exchange of India Limited on May 15, 2021. Your Company is awaiting confirmation from the Securities and Exchange Board of India on the proposed Initial Public Offering of Equity Shares of the Company.

Disclosure Under Employee Stock Options Schemes

Your Company initially had two Employees Stock Option Plans viz. Employees Stock Option Scheme 2011 ("ESOP 2011") and Employees Stock Option Scheme 2018 ("ESOP 2018"). ESOP 2011 was approved by the Board of Directors at their meetings held on September 20, 2011 & December 20, 2011 and further by the Shareholders on December, 20, 2011. The Company has a total of 3,60,000# outstanding stock options under ESOP 2011. Further, 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 10,20,000# outstanding stock options under ESOP 2018.

During the year under review, ESOP 2011 and ESOP 2018 was amended subsequently by the Board of Directors and Shareholders at their respective meetings held on March 17, 2021. The resolution provides the alignment of ESOP 2011 and ESOP 2018 in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 ("SEBI SBEB Regulations") and other necessary amendments including vesting conditions.

Further, the Board of Directors in their meeting held on March 17, 2021 adopted a new Employees Stock Option Scheme called "Employees Stock Option Scheme 2021" ("ESOP 2021") in conformity with the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (hereinafter 'Act') and the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 ("SEBI SBEB Regulations") and other applicable laws. The Scheme was also approved by Shareholders of the Company in their meeting held on March 17, 2021 and was effective from the date of Shareholders approval. Your Company has issued a total of 72,00,000# stock options under ESOP 2021.

#All the above numbers are after considering sub-division of equity shares from face value of ₹ 10/- each to ₹ 1/- each effective March 25, 2021 (as approved by the Board of Directors and Shareholders of the Company in their respective meetings held on March 17, 2021), unless otherwise mentioned.

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

Particulars	**Employees Stock Option Scheme 2011**	**Employees Stock Option Scheme 2018**	**Employees Stock Option Scheme 2021**
	Number of Options#	**Number of Options#**	**Number of Options#**
Options granted during FY 2020-21	-	-	72,00,000
Options vested during FY 2020-21	1,61,75,000	-	-
Options exercised during FY 2020-21	1,58,15,000	-	-
Total number of shares arising out of exercise of options during FY 2020-21	1,58,15,000	-	-
Options forfeited/lapsed/cancelled during FY 2020-21	24,20,000	2,40,000	-
The exercise price# (In ₹)	11.17	30.612	43.328
Variations of terms of options during FY 2020-21	As mentioned above para	As mentioned above para	NA
Money realized by exercise of options during FY 2020-21 (In ₹)	17,66,53,550	Nil	Nil
Total number of options in force#	**3,60,000**	**10,20,000**	**72,00,000**

#All the above numbers are after considering sub-division of equity shares from face value of ₹ 10/- each to ₹ 1/- each effective March 25, 2021 (as approved by the Board of Directors and Shareholders of the Company in their respective meetings held on March 17, 2021), unless otherwise mentioned.

Employee wise details of options granted during FY 2020-21:

Particulars	Employees Stock Option Scheme 2011	Employees Stock Option Scheme 2018	Employees Stock Option Scheme 2021
	Number of Options	Number of Options	Number of Options#
(a) Key Managerial Personnel*	Nil	Nil	• Manish Dawar – 36,00,000 Stock Options • Anil Dwivedi – 40,000 Stock Options
(b) Any other employee who received a grant of options amounting to 5% or more of the options granted during FY 2020-21.	Nil	Nil	• Venu Madhav – 10,00,000 Stock Options • Rajat Luthra – 5,00,000 Stock Options
(c) Identified employees who were granted options, during FY 2020-21 equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	Nil	Nil	-

#All the above numbers are after considering sub-division of equity shares from face value of ₹ 10/- each to ₹ 1/- each effective March 25, 2021 (as approved by the Board of Directors and Shareholders of the Company in their respective meetings held on March 17, 2021), unless otherwise mentioned.

**Key Managerial Personnel as defined by the Companies Act, 2013.*

Related Party Transactions

To comply with the provisions of Section 188 of the Act and Rules made thereunder, your Company took necessary approval of the Audit, Risk Management and Ethics Committee before entering into related party transactions. All contracts / arrangements / transactions entered into by the Company during the Financial Year 2020-21 with related parties, as defined under the Act were in the ordinary course of business and on arm's length basis.

During the year under review, your Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy of the Company for Related Party Transactions, hence no detail is required to be provided in Form AOC-2 (Form for disclosure of particulars of material contracts/arrangements entered into by the company with related parties) prescribed under Clause (h) of Subsection (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 or 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 as on March 31, 2021:

1. Devyani Food Street Private Limited;
2. Devyani Airport Services (Mumbai) Private Limited;
3. Devyani International Nepal Private Limited;
4. RV Enterprizes Pte. Ltd.; (Material Subsidiary); and
5. Devyani International (Nigeria) Limited (a subsidiary of RV Enterprizes Pte. Ltd.).

During the year under review, your Company has sold/ transferred the entire shareholding held in Devyani International (UK) Private Limited to Arctic International Pvt. Ltd, Mauritius and accordingly, Devyani International (UK) Private Limited ceased to be subsidiary of the Company.

Further, your Company has also sold/transferred the entire shareholding held in The Minor Food Group (India) Private Limited to MFG International Holding (Singapore) Pte. Ltd. and accordingly, The Minor Food Group (India) Private Limited ceased to be Joint Venture of the Company.

As on March 31, 2021, your Company does not have any Associates/Joint Venture as defined under the provisions of the Act.

Directors and Key Managerial Personnel

Directors

During the year under review, Mr. Sanjeev Arora resigned from the position of Director and Chief Financial Officer of the Company w.e.f. February 15, 2021 and Mr. Manish Dawar (DIN: 00319476) was appointed in his place as a Whole-time Director and Chief Financial Officer of the Company at Board meeting held on February 17, 2021, whose appointment was regularised at the Extra-ordinary General Meeting of the Company held on March 17, 2021.

To comply with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Ravi Kant Jaipuria (DIN: 00003668), Non-Executive Director and Mr. Virag Joshi (DIN: 01821240), Whole-time Director 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.

Further, pursuant to the provisions of Section 149, 152, 161 and other applicable provisions of the Companies Act, 2013 read with its related rules and in terms of Articles of Association of the Company, Dr. Girish Kumar Ahuja (DIN: 00446339), Mr. Pradeep Khushalchand Sardana (DIN: 00682961) and Dr. Naresh Trehan (DIN: 00012148) were also appointed as an Additional Director(s) (in the capacity of "Non-Executive Independent Director") at Board meeting held on April 21, 2021, whom appointments were regularised at the Extra-ordinary General Meeting of the Company held on May 04, 2021. Further, in the opinion of the Board, all the independent directors possess adequate experience required to best serve the interest of the Company.

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.

Brief resume and other details of the Director(s) being appointed/re-appointed at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India, is separately disclosed in the Notice of the ensuing AGM.

Resignations

Ms. Devyani Jaipuria resigned from the position of Director of the Company w.e.f. April 26, 2021, due to personal reasons.

Mr. Vishesh Shrivastav has resigned from the position of Nominee Director of the Company w.e.f. May 04, 2021, as Dunearn Investments (Mauritius) Pte. Ltd., the investor of the Company has withdrawn the nomination of Mr. Vishesh Shrivastav, as its Nominee from the Board of the Company vide letter dated May 04, 2021.

Key Managerial Personnel

During the year under review, Mr. Sanjeev Arora resigned from the post of Chief Financial Officer w.e.f. February 15, 2021 and Mr. Manish Dawar was appointed as a Chief Financial Officer of the Company (designated as the Key Managerial Personnel) w.e.f. February 17, 2021.

Mr. Manish Dawar (DIN: 00319476) was also appointed as the Whole-time Director (designated as Key Managerial Personnel) of the Company with effect from February 17, 2021 for a period of 3 (three) years.

Further, pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Virag Joshi, Whole-time Director, Mr. Manish Dawar, Whole-time Director & Chief Financial Officer and Mr. Anil Dwivedi, Company Secretary are holding the position(s) of Key Managerial Personnel of the Company.

Board Evaluation

The Board has in place a mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board.

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 the following Committees of the Board of Directors, for the Financial Year ended March 31, 2021:

i) Audit, Risk Management and Ethics Committee;

ii) Nomination and Remuneration Committee;

iii) Investment and Borrowing Committee; and

iv) Share Allotment 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 6 (six) Committees, namely Audit Committee, Nomination and Remuneration Committee, Investment and Borrowing Committee, Corporate Social Responsibility Committee, Share Allotment Committee and IPO Committee.

Further, the Board of Directors at their meeting held on April 21, 2021, constituted Stakeholders Relationship Committee and changed the nomenclature of the "Audit Committee" to "Audit, Risk Management and Ethics Committee".

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 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.

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/ Tele Conferencing mode.

5 (Five) Board Meetings were held during the Financial Year 2020-21 on April 30, 2020, September 09, 2020, December 21, 2020, February 17, 2021 and March 17, 2021. The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act. However in terms of the relaxation provided by Ministry of Corporate Affairs vide its General Circular 11/2020 dated March, 24, 2020, the gap between the two Board meetings i.e. meetings held on April 30, 2020 and September 09, 2020, exceeds the maximum gap as prescribed under Section 173(1) of the Act.

Attendance of Directors at Board Meetings during the Financial Year 2020-21:

Name of Director/ Date of Meeting	April 30, 2020	September 09, 2020	December 21, 2020	February 17, 2021	March 17, 2021
Mr. Ravi Kant Jaipuria	No	Yes	Yes	Yes	Yes
Mr. Varun Jaipuria	No	Yes	Yes	No	Yes
Ms. Devyani Jaipuria*	No	No	Yes	Yes	No
Mr. Raj Pal Gandhi	Yes	Yes	Yes	Yes	Yes
Mr. Virag Joshi	Yes	Yes	Yes	Yes	Yes
Mr. Vishesh Shrivastav**	Yes	Yes	Yes	Yes	Yes
Mr. Sanjeev Arora***	Yes	Yes	Yes	N.A.	N.A.
Ms. Rashmi Dhariwal	No	Yes	Yes	Yes	Yes
Dr. Ravi Gupta	No	Yes	Yes	Yes	Yes
Mr. Manish Dawar****	N.A.	N.A.	N.A.	Yes	Yes
Dr. Girish Kumar Ahuja*****	-	-	-	-	-
Dr. Naresh Trehan******	-	-	-	-	-
Mr. Pradeep Khushalchand Sardana*******	-	-	-	-	-

**Ms. Devyani Jaipuria was resigned w.e.f. April 26, 2021;*

***Mr. Vishesh Shrivastav was resigned w.e.f. May 04, 2021;*

****Mr. Sanjeev Arora was resigned w.e.f. February 15, 2021;*

*****Mr. Manish Dawar was appointed w.e.f. February 17, 2021;*

******Dr. Girish Kumar Ahuja was appointed w.e.f. April 21, 2021;*

*******Dr. Naresh Trehan was appointed w.e.f. April 21, 2021; and*

********Mr. Pradeep Khushalchand Sardana was appointed w.e.f. April 21, 2021.*

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 supervises 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. Minutes of proceedings of Committee were placed before next Board meetings for noting.

i) Audit, Risk Management and Ethics Committee

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

Further, the Board of Directors at their meeting held on April 21, 2021, changed the nomenclature of the "Audit

Committee" to "Audit, Risk Management and Ethics Committee".

Composition of the Committee during the Financial Year 2020-21 was as follows:

S. No.	Name	Category	Designation
1.	Dr. Ravi Gupta*	Independent Director	Chairperson
2.	Ms. Rashmi Dhariwal	Independent Director	Member
3.	Mr. Raj Pal Gandhi**	Director	Member
4.	Dr. Girish Kumar Ahuja***	Independent Director	Member

**Dr. Ravi Gupta was appointed as Chairperson of the Committee w.e.f. April 21, 2021;*

***Mr. Raj Pal Gandhi was ceased to be Member of the Committee w.e.f. April 21, 2021; and*

****Dr. Girish Kumar Ahuja was appointed as the Member of the Committee w.e.f. April 21, 2021.*

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

Meetings

The Audit, Risk Management and Ethics Committee met 3 (three) times during the financial year 2020-21 on September 09, 2020, December 21, 2020 and February 17, 2021.

The attendance of members at the meetings held during the financial year 2020-21 were as follows:

Name of Member/ Date of Meeting	September 09, 2020	December 21, 2020	February 17, 2021
Dr. Ravi Gupta*	Yes	Yes	Yes
Ms. Rashmi Dhariwal	Yes	Yes	Yes
Mr. Raj Pal Gandhi**	Yes	Yes	Yes
Dr. Girish Kumar Ahuja***	-	-	-

**Dr. Ravi Gupta was appointed as Chairperson of the Committee w.e.f. April 21, 2021; and*

***Mr. Raj Pal Gandhi was ceased to be Member of the Committee w.e.f. April 21, 2021; and*

****Dr. Girish Kumar Ahuja was appointed as the Member of the Committee w.e.f. April 21, 2021.*

ii) Nomination and Remuneration Committee

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

Composition of the Committee during the Financial Year 2020-21 was as follows:

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

**Ms. Rashmi Dhariwal was appointed as Chairperson of the Committee w.e.f. April 21, 2021; and*

***Mr. Vishesh Shrivastav was ceased to be Member of the Committee w.e.f. May 04, 2021.*

Meetings

The Nomination and Remuneration Committee met 5 (five) times during the financial year 2020-21 on September 09, 2020, December 21, 2020, February 17, 2021, March 17, 2021(first) and March 17, 2021(second).

The attendance of members at the meetings held during the financial year 2020-21 were as follows:

Name of Member/ Date of Meeting	September 09, 2020	December 21, 2020	February 17, 2021	March 17, 2021 (1st)	March 17, 2021 (2nd)
Ms. Rashmi Dhariwal*	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Kant Jaipuria	Yes	Yes	No	No	Yes
Dr. Ravi Gupta	Yes	Yes	Yes	Yes	Yes
Mr. Vishesh Shrivastav**	Yes	Yes	Yes	Yes	Yes

**Ms. Rashmi Dhariwal was appointed as Chairperson of the Committee w.e.f. April 21, 2021; and*

***Mr. Vishesh Shrivastav was ceased to be Member of the Committee w.e.f. May 04, 2021.*

iii) Investment and Borrowing Committee

The Composition and terms of reference of the Investment and Borrowing Committee satisfies 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 during the Financial Year 2020-21 was as follows:

Sl. No.	Name	Category	Designation
1.	Mr. Raj Pal Gandhi	Director	Chairperson
2.	Mr. Virag Joshi	Director	Member
3.	Mr. Sanjeev Arora*	Director	Member
4.	Mr. Manish Dawar**	Director	Member
5.	Ms. Rashmi Dhariwal***	Independent Director	Member

**Mr. Sanjeev Arora was ceased to be Member of the Committee w.e.f. February 15, 2021;*

***Mr. Manish Dawar was appointed as the Member of the Committee w.e.f. February 17, 2021; and*

****Ms. Rashmi Dhariwal was appointed as the Member of the Committee w.e.f. April 21, 2021.*

Meetings

The Investment and Borrowing Committee met 8 (eight) times during the financial year 2020-21 on May 20, 2020, June 27, 2020, June 30, 2020, July 30, 2020, October 16, 2020, December 14, 2020, December 21, 2020 and March 02, 2021.

The attendance of members at the meetings held during the financial year 2020-21 were as follows:

Name of Member/ Date of Meeting	May 20, 2020	June 27, 2020	June 30, 2020	July 30, 2020	October 16, 2020	December 14, 2020	December 21, 2020	March 02, 2021
Mr. Raj Pal Gandhi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Virag Joshi	No	No	No	No	Yes	No	Yes	Yes
Mr. Sanjeev Arora*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N.A.
Mr. Manish Dawar**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Yes
Ms. Rashmi Dhariwal***	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**Mr. Sanjeev Arora was ceased to be Member of the Committee w.e.f. February 15, 2021;*

***Mr. Manish Dawar was appointed as the Member of the Committee w.e.f. February 17, 2021; and*

****Ms. Rashmi Dhariwal was appointed as the Member of the Committee w.e.f. April 21, 2021.*

iv) Corporate Social Responsibility Committee

The Composition and terms of reference of the Corporate Social Responsibility Committee satisfies the requirements of Sections 135 of the Act read with its related rules.

Composition of the Committee during the Financial Year 2020-21 was as follows:

S. No.	Name	Category	Designation
1.	Mr. Vishesh Shrivastav*	Director	Member
2.	Mr. Raj Pal Gandhi**	Director	Member
3.	Ms. Rashmi Dhariwal***	Independent Director	Member
4.	Mr. Virag Joshi	Director	Member
5.	Dr. Naresh Trehan****	Independent Director	Chairperson
6.	Mr. Varun Jaipuria*****	Director	Member

**Mr. Vishesh Shrivastav was ceased to be Member of the Committee w.e.f. April 21, 2021;*

***Mr. Raj Pal Gandhi was ceased to be Member of the Committee w.e.f. April 21, 2021;*

****Ms. Rashmi Dhariwal was ceased to be Member of the Committee w.e.f. April 21, 2021;*

*****Dr. Naresh Trehan was appointed as Chairperson of the Committee w.e.f. April 21, 2021; and*

******Mr. Varun Jaipuria was appointed as the Member of the Committee w.e.f. April 21, 2021.*

Meetings

No Corporate Social Responsibility Committee Meeting was held during the year ended March 31, 2021.

v) Share Allotment Committee

The Composition and terms of reference of the Share Allotment Committee satisfies the requirement of the Companies Act, 2013. The Board of Directors of the Company have delegated the authority to the Share Allotment Committee to take decisions on behalf of the Board.

Composition of the Committee during the Financial Year 2020-21 was as follows:

S. No.	Name	Category	Designation
1.	Mr. Raj Pal Gandhi	Director	Chairperson
2.	Mr. Virag Joshi	Director	Member
3.	Mr. Sanjeev Arora*	Director	Member
4.	Mr. Manish Dawar**	Director	Member
5.	Ms. Rashmi Dhariwal***	Independent Director	Member

**Mr. Sanjeev Arora was ceased to be Member of the Committee w.e.f. February 15, 2021;*

***Mr. Manish Dawar was appointed as the Member of the Committee w.e.f. February 17, 2021; and*

****Ms. Rashmi Dhariwal was appointed as the Member of the Committee w.e.f. April 21, 2021.*

Meetings

The Share Allotment Committee met 6 (six) times during the financial year 2020-21 on April 30, 2020, July 03, 2020, October 22, 2020, March 19, 2021, March 22, 2021 and March 24, 2021.

The attendance of members at the meetings held during the financial year 2020-21 were as follows:

Name of Member/ Date of Meeting	April 30, 2020	July 03, 2020	October 22, 2020	March 19, 2021	March 22, 2021	March 24, 2021
Mr. Raj Pal Gandhi	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Virag Joshi	Yes	Yes	Yes	Yes	Yes	No
Mr. Sanjeev Arora*	Yes	Yes	Yes	NA	NA	NA
Mr. Manish Dawar**	NA	NA	NA	Yes	No	Yes
Ms. Rashmi Dhariwal***	NA	NA	NA	NA	NA	NA

**Mr. Sanjeev Arora was ceased to be Member of the Committee w.e.f. February 15, 2021;*

***Mr. Manish Dawar was appointed as the Member of the Committee w.e.f. February 17, 2021; and*

****Ms. Rashmi Dhariwal was appointed as the Member of the Committee w.e.f. April 21, 2021.*

vi) IPO Committee

During the year under review, your Company has constituted an IPO Committee of the Board of Directors on February 17, 2021. The Composition and terms of reference of the IPO Committee satisfies the requirement of the applicable laws on the Company. The Board of Directors of the Company have delegated the authority to the IPO Committee to take decisions on behalf of the Board.

Composition of the Committee during the Financial Year 2020-21 was as follows:

S. No.	Name	Category	Designation
1.	Mr. Raj Pal Gandhi*	Director	Chairperson
2.	Mr. Vishesh Shrivastav**	Director	Member
3.	Mr. Manish Dawar	Director	Member
4.	Mr. Virag Joshi***	Director	Member

**Mr. Raj Pal Gandhi was appointed as Chairperson of the Committee w.e.f. May 13, 2021;*

***Mr. Vishesh Shrivastav was ceased to be Member of the Committee w.e.f. May 04, 2021; and*

****Mr. Virag Joshi was appointed as the Member of the Committee w.e.f. May 13, 2021.*

Meetings

The IPO Committee met 1 (one) time during the financial year 2020-21 on March 17, 2021.

The attendance of members at the meeting held during the financial year 2020-21 were as follows:

Name of Member/ Date of Meeting	March 17, 2021
Mr. Raj Pal Gandhi*	Yes
Mr. Vishesh Shrivastav**	Yes
Mr. Manish Dawar	Yes
Mr. Virag Joshi***	NA

**Mr. Raj Pal Gandhi was appointed as Chairperson of the Committee w.e.f. May 13, 2021;*

***Mr. Vishesh Shrivastav was ceased to be Member of the Committee w.e.f. May 04, 2021; and*

****Mr. Virag Joshi was appointed as the Member of the Committee w.e.f. May 13, 2021.*

vii) Stakeholders Relationship Committee

Your Company has constituted a Stakeholders Relationship Committee of the Board of Directors on April 21, 2021. The Composition and terms of reference of the Stakeholders Relationship Committee satisfies the requirement of the Section 178 of the Act and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company have delegated the authority to the Stakeholders Relationship Committee to take decisions on behalf of the Board.

Composition of the Stakeholders Relationship Committee was as follows:

S. No.	Name	Category	Designation
1.	Mr. Ravi Gupta	Independent Director	Chairperson
2.	Mr. Raj Pal Gandhi	Director	Member
3.	Ms. Rashmi Dhariwal	Independent Director	Member
4.	Mr. Manish Dawar	Director	Member

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 **http://dil-rjcorp.com/policies.html.**

Statutory Auditors and the Auditors' Report

Members of the Company in their 26th AGM held on August 10, 2017 appointed M/s. APAS & Co., Chartered Accountants (Firm Registration Number 000340C) as Joint Statutory Auditors of the Company to hold office for a period of up to 5 (five) years i.e. till the conclusion of 31st AGM of the Company to be held in the Year 2022.

Further, Members in their 29th AGM held on September 24, 2020 appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration Number 001076N/N500013) as Joint Statutory Auditors of the Company to hold office for a period of up to 5 (Five) years i.e. till the conclusion of 34th AGM of the Company to be held in the Year 2025.

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.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Board of Directors at their Meeting held on September 09, 2020 appointed M/s O. P. Bagla & Co., LLP, Chartered Accountants as Internal Auditors of the Company for the Financial Year 2020-21 to perform such functions as prescribed under Section 138 of the Companies Act, 2013 and rules made there under.

SECRETARIAL AUDITORS

The Board of Directors 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 2020-21 is attached to this report as **Annexure - 2**. The audit report of Secretarial Auditor is self-explanatory and therefore do not require any further clarification/ explanation from the Board of Directors.

Risk Management

Your Company has a 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. The Audit, Risk Management and Ethics Committee of the Board of Directors inter-alia monitors and reviews the risk management plan and such other functions as assigned from time to time.

Internal Financial Controls

Your Company has in place adequate Internal Financial Controls. The report on Internal Financial Controls issued by M/s. Walker Chandiok & Co. LLP, Chartered Accountants and M/s. APAS & Co., Chartered Accountants, the Joint Statutory Auditors of the Company is annexed to the Audit Report on the Financial Statements of the Company and does not contain any reportable weakness of the Company.

Corporate Social Responsibility

In terms of Section 135 of the Act, 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 January 18, 2019 have constituted a Corporate Social Responsibility Committee consisting of Mr. Raj Pal Gandhi, Mr. Virag Joshi, Ms. Rashmi Dhariwal and Mr. Vishesh Shrivastav. Further, the Board of Directors in their meeting held on April 21, 2021 have re-constituted a Corporate Social Responsibility Committee consisting of Dr. Naresh Trehan, Mr. Varun Jaipuria and Mr. Virag Joshi.

During the financial year 2020-21, the Company had Net Loss of ₹ 664.97 million and accordingly the Company was not required to incur any expenditure on CSR during the year. The CSR Policy is uploaded on the website of the Company at **http://dil-rjcorp.com/policies.html**.

Directors' Responsibility Statement

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

(i) that in the preparation of the annual accounts for the Financial Year ended March 31, 2021, 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, 2021 and of the Loss of the Company for the period ended on that date;

(iii) 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) 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) 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	Replaced inefficient Motors from our several locations and installing LED's at several locations to save the energy.
(ii)	the steps taken by the Company for utilizing alternate sources of energy	• During the financial year 2018 the Company installed **Solar Plant** in various food courts locations like Yamuna Express Way - both side, Mathura, Head Office, Behror which continue to conserve energy. The Company has saved ₹ 3.39 million during the current year and cumulative savings till March 31, 2021 amounted to ₹ 14.16 million. • During the financials year 2019-20, the Company spent ₹ 0.14 million on Installation of **Variable Frequency Drive** in Behror Food Court to exhaust Fresh air and to control the Electric motor by varying the frequency and voltage of its power supply. With this expenditure the Company has saved around 51% units through exhaust and fresh air running motor resulting into annual average savings of about ₹ 0.20 million.
(iii)	the capital investment on energy conservation equipment's	There was no fresh capital investment in Conservation of energy in the Financial year 2020-21.

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)-	
	(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:

Foreign Exchange Earnings and Outgo

(₹ in Million)

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Earnings in foreign currency (Including Interest income received from Loan given to subsidiaries)	71.56	106.44
Outgo in foreign currency:		
Value of Imports (CIF)		
Capital Goods	-	-
Stores, Spares, Raw Material & Trading goods	9.05	27.53
Expenditure in foreign currency		
Travelling & Others	-	5.02
Royalty & Other Fee	20.44	37.80
Interest	15.36	20.26

Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Vigil Mechanism / Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company. The same is detailed in the Corporate Governance Report which forms part of this report. The Vigil Mechanism Policy is uploaded on the website of the Company at **http://dil-rjcorp.com/policies.html.**

Extract of the Annual Return

Annual Return of the Company for the Financial Year 2020-21 is uploaded on the website of the Company at **www.dil-rjcorp.com**

Particulars of Employees

The information pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) 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 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 at companysecretary@dil-rjcorp.com.

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.

Corporate Governance Report

The Company is committed to uphold the highest standards of corporate governance and believes that the business relationship can be strengthened through corporate fairness, transparency and accountability. Your Company complies with all the mandatory provisions of applicable Listing Regulations.

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.

To comply with the provisions of Section 134 of the Act and Rules made thereunder, your Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company is conducting training programs from time to time to educate its employees so that the provisions of above-mentioned Act are complied in true spirit.

During the year under review, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint was pending at the beginning and end of Financial Year 2020-21.

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. Except as disclosed in this Report, 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 the Board of
Devyani International Limited

	Virag Joshi	**Manish Dawar**
	Whole-time Director (President & CEO)	Whole-time Director & Chief Financial Officer
Place: Gurugram		
Date: July 14, 2021	DIN No.: 01821240	DIN No.: 00319476

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

(₹ in Million)

S. No.	Particulars	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.)
2	The date since when subsidiary was acquired	14.04.2010	01.05.2013	02.07.2008	31.01.2011	31.01.2011
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01.04.2020 to 31.03.2021	From 01.04.2020 to 31.03.2021	From 01.04.2020 to 31.03.2021	From 01.04.2020 to 31.03.2021	From 01.04.2020 to 31.03.2021
4	Reporting currency	INR (₹)	INR (₹)	INR (₹)	INR (₹)	INR (₹)
5	Share capital	89.09	60.00	26.77	922.69	127.96
6	Other equity	(280.86)	(837.86)	13.49	180.27	(1,988.64)
7	Total assets	480.00	661.17	445.88	1,443.90	719.78
8	Total Liabilities	480.00	661.17	445.88	1,443.90	719.78
9	Investments	-	-	-	184.05	-
10	Revenue from operations and other income	274.86	192.97	242.20	147.05	936.09
11	Profit(Loss) before tax	(86.24)	(105.61)	14.09	134.80	(75.82)
12	Tax expense	(22.95)	–	5.06		7.20
12	Provision for taxation					
13	Other Comprehensive Income	0.41	(0.18)	0.26	(23.51)	146.35
13	Total comprehensive loss for the year	(62.89)	(105.79)	9.29	111.29	63.33
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	100%	51%	100%	87%	*68.51%

**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: Devyani International (UK) Private Limited (Sold during the year)

Part "B": Associates and Joint Ventures - 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: The Minor Food Group (India) Private Limited (Sold during the year).

For and on behalf of the Board of
Devyani International Limited

Raj Pal Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director (President & CEO)
DIN No.: 01821240

Manish Dawar
Whole-time Director & Chief Financial Officer
DIN No.: 00319476

Anil Dwivedi
Company Secretary

Place: Gurugram
Date: April 21, 2021

ANNEXURE - 2
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[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, 2021 ("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, 2021 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

The Members of the Company at their extraordinary general meeting held on 17th March, 2021, have passed the following Special Resolutions:

i. enhance the limits to borrow funds pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, from ₹ 1,000 crores to ₹ 2,500 crores;

ii. enhance the limits for creation of mortgage / charge etc. pursuant to the provision of section 180(1)(a) of the Companies Act, 2013 from ₹ 1,000 Crores to ₹ 2,500 Crores;

iii. transfer of shares of Devyani International (UK) Pvt. Ltd, a wholly owned subsidiary company to Arctic International Pvt. Ltd, Mauritius, a 100% subsidiary of RJ Corp Limited, pursuant to the provisions of section 180(1)(a) and 188 of the Companies Act 2013;

iv. transfer of company's TWG India Business to RJ Corp Limited, holding company, pursuant to the provisions of Section 180(1)(a) of the companies Act, 2013;

v. to create, issue, offer and allot such number of Equity Shares aggregating to ₹ 5,000 million ("the fresh issue) and an offer for sale of such number of Equity Shares ("Offer for Sale") as tendered by certain existing shareholders of the Company in the Offer;

vi. to create, offer, issue and allot at an appropriate time, in one or more tranches in aggregate 23,10,000 (Twenty-Three Lakh and Ten Thousand) Equity Shares at a price of ₹ 433.28 per share [having a face value of ₹ 10 and a premium of ₹ 423.28/- per share] for cash to RJ Corp Limited, the holding company and few group company employees for a total consideration of approx. ₹ 1,00,08,76,800/- on private placement/preferential basis to the proposed subscribers.

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

Vijay K. Singhal
Partner
ACS No.: A21089, CP No.: 10385
UDIN: A021089C000151450

Place: New Delhi
Date: April 21, 2021

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview

Over the last few years, India has evolved as one of the world's fastest growing major economies. However, the outbreak of the COVID-19 pandemic in March 2020 along with the subsequent actions to contain the spread of the virus, such as stringent lockdown measures and restrictions on logistics across States severely disrupted economic activities. The restrictions in the first half of 2020 dampened economic activity and the sharp rise in unemployment exacerbated the decline in household consumption. While India's real GDP contracted by 8.7% in FY20 on the back of a COVID-19 induced economic crisis, with phased unlocking the Indian economy recorded growth in the six months ended March 31, 2021.

The services sector is considered the key growth engine of the Indian economy. Key segments of this sector include hotels and restaurants; transport, financing, insurance, real estate and business services. Services output registered a sharp decline in 2020, due to the major services sub-sectors such as tourism, travel, restaurants, and others, having faced a complete halt during the lockdown period of March-May 2020. However, with phased unlocking, there has been a gradual uptick in the service industry especially in the third and fourth quarter of FY21.

Source: Global Data - India – The Future of Foodservice to 2025

Industry Overview & Outlook

The Indian food services industry, a key contributor to the economy with its vibrantly growing market, generated a total revenue of ₹ 8,36,661 crore in CY20. The quick services restaurants ("QSR") channel made the largest contribution to the industry, with a revenue share of 34.1% amounting to ₹ 2,85,479 crore The QSR channel is expected to grow at a compounded annual growth rate ("CAGR") of 12.4% between CY20 and CY25, more than double the 5.5% revenue CAGR witnessed from CY15 to CY20. Rapid urbanization, rising number of commercial spaces for consumers to have a quick bite amid their work or shopping schedules, and value pricing have played an important role in the growth of QSRs. Further, busier lifestyles have encouraged the shift from home-cooked food to outside food among working couples, making QSR channels more relevant.

The COVID-19 pandemic brought significant changes in the operations of QSRs. Contactless dining and takeaways were adopted by leading QSR players. Other changes include usage of a QR code to access the menu online. The pandemic has also accelerated the growth of online food ordering through food delivery apps, as consumers turned to online platforms to avoid spreading or being infected by the virus in public places. While delivery and other convenience-based ordering channels will continue to gain traction, as the pandemic retreats and social-distancing norms are eased, dine-in transactions are also expected to return.

Source: Global Data - India – The Future of Foodservice to 2025

Key Drivers for Growth & Opportunity

The Indian food services industry in India is evolving rapidly and has immense potential. The interplay of various drivers is influencing its growth, as explained below:

Favorable Demographic Profile

Rising disposable incomes, busier lifestyle and higher percentage of young and working professionals expected to drive a multi-fold growth in the industry

Increased Urbanization and Nuclearization of Families

Urbanization and nuclearization of the family is transforming spending habits and food consumption preferences towards higher instances of eating out and home delivery

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

Increasing footprints of Food Aggregators

The convenience of app-based ordering and delivery at the doorstep are expected to continue to drive growth in the Indian food services market

Internet and Mobile Penetration

Cheap internet access, affordable smartphones and social media platforms are aiding the growth of the industry

Business Overview

Company Snapshot

Devyani International Limited ("DIL" or the "Company") is among the largest operators of QSR chain in India and is the largest franchisee of Yum Brands (Pizza Hut and KFC) in India on a non-exclusive basis. In addition, DIL is also a franchisee for Costa Coffee in India. Along with partnering some of the largest and most-recognized global brands, the Company also has in-house brands such as Vaango and Food Street in its portfolio. As of March 31, 2021, the Company operated 655 stores across 155 cities in India. The Company also has operations in Nepal and Nigeria.

DIL's business is broadly classified into three verticals that include "Core Brands Business", which comprises stores of KFC, Pizza Hut and Costa Coffee operated in India (KFC, Pizza Hut and Costa Coffee referred to as "Core Brands"); "International Business", which comprises stores of KFC, Pizza Hut and other brands operated in Nepal and Nigeria; and "Other Business", which comprises certain other operations in the F&B industry, including stores of own brands such as Vaango and Food Street.

The Company began its long-standing relationship with Yum India in 1997, when it commenced operations of its first Pizza Hut store in Jaipur. It subsequently expanded its operations with both KFC and Pizza Hut franchises and as of March 31, 2021, operated 264 KFC stores and 297 Pizza Hut stores across the country. In addition, DIL operated 44 Costa Coffee stores, as of March 31, 2021. DIL has been consistently expanding its store network over the years. Stores in its Core Brands Business grew at a CAGR of 13.58% from 469 stores as of March 31, 2019 to 605 stores as of March 31, 2021. Despite the ongoing COVID-19 pandemic, the Company has continued to expand its store network and in the six months ended March 31, 2021, it opened 109 stores in its Core Brands Business.

Key Brands and Verticals

	India				International	
Vertical	QSR	QSR	Coffee	QSR	QSR	
Brands	KFC	Pizza Hut	Costa Coffee	Vaango, Food Street & Other Brands	KFC Nepal & Nigeria	Pizza Hut Nepal
Stores*	264	297	44	50	37	

**Number of stores as of March 31, 2021*

DIL's Growing Domestic Footprint

Total Stores in India

KFC Stores in India

Pizza Hut Stores in India

Costa Coffee Stores in India

DIL's Core Brands' Growth in India

KFC

Year	Stores	Cities	Revenue (1)
FY19	134	57	4,641
FY20	172	76	6,091
FY21	264	97	6,443

DIL is the franchise partner of Yum for KFC in India and an exclusive franchise partner for KFC in Nepal and Nigeria, through its subsidiaries. KFC, a global chicken restaurant brand, has over 25,000 restaurants in over 140 countries as of December 31, 2020.

Pizza Hut

Year	Stores	Cities	Revenue (1)
FY19	268	83	4,233
FY20	269	82	4,174
FY21	297	100	2,879

DIL is the franchise partner of Yum for Pizza Hut in India. Pizza Hut, the largest restaurant chain in the world, specializes in the sale of ready-to-eat pizzas. Pizza Hut operates in the delivery, carry-out and casual dining segments around the world with 17,639 restaurants, as of December 31, 2020.

Costa Coffee

Year	Stores	Cities	Revenue (1)
FY19	67	16	902
FY20	63	18	820
FY21	44	17	214

DIL is also the franchisee for the Costa Coffee in India. Costa Coffee is a global coffee shop chain with over 3,400 coffee shops in 31 countries.

Notes: (1) ₹ Million for India Business

Key developments during the year

- **Acquisition of Yum India stores and investment by Yum in the Company:**
  - In FY21, the Company further consolidated its industry position by acquiring the remaining 51 stores out of the total 60 stores from Yum Restaurants (India) Private Limited ("Yum India") in terms of the Business Transfer Agreement dated December 11, 2019.
  - Further, in FY21, Yum India invested in the Company to acquire a minority stake.
- **COVID-19 impact:**
  - Following the onset of COVID-19, the Company increased its focus on safety by introduction of contactless delivery and takeaway, ensuring greater cleanliness of its stores, and additional safety measures such as frequent sanitization and temperature checks. Among the measures adopted to counter the effects of COVID-19 include re-developing menus to focus on delivery and takeaway options, introducing measures to reduce fixed and variable costs and seeking rental waivers from store landlords and lessors.
  - The spread of the COVID-19 pandemic and the subsequent lockdowns had a severe negative impact on the business in the early part of the financial year; however, with phased unlocking of the economy, there was a steady recovery specially in the 3rd and 4th quarter of FY21.
- **Closure of loss-making business:**
  - The Company continued its efforts to rationalize its business and cut loss-making operations for driving improved profitability and financial performance. With this focus, the Company rationalized three loss-making food courts at airports and divested the early stage TWG tea business in India as well as in UK subsidiary.
- **Network expansion**
  - During FY21, across Core Brands in India, the Company increased its total number of stores to 605 as of March 31, 2021 from 504 as of March 31, 2020. While the total new stores opened during FY21 were 162 including 51 acquired from Yum India, the Company closed 61 stores primarily due to termination or non-renewal of leases, store relocations and other commercial reasons, including closure of under-performing stores.

Business Strengths

Portfolio of highly recognized global brands

- DIL's Core Brands, namely, KFC, Pizza Hut and Costa Coffee, are highly recognized global QSR brands.
- Brands catering to diverse cuisine segments and available across multiple formats of dine-in, takeaway and delivery.
- Product offerings across various price points.

Multi-dimensional comprehensive QSR player

- Close association with Yum together with technical, marketing and operational expertise has enabled the Company to establish itself as a comprehensive player in the QSR industry in India.

Presence across key consumption markets with a cluster-based approach

- 655 stores across all brands in 26 states and three union territories across 155 cities in India, as of March 31, 2021.
- Strong presence in key metro cities with 304 stores of Core Brands present in the five major metro cities.

Cross brand synergies with operating leverage

- DIL has been able to leverage substantial operating synergies across the brands it operates.
- Cost efficiencies at each level is one of the most important aspects that distinguishes DIL from its Competitor.

Disciplined financial approach with focus on cash flows and returns

- EBITDA margins were 16.85% and 20.00%, for FY20 and FY21 respectively.
- As part of commitment towards cost containment, the Company undertakes a ROI analysis prior to opening a store to determine the financial feasibility of the store.

Experienced Management Team

- Mr. Ravi Kant Jaipuria, Company's Promoter, has over three decades of experience in conceptualizing, executing, developing, and expanding food, beverages and dairy business in South Asia and Africa.
- Company's Board comprises individuals from various fields of finance and business with varied and diverse experience.

Financial Overview

- The COVID-19 outbreak, as well as the measures of nationwide lockdown and localized containment across different states and regions to curb the spread of infection, have had a substantial impact on the Company's operations. Dine-in operations at Company's stores were suspended or restricted, which resulted in a decrease in sale of Company's products, on account of government restrictions imposed during FY21, in particular during the six months ended September 30, 2020. In FY21, the revenue from operations declined by 25% to ₹ 11,348 million compared to ₹ 15,164 million in FY20. Steady business recovery was witnessed in the third and fourth quarter with the opening of the economy in a phase-wise manner.
- On the profitability front, the Company was able to recover from the negative impact in first quarter of FY21 to close the year at ₹ 2,269 million of EBITDA with an EBITDA margin of 20.00% as compared to EBITDA margin of 16.85% in FY20. Further, through the various cost optimization measures undertaken, the Company was able to reduce the losses from ₹ 1,214 million in FY20 to ₹ 630 million in FY21.

(₹ in Million)

Particulars	FY21	FY20	YoY Growth
Revenue	11,348	15,164	-25%
Gross Profit	7,902	10,560	-25%
EBITDA	2,269	2,555	-11%
Depreciation	2,295	2,233	3%
Finance Cost	1,528	1,584	-4%
PAT	-630	-1,214	48%

Corporate Social Responsibility and Special Initiatives

The Company has constituted a corporate and social responsibility ("CSR") committee of its Board of Directors and has adopted and implemented a CSR policy on March 17, 2021, under which it is permitted to carry out activities concerning eradication of hunger and poverty and promoting education, employment, training and rural development projects. One of the recent initiatives includes the 'Add Hope' project, for which the Company collects monetary contributions at its KFC stores and donate the sums received to organizations involved in eradication of hunger. DIL, over the years, has also been committed to creating a fair, inclusive and diverse workplace for its employees as it believes they are its most valuable assets. To this end, the Company has invested in stores that are managed by a team of specially-abled individuals. These special people receive the same compenzation and career growth opportunities as others in the organization. The Company supports them in acquiring necessary skills to perform better in their existing roles and in developing them for future roles.

Human Resources

As of March 31, 2021, DIL employed 9,356 employees, of which 8,833 employees were in India, and 523 were outside India. All employees are trained based on Yum's certification requirements, by instructors engaged by the Company, to help ensure that its operations strictly comply with the franchise agreements and required manuals and operating procedures. The training comprises on-job-evaluation, web-based training modules, and other mandatory courses on fire safety and general functions. To ensure compliance, an unannounced training audit is conducted internally as well. Different training modules are applied for each designation such as shift manager, assistance restaurant manager, and restaurant general manager. A distinct and more specialized training is required for area managers based on an application developed by Yum.

None of Company's employees are represented by a labor union or covered by a collective wage bargaining agreement. The Company also has part-time employees who are primarily engaged to manage the peak-hour volumes. In addition, the Company enters into contract with third-party manpower and services firms for the supply of contract labor for certain services at its stores such as security services. The number of contract laborers varies from time to time based on the nature and extent of work contracted to independent contractors.

Awards & Recognitions

- In 2020, DIL was recognized as one of "India's 100 Best Workplaces for Women 2020" by the Great Place to Work Institute, India.
- In 2019, Pizza Hut and KFC were recognized among the "Most Trusted Brands" in Food Services category in Brand Equity Survey conducted by The Economic Times.
- In 2018, Costa Coffee (T3 International Departure Pier) was awarded the Certificate of Excellence for "Outlet of the Year- F&B (International)" by Delhi International Airport Limited at the IGIA Awards 2018.

Outlook & Strategy

With phased implementation of the vaccination program in India, the economy is expected to return to normalcy sooner than later, which will boost the Company's growth and profitability. The Company's strategy is to continue expanding its store network across the Core Brands with a focus on unit-level performance, expand its delivery business for Core Brands, and invest in technology to build its digital capability.

Strategically expand store network of Core Brands in India- Going forward, the Company's focus will remain on increasing its sales across Core Brands Business by opening additional stores as there are significant opportunities to expand footprint in India. Efforts will be directed towards increasing geographic coverage in both existing and new cities to capitalize on the growing market opportunity for QSRs.

Continue to improve unit-level performance – The Company's endeavor will be to manage unit economics and achieve economies of scale. The growth of stores will provide operating leverage as fixed overheads costs will get apportioned across larger number of stores, which will improve its EBITDA margins. In parallel, the Company has been able to rationalize certain stores that were loss-making to improve overall store level profitability. This strategy of store rationalization will also help improve margins, going forward.

Focus on delivery channel for Core Brands – The Company intends to continue creating synergies between stores of Core Brands and delivery services by taking advantage of its extensive store network, to improve efficiency and increase margins. To facilitate this strategy, the Company intends to open additional stores for Pizza Hut and KFC that will largely be focused on delivery. In addition, the Company also intends to engage further with delivery aggregators to take advantage of the growing online delivery market.

Invest in technology and focus on digital capabilities – The Company plans to increase investment in end-to-end digitalization, automation, artificial intelligence and machine learning, to connect online traffic with its offline assets effectively.

Risk Management, Audit and Internal Control

The Company has control systems in place that match the scale of its sector and the complexity of the market it works in. The Company has constituted an Audit, Risk Management and Ethics Committee for undertaking comprehensive system of internal audits and periodic assessments and has appointed Walker Chandiok & Co. LLP, Chartered Accountants & M/s APAS & Co., Chartered Accountants, the Joint Statutory Auditors of the Company to report on the financial controls of the Company.

Independent Auditor's Report

To the Members of Devyani International Limited

Report on the Audit of the Standalone Financial Statements

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 2021, 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, 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 2021, and its loss (including other comprehensive income), its cash flows and the 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 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

4. 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 Financial Statements and Auditor's Report thereon

5. 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 do 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

6. 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.

7. 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.

8. 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

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 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;
    - 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;

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.

Report on Other Legal and Regulatory Requirements

12. 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.

13. 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.

14. 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 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) 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) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) 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 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 21 April 2021 as per Annexure B expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        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 2021; 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's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAABL3044

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 21520078AAAADD4837

Place: Gurugram
Date: 21 April 2021

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.

(b) The Company has a regular program of physical verification of its fixed 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 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 deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') 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 companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(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;

(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 and investments . 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 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 dues	Amount (₹ Million)	Amount paid under Protest (₹ Million)	Period to which the 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 & Rajasthan Tax Board
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
Gujarat Value Added Tax	Value Added Tax	1.84	0.11	F.Y. 2014-15 F.Y. 2015-16	Dy. Commissioner Appeals (First Appellate Authority)
Gujarat Value Added Tax	Value Added Tax	0.94	0.06	F.Y. 2016-17 F.Y. 2017-18	Dy. Commissioner Appeals (First Appellate Authority)
Service Tax (Finance Act 1994)	Service Tax	6.36	1.11	F.Y. 2007-08 to F.Y. 2012-13	Excise and Service Tax Appellate Tribunal
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 financial institution or a bank. The Company did not have 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 these were raised. The Company did not raise moneys by way of initial public offer/ 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.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(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 standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has made private placement of equity shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. Further, during the year, the Company has not made any preferential allotment of shares or private placement of 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's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAABL3044

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 21520078AAAADD4837

Place: Gurugram
Date: 21 April 2021

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone 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 2021, we have audited the internal financial controls with reference to standalone 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('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 audit opinion on the Company's internal financial controls with reference to standalone 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.

Opinion

8. In our opinion, 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 2021, 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 ICAI.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAABL3044

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 21520078AAAADD4837

Place: Gurugram
Date: 21 April 2021

Standalone Balance Sheet

as at 31 March 2021

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

Particulars	Note	As at 31 March 2021	As at 31 March 2020 *
Assets			
Non-current assets			
Property, plant and equipment	3A	3,858.48	3,842.83
Capital work-in-progress	3B	72.39	62.97
Right-of-use assets	3C	5,446.99	6,416.05
Investment properties	3D	455.89	413.99
Goodwill	4	504.57	84.46
Other intangible assets	5	1,821.90	536.79
Investments in joint venture	6A	-	-
Financial assets			
(i) Investments	6B & 6C	876.17	984.57
(ii) Loans	7	977.17	1,416.05
(iii) Other financial assets	8	153.30	164.12
Income tax assets (net)	33	72.22	70.63
Other non-current assets	9	149.85	35.76
Total non-current assets		**14,388.93**	**14,028.21**
Current assets			
Inventories	10	535.37	513.33
Financial assets			
(i) Trade receivables	11	387.05	328.23
(ii) Cash and cash equivalents	12	281.85	23.10
(iii) Bank balances other than cash and cash equivalents	13	2.88	25.39
(iv) Loans	7	106.69	93.27
(v) Other financial assets	8	108.13	36.72
Other current assets	9	163.32	141.37
Total current assets		**1,585.29**	**1,161.41**
Total assets		**15,974.22**	**15,189.62**
Equity and liabilities			
Equity			
Equity share capital	14	1,153.63	1,061.67
Other equity	15	1,837.41	(904.73)
Total equity		**2,991.04**	**156.93**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	3,055.42	2,794.92
(ii) Lease liabilities	16	6,441.41	7,551.81
(iii) Other financial liabilities	19	56.88	59.22
Provisions	20	150.23	96.70
Other non-current liabilities	21	9.67	10.31
Total non-current liabilities		**9,713.62**	**10,512.96**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	136.03	777.09
(ii) Lease liabilities	16	621.66	856.95
(iii) Trade payables	22		
(a) total outstanding dues of micro and small enterprises		148.11	18.56
(b) total outstanding dues of creditors other than micro and small enterprises		1,124.15	1,221.37
(iv) Other financial liabilities	19	1,000.50	1,472.69
Other current liabilities	21	162.01	134.15
Provisions	20	77.10	38.91
Total current liabilities		**3,269.56**	**4,519.72**
Total equity and liabilities		**15,974.22**	**15,189.62**

** Adjusted in accordance with Ind AS 8 - 'Accounting policies, Changes in Accounting Estimates and Errors (refer note 58)*

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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476
Place: Gurugram
Date: 21 April 2021

Anil Dwivedi
Company Secretary
Membership No.: 18893

Standalone Statement of Profit and Loss

for the year ended 31 March 2021

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

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020 *
Income			
Revenue from operations	23	9,987.64	12,278.13
Other income	24	485.66	232.92
Total income		**10,473.30**	**12,511.05**
Expenses			
Cost of materials consumed	25	2,950.70	3,631.87
Purchases of stock-in-trade	26	59.67	116.78
Employee benefits expense	27	1,356.44	1,861.94
Finance costs	28	1,265.41	1,186.87
Depreciation and amortisation expense	29	1,914.68	1,745.81
Impairment of non-financial assets	30	452.51	23.99
Net (gain)/loss on investment carried at fair value through profit or loss		(2.91)	(1.73)
Other expenses	31	3,634.60	4,649.32
Total expenses		**11,631.11**	**13,214.84**
Loss before exceptional items and tax		**(1,157.81)**	**(703.80)**
Exceptional items	32	(457.53)	-
Loss before tax		**(700.28)**	**(703.80)**
Tax expense	**33**		
Current tax		-	-
Deferred tax expense/(credit)		-	-
Total tax expense		**-**	**-**
Loss from continuing operations (A)		**(700.28)**	**(703.80)**
Profit/(Loss) from discontinued operations before tax	**56**	**47.23**	**(646.94)**
Tax expense of discontinued operations		-	-
Profit/(Loss) from discontinued operations after tax (B)		47.23	(646.94)
Loss for the year (A+B)		**(653.05)**	**(1,350.74)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		(11.92)	1.51
Other comprehensive income / (loss) for the year		(11.92)	1.51
Total comprehensive loss for the year		**(664.97)**	**(1,349.23)**
Loss per equity share from continuing operations	34		
Basic (₹)		(0.64)	(0.66)
Diluted (₹)		(0.64)	(0.66)
Earnings/(Loss) per equity share from discontinued operations	34		
Basic (₹)		0.04	(0.61)
Diluted (₹)		0.04	(0.61)

** Adjusted in accordance with Ind AS 8 - 'Accounting policies, Changes in Accounting Estimates and Errors (refer note 58)*

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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476

Anil Dwivedi
Company Secretary
Membership No.: 18893

Place: Gurugram
Date: 21 April 2021

Standalone Cash Flow Statement

for the year ended 31 March 2021

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flows from operating activities		
Profits/(Loss) before tax from :		
Continuing operations	(700.28)	(703.80)
Discontinued operations	47.23	(646.94)
Adjustments for:		
Depreciation and amortisation expenses	1,932.74	1,785.62
Impairment loss of non-financial assets	502.38	23.99
Liabilities no longer required written back	(25.30)	(28.77)
Loss on disposal of property, plant and equipment	82.69	60.91
Loss allowances	10.28	25.68
Provision for impairment loss in value of loans to subsidiary	-	307.70
Unrealised foreign exchange (gain)/loss	(8.52)	(24.78)
Derivatives at fair value through profit and loss	(6.75)	8.62
Finance costs	1,269.34	1,194.00
Employee stock option scheme expense/(reversal)	22.64	(10.30)
Interest income	(125.20)	(127.09)
Guarantee commission	(0.23)	(0.91)
Net loss/ (gain) on investments carried at fair value through profit or loss	(2.91)	(1.73)
Provision for impairment loss in the value of investments	111.31	350.82
Gain on modification of leases	(52.71)	(18.84)
Gain on net investment in finance lease	-	(18.76)
Gain on termination of leases	(585.89)	(19.88)
Rent concession [refer note 36 A (ii)]	(813.68)	-
Dividend income	(1.25)	(1.25)
Operating profit before working capital changes	**1,655.91**	**2,154.29**
Adjustments for changes in:		
- trade receivables	(58.82)	76.97
- inventories	5.07	(151.82)
- loans, other financial assets, and other assets	(20.90)	(101.06)
- trade payables, other financial liabilities and other liabilities	1.20	436.91
Cash generated from operating activities	**1,582.47**	**2,415.30**
Income tax (paid)/refund (net)	(1.59)	(5.05)
Net cash generated from operating activities	**1,580.88**	**2,410.25**
B. Cash flows from investing activities		
Payment for acquisition of stores under business combination	(2,300.00)	-
Payment for property, plant and equipment and other intangible assets other than above	(1,251.14)	(871.35)
Proceeds from sale of property, plant and equipment	12.94	7.27
Proceeds/(deposits) from bank (net)	22.51	(0.12)
Interest received	40.56	16.96
Proceeds from transfer of business	10.00	-
Proceeds from sale of investments	3.60	-
Loans given	(269.45)	(934.99)
Dividend received	1.25	1.25
Repayment of loans received	706.70	621.67
Net cash used in investing activities	**(3,023.04)**	**(1,159.32)**

Standalone Cash Flow Statement

for the year ended 31 March 2021

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

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity share capital	3,476.43	-
	Proceeds from long term borrowings	2,355.86	800.00
	Repayment of long term borrowings	(2,294.43)	(615.88)
	Proceeds from cash credit facilities from banks (net)	(641.05)	290.56
	Payment of lease liabilities- principal	-	(683.34)
	Payment of lease liabilities- interest	(725.60)	(790.68)
	Interest paid	(470.30)	(395.20)
	Net cash generated from/(used in) financing activities	**1,700.91**	**(1,394.55)**
	Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	**258.75**	**(143.63)**
	Effect of exchange rate changes on cash and cash equivalent held in foreign currency	**-**	**(0.01)**
D.	**Cash and cash equivalents at the beginning of the year**	23.10	166.74
E.	**Cash and cash equivalents as at the end of the year (refer note 12)**	281.85	23.10

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.

2. Significant non cash transactions;

   - acquisition of right-of-use assets and investment properties (refer note 36 and 37).
   - the Company converted the loan given to Devyani International UK Private limited to Equity Investment during the year (refer note 6B).

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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476

Anil Dwivedi
Company Secretary
Membership No.: 18893

Place: Gurugram
Date: 21 April 2021

Standalone Statement of Changes in Equity

for the year ended 31 March 2021

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

A. Equity share capital

	Note	As at 31 March 2021		As at 31 March 2020	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year		10,61,66,666	1,061.67	10,61,66,666	1,061.67
Issue of equity share capital	14	91,96,833	91.97	-	-
		11,53,63,499			
Balance at the end of the year		1,153,634,990*	1,153.63	10,61,66,666	1,061.67

**Refer note 14*

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 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 loss 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)
Employee stock option recoverable ^	-	(1.89)	-	-	-	(1.89)
Balance as at 31 March 2020	**4,632.61**	**101.22**	**5.47**	**(5,644.03)**	**-**	**(904.73)**
Balance as at 1 April 2020	4,632.61	101.22	5.47	(5,644.03)	-	(904.73)
Loss for the year	-	-	-	(653.05)	-	(653.05)
Other comprehensive income for the year	-	-	-	-	(11.92)	(11.92)
Total comprehensive loss for the year	-	-	-	(653.05)	(11.92)	(664.97)
Transferred to retained earnings	-	-	-	(11.92)	11.92	-
Securities premium received during the year	3,384.47	-				3,384.47
Employee stock options scheme expense/ (reversal)	-	21.99	-	-	-	21.99
Transferred to securities premium on exercise of stock options	109.46	(109.46)	-	-	-	-
Employee stock option scheme expense recoverable ^	-	0.65	-	-	-	0.65
Balance as at 31 March 2021	**8,126.54**	**14.40**	**5.47**	**(6,309.00)**	**-**	**1,837.41**

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

^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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476
Place: Gurugram
Date: 21 April 2021

Anil Dwivedi
Company Secretary
Membership No.: 18893

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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 Coffee, Vaango, etc., and retail stores of TWG Tea..

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.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 21 April 2021

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, defined benefit obligations and share based payments.

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: -

- measurement of defined benefit obligations: key actuarial assumptions;
- measurement of useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets;
- judgment required to determine probability of recognition of deferred tax assets;
- fair value measurement of financial instruments;
- impairment assessment of non-financial assets - key assumptions underlying recoverable amount;
- impairment assessment of financial assets;
- measurement of share based payments;
- measurement of financial guarantee contracts, provisions and contingent liabilities;
- judgment required to ascertain lease classification, lease term, incremental borrowing rate, lease and non-lease component and impairment of ROU;
- 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;
- measurement of consideration and assets acquired as part of business combination;
- cash flow projections and liquidity assessment with respect to Covid-19.

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.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements.

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.

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, are 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 Statement of profit and loss when such asset 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 Company and the cost of the item can be measured reliably. All other subsequent cost are charged to the Statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Building	30	60
Plant and equipment	12	15
Electrical Fitting	10	10
Office equipment	10	5
Computers	4- 6	3-6
Furniture and fixtures	6	10
Vehicles	5	6
Utensil and Kitchen Equipment	4-10	15

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.

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.

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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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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 (in years)
License fee	10
Franchisee rights	10
Computer software	6

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

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

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

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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.

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

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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 Statement of profit and 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.

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.

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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 Statement of profit and 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.

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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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

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

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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 Statement of profit and loss.

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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.

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.

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.

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 Statement of profit and 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

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- Financial asset measured at fair value through Statement of profit and 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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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

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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 Statement of profit and 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 Statement of profit and loss.

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

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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

o. Current and non-current classification

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

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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. Segment reporting

As the Company business activity primarily falls within a single business and geographical segment and the Chief Operating Decision Maker monitors the operating results of its

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

business units not separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements, thus there are no additional disclosures to be provided under Ind AS 108 –"Segment Reporting". The management considers that the various goods and services provided by the Company constitutes single business segment, since the risk and rewards from these services are not different from one another. The analysis of geographical segments is based on geographical location of the customers.

t. 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.

u. 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.

v. 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 (₹). 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.

w. Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Statement of profit and loss from discontinued operations comprise the post-tax Statement of profit and loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any Statement of profit and loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, Statement of profit and loss from discontinued operations separately in the Statement of profit and loss.

x. Share issue expense

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of profit and loss.

y. 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 2021.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

3A Property, plant and equipment

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross Block											
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**
Acquisitions through business combinations (refer note 48)	-	-	216.80	98.96	10.83	-	0.03	8.51	23.23	2.34	360.70
Additions other than above	-	23.39	252.07	376.81	24.13	5.71	23.17	80.78	53.50	10.05	849.61
Disposals	-	-	466.26	252.42	41.47	29.73	30.48	87.23	106.59	36.35	1,050.53
As at 31 March 2021	**103.91**	**455.32**	**1,804.23**	**2,633.35**	**160.97**	**79.13**	**155.42**	**379.45**	**241.76**	**39.22**	**6,052.76**
Accumulated depreciation											
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**
Depreciation	-	14.16	202.78	288.53	29.17	8.93	16.23	62.58	36.47	6.69	665.53
Disposals	-	-	191.41	139.70	31.16	17.28	14.42	72.55	59.89	32.77	559.18
As at 31 March 2021	**-**	**55.36**	**585.92**	**872.98**	**77.94**	**30.21**	**40.07**	**137.31**	**75.61**	**18.39**	**1,893.78**
Accumulated impairment											
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**
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**
Impairment loss (refer note 45)	-	1.90	216.39	164.01	8.07	9.90	19.56	10.81	45.95	2.46	479.05
Impairment (reversal) (refer note 45)	-	-	(16.69)	(29.69)	(1.07)	(1.07)	(0.58)	(1.99)	(0.41)	(0.01)	(51.50)
Disposals	-	-	247.12	62.79	6.94	7.73	10.43	7.78	43.56	3.44	389.77
As at 31 March 2021	**-**	**26.07**	**26.40**	**203.35**	**8.24**	**5.11**	**13.81**	**7.43**	**8.22**	**1.84**	**300.50**
Net carrying amount											
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**
As at 31 March 2021	**103.91**	**373.89**	**1,191.91**	**1,557.02**	**74.79**	**43.81**	**101.54**	**234.71**	**157.93**	**18.99**	**3,858.48**

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.

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

3B Capital work-in-progress

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	62.97	45.40
Additions	848.98	742.47
Transfers to property, plant and equipment	839.56	724.90
At the end of the year	**72.39**	**62.97**

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

i. Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2021	As at 31 March 2020
Right-of-use assets		
Leasehold property	5,928.58	7,556.98
Accumulated amortisation	(362.64)	(1,059.36)
Accumulated impairment (refer note 45)	(118.95)	(81.57)
Net carrying amount	**5,446.99**	**6,416.05**

3D Investment properties (refer note 37)

Particulars	Leasehold Investment Properties	Owned Investment Properties	Total
Gross carrying amount			
As at 1 April 2019	**-**	**-**	**-**
Recognition on transition to Ind AS 116, Leases	470.66	-	470.66
Additions	5.90	-	5.90
Disposals	(9.07)	-	(9.07)
As at 31 March 2020	**467.49**	**-**	**467.49**
Additions	11.96	169.63	181.59
Disposals	(122.73)	-	(122.73)
As at 31 March 2021	**356.72**	**169.63**	**526.35**
Accumulated depreciation			
As at 1 April 2019	**-**	**-**	**-**
Depreciation	52.73	-	52.73
As at 31 March 2020	**52.73**	**-**	**52.73**
Depreciation	46.74	1.41	48.15
Disposals	(31.19)	-	(31.19)
As at 31 March 2021	**68.28**	**1.41**	**69.69**
Accumulated impairment			
As at 1 April 2019	**-**	**-**	**-**
Impairment loss	0.77	-	0.77
As at 31 March 2020	**0.77**	**-**	**0.77**
Impairment loss	-	-	-
As at 31 March 2021	**0.77**	**-**	**0.77**
Net carrying amount			
As at 31 March 2020	**413.99**	**-**	**413.99**
As at 31 March 2021	**287.67**	**168.22**	**455.89**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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4 Goodwill

Particulars	Amount
Gross carrying amount	
As at 1 April 2019	**9.49**
Acquisitions through business combinations (refer note 48)	74.97
As at 31 March 2020	**84.46**
Acquisitions through business combinations (refer note 48)	420.11
As at 31 March 2021	**504.57**
Accumulated impairment	
As at 1 April 2019	**-**
Impairment loss	-
As at 31 March 2020	**-**
Impairment loss	-
As at 31 March 2021	**-**
Net carrying amount	
As at 31 March 2020	**84.46**
As at 31 March 2021	**504.57**

5 Other intangible assets

Particulars	Franchisee rights	License fees	Computer softwares	Total
Gross carrying amount				
As at 1 April 2019	**-**	**402.22**	**91.17**	**493.39**
Acquisitions through business combinations (refer note 48)	143.61	33.91	-	177.52
Additions other than above	-	84.64	8.81	93.45
Disposals	-	13.23	1.00	14.23
As at 31 March 2020	**143.61**	**507.54**	**98.98**	**750.13**
Acquisitions through business combinations (refer note 48)	916.22	198.79	-	1,115.01
Additions other than above	-	342.82	2.81	345.63
Disposals	-	51.35	1.29	52.64
As at 31 March 2021	**1,059.83**	**997.80**	**100.50**	**2,158.13**
Accumulated amortisation				
As at 1 April 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**
Amortisation	48.46	74.14	11.42	134.02
Disposals	-	19.91	0.69	20.60
As at 31 March 2021	**48.46**	**177.03**	**76.76**	**302.25**
Accumulated impairment				
As at 1 April 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**
Impairment loss (refer note 45)	-	41.17	0.35	41.52
Impairment (reversal) (refer note 45)	-	(4.07)	-	(4.07)
Disposals	-	27.37	0.61	27.98
As at 31 March 2021	**-**	**26.58**	**7.40**	**33.98**
Net carrying amount				
As at 31 March 2020	**143.61**	**367.89**	**25.29**	**536.79**
As at 31 March 2021	**1,011.37**	**794.19**	**16.34**	**1,821.90**

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for the year ended 31 March, 2021

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

6A Investments in joint venture

Particulars	As at 31 March 2021	As at 31 March 2020
The Minor Food Group (India) Private Limited, a Joint Venture. Principal place of business - India. #		
Nil (previous year: 7,223,144) equity shares of ₹ 10/- each, fully paid up	-	72.32
Provision for impairment loss in the value of investment (refer note 53)	-	(72.32)
	-	-

6B Investments in subsidiaries

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in unquoted equity shares (valued at cost)		
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 ₹ 10/- each, fully paid up	175.92	175.92
Provision for impairment loss in the value of above investment (refer note 51)	(84.97)	-
RV Enterprizes Pte. Limited, Singapore, a subsidiary. Principal place of business - Singapore		
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* **		
Nil (previous year: 4,050,000) equity shares of GBP 1 each, fully paid up	-	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 ₹ 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 50)	(84.84)	(84.84)
	226.65	**311.62**
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
	612.02	612.02

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

Particulars	As at 31 March 2021	As at 31 March 2020
Other investments in subsidiaries		
- Guarantee given on behalf of Devyani Food Street Private Limited*	26.33	26.33
Provision for impairment loss in the value of above investment (refer note 51)	(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
	15.42	**41.75**
Aggregate value of unquoted investments in subsidiaries and joint venture	854.09	965.39
Aggregate provision for impairment in value of investments in subsidiaries and joint venture	196.14	507.98
The Company does not have any quoted investments during the current and previous year.		
Provision for impairment loss in value of investments in subsidiaries and joint venture		
Opening provision as at the beginning of the year	507.98	157.16
Add: Provision created during the year	111.31	350.82
Less: Provision reversed/actualised during the year	(423.15)	-
Closing provision as at 31 March 2021	**196.14**	**507.98**

**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 transferred the entire stake during the current year.*

^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 divested the entire investment during the current year. Refer Note 53

^^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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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6C Investments

Particulars	As at 31 March 2021	As at 31 March 2020
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 ₹ 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	22.08	19.18
	22.08	**19.18**
Aggregate value of unquoted investments	22.08	19.18

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 2021 ₹ Nil (previous year: ₹ Nil).

7 Loans

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Security deposits (considered good, unsecured)	357.29	374.40	108.23	75.23
Less: loss allowance	-	-	(1.54)	(1.04)
	357.29	**374.40**	**106.69**	**74.19**
Loans to related parties [considered good, unsecured (refer note 38)]*	619.88	493.49	-	19.08
Loans to related parties which have significant increase in credit risk (refer note 38)*	-	855.86	-	-
Less: loss allowance (refer note 32)	-	(307.70)	-	-
	619.88	**1,041.65**	**-**	**19.08**
	977.17	**1,416.05**	**106.69**	**93.27**

**includes interest accrued on loans to related parties.*

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Particulars (also refer note 49)	As at 31 March 2021*	As at 31 March 2020 *
Unsecured loan of ₹ 176.40 (previous year ₹ 175) to Devyani Airport Services (Mumbai) Private Limited	177.10	185.33
(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.		
Unsecured loan of ₹ Nil (previous year ₹ 774.66) to Devyani International (UK) Private Limited	-	855.86
(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.		
(d) The loan is of ₹ 189.04 is converted to equity share capital and remaining amount is repaid during the year.		
Unsecured loan of ₹ 292.94 (previous year ₹ 276.69) to RV Enterprizes Pte. Limited	328.82	327.24
(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.		
Unsecured loan of ₹ 111.50 (previous year ₹ Nil) to Devyani Food Streets Private limited Limited	113.96	-
(a) This term loan is repayable in 12 quarterly installments after the end of morotorium period of three year from the date of disbursement.		
(b) Interest rate is equal to 10% per annum (payable on yearly basis)		
(c) The loan is to be utilised for operational activities carried out by the borrower.		

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8 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good				
Bank deposits (due for maturity after 12 months from the reporting date)^ #	0.87	0.30	-	-
Lease rental receivables	56.27	21.59	11.73	1.04
Finance lease receivables	96.16	142.23	10.03	11.19
Other receivables*	-	-	86.37	24.49
	153.30	**164.12**	**108.13**	**36.72**
Other receivables (credit impaired)	-	-	2.96	2.96
Less: loss allowance	-	-	(2.96)	(2.96)
	153.30	**164.12**	**108.13**	**36.72**

^Bank deposits include ₹ 0.87 (previous year: ₹ 0.30) 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 ₹ 0.01 (previous year: ₹ 0.08).

** Includes receivables from related party ₹ 2.53 (previous year: ₹ 1.92). "refer note 38".*

9 Other assets

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital advances	136.98	25.15	-	-
Other advances:				
- Prepaid expenses	7.14	-	26.65	31.51
- Prepaid rent#	5.73	9.70	1.39	1.89
- Balance with statutory/government authorities	-	0.91	72.21	57.14
- Advances to employees	-	-	19.11	16.86
- Unamortised share issue expenses*	-	-	5.88	-
- Advance to suppliers	-	-	44.36	34.74
Less: loss allowance	-	-	(6.28)	(0.77)
	149.85	**35.76**	**163.32**	**141.37**

** The Company has incurred expenses of ₹ 5.88 during the year ended March 31, 2021 towards proposed Initial Public Offering of its equity shares. The Company expects to recover proportionate amount from the selling shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon the shares being issued.*

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

10 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
(Valued at lower of cost and net realisable value)		
Raw materials including packaging materials [including goods-in-transit of ₹ Nil (previous year: ₹ Nil]	535.37	458.02
Stock-in-trade	-	55.31
	535.37	**513.33**

11 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
- Considered good- unsecured	387.05	328.23
- Credit impaired	28.08	23.81
	415.13	**352.04**
Less: loss allowance	(28.08)	(23.81)
	387.05	**328.23**

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.

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 2021	As at 31 March 2020
Modern Montessori International (India) Private Limited	-	0.34
	-	**0.34**

12 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks :		
- On current accounts	241.13	18.04
Cash on hand	31.23	4.31
Cash in transit	9.49	0.75
	281.85	**23.10**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Other bank balances*		
- On deposit account^	2.88	25.39
	2.88	**25.39**

**Bank deposits include ₹ 2.81 (previous year: ₹ 25.39) being bank deposits placed as security under lien with various parties.*

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

14 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
125,000,000 equity shares of ₹ 10/- each *	-	1,250.00
1,250,000,000 equity shares of ₹ 1/- each *	1,250.00	-
	1,250.00	**1,250.00**
Issued, subscribed and fully paid -up		
106,166,666 equity shares of ₹ 10/- each *	-	1,061.67
1,153,634,990 equity shares of ₹ 1/- each *	1,153.63	-
	1,153.63	**1,061.67**

**The face value of equity shares of the Company has been split from ₹ 10 to ₹ 1 per share with effect from 25 March 2021*

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	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
Issued during the year	9,196,833	91.96	-	-
	115,363,499	**1,153.63**	**106,166,666**	**1,061.67**
Equity shares of ₹ 1 each as at 31 March 2021 pursuant to share				
split with effect from 25 March 2021	1,153,634,990	1,153.63	-	-

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 1/- per share (pursuant to the share split from ₹ 10 to ₹ 1 per share with effect from 25 March 2021) . 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.

During the current year, Yum Restaurants India Private Limited ("YRIPL") has been allotted 5,308,333 (pre-split of shares) equity shares of ₹ 10/- each of the Company. Further, Dunearn Investments (Mauritius) Pte Limited ("Dunearn"), and YRIPL, both the investors in the Company, enjoy certain exit rights as defined in their respective Shareholder's

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Agreements executed with the Company, including buyback of equity shares by the Company, equity swap in another listed entity of the Promoters ('RJ Corp Limited'), purchase by the Promoters or sale to third party, in either of the manner - as the case may be, in an eventuality of DIL not able to complete an IPO by a specified date.

c) Shares reserved for issue under options and contracts

For terms and other details of shares reserved for issue and options excercised during the year 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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
-RJ Corp Limited, India, holding and ultimate holding company				
Equity shares of ₹ 10/- each fully paid-up	-	-	81,108,607	76.40
Equity shares of ₹ 1/- each fully paid-up	804,821,970	69.76	-	-
	804,821,970	**69.76**	**81,108,607**	**76.40**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
- RJ Corp Limited, India, holding company				
Equity shares of ₹ 10/- each	-	-	8,11,08,607	76.40
Equity shares of ₹ 1/- each *	80,48,21,970	69.76	-	-
- Dunearn Investments (Mauritius) Pte Limited				
Equity shares of ₹ 10/- each	-	-	1,63,33,333	15.38
Equity shares of ₹ 1/- each *	16,33,33,330	14.16	-	-
- Mr. Varun Jaipuria				
Equity shares of ₹ 10/- each	-	-	70,04,726	6.60
Equity shares of ₹ 1/- each *	7,00,47,260	6.07	-	-

** Equity shares of ₹ 1 each as at 31 March 2021 pursuant to share split with effect from 25 March 2021*

f) For the period of five years immediately preceding the date of the Standalone 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 2021 and 31 March 2020.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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

a) Reserves and Surplus

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium	8,126.54	4,632.61
General reserve	5.47	5.47
Retained earnings	(6,309.00)	(5,644.03)
Employee stock options outstanding account (refer note 42)	14.40	101.22
	1,837.41	**(904.73)**

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	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Lease liabilities #	6,441.41	7,551.81	621.66	856.95
	6,441.41	**7,551.81**	**621.66**	**856.95**

 # Secured to the extent of security deposit of ₹ 757.20 (previous year ₹ 718.18)

17 Borrowings

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Term loans (secured) from banks				
Indian rupee term loans	2,923.83	2,578.76	447.12	686.19
Foreign currency term loans (in USD)	131.59	216.16	105.04	107.33
	3,055.42	**2,794.92**	**552.16**	**793.52**

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 ₹ 0.76 (previous year: ₹ 6.62) and same has been included in 'Other current financial liabilities'. Refer note 19.*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance of loans and lease liabilities		
Indian rupee term loans	3,264.95	2,980.97
Foreign currency term loans	323.49	394.62
Cash credit facilities from banks	777.09	486.53
Lease liabilities	8,408.76	-
Cash flows		
Proceeds from long term borrowings	2,355.86	800.00
Repayment of long term borrowings	(2,294.43)	(615.88)
Proceeds from cash credit facilities from banks (net)	(641.05)	290.56
Finance cost paid	(470.30)	(395.21)
Payment of lease liabilities- principal #	-	(683.34)
Payment of lease liabilities- interest	(725.60)	(790.68)
Non-cash changes		
Finance cost expense	1,269.34	1,194.00
Foreign currency exchange fluctuations	(8.52)	20.61
Lease liabilities recognised	-	7,405.01
Additions/remeasurement/(termination) of lease liabilities	(0.62)	1,687.10
Gain on rent concession	(813.68)	-
Gain on modification of leases	(52.71)	-
Gain on termination of leases	(585.89)	-
Closing balance of secured loans		
Indian rupee term loans	3,370.95	3,264.95
Foreign currency term loans	236.63	323.49
Cash credit facilities from banks	136.03	777.09
Lease liabilities	7,063.07	8,408.76

#Nil on account of adjustment for rent concessions

17 Borrowings

Sl. No	Bank	Description	31 March 2021		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
1	Axis Bank Limited	₹ Term loan - 1	-	59.80	- 1 instalments during FY 2021-22 - ₹ 60 each	9	1	Quarterly	3M MCLR	7.30%
2	Yes Bank Limited	₹ Term loan - 2	-	-	Prepaid on 30th December 2020	-	-	Annualy	-	-
3	RBL Bank Limited	₹ Term loan - 3	-	-	Prepaid on 19th March 2021	-	-	Quarterly	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

Sl. No	Bank	Description	31 March 2021		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
4	RBL Bank Limited	₹ Term loan - 10	836.25	55.90	- 3 instalments during FY 2021-22 - ₹ 18.58 each - 12 instalments during FY 2022-23 - ₹ 18.58 each - 12 instalments during FY 2023-24 - ₹ 18.58 each - 12 instalments during FY 2024-25 - ₹ 18.58 each - 9 instalments during FY 2025-26 - ₹ 18.58 each	57	48	Monthly	3M Mibor	6.00%
5	Yes Bank Limited	USD Term loan - 1	70.68	56.47	- 4 instalments during FY 2021-22- USD 0.19 million each - 4 instalments during FY 2022-23- USD 0.19 million each - 1 instalments during FY 2023-24- USD 0.19 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme.	27	9	Quarterly	IRS to Fixed Rate from Libor+Spread	5.25%
6	Yes Bank Limited	USD Term loan - 2	60.91	48.58	- 4 instalments during FY 2021-22- USD 0.17 million each - 4 instalments during FY 2022-23- USD 0.17 million each - 1 instalments during FY 2023-24- USD 0.17 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme.	27	9	Quarterly	IRS to Fixed Rate from Libor+Spread	5.50%
7	IndusInd Bank Limted	₹ Term loan - 4	550.00	0.11	- 1 instalment during FY 2022-23- ₹ 62.5 - 3 instalments during FY 2023-24- ₹ 62.5 each - 1 instalment during FY 2023-24- ₹ 75 - 3 instalments during FY 2024-25- ₹ 75 each Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme. Further prepayment of ₹ 87.50 made in July-20.	43	8	Quarterly	1 year T- bill	7.50%
8	IDFC First Bank Limted	₹ Term loan - 5	-	-	Prepaid on 26th March 2021	-	-	Quarterly	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

Sl. No	Bank	Description	31 March 2021		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
9	IndusInd Bank Limted	₹ Term loan - 6	650.00	0.13	- 1 instalments during FY 2022-23- ₹ 40 each - 4 instalments during FY 2023-24- ₹ 40 each - 1 instalment during FY 2024-25- ₹ 40 - 3 instalments during FY 2024-25- ₹ 50 each - 4 instalments during FY 2025-26- ₹ 50 each - 1 instalment during FY 2026-227- ₹ 60	61	14	Quarterly	1 year T- bill	7.50%
10	SBM Bank Limited	₹ Term loan - 7	-	198.87	- ₹ 200 of loan is paid on 19 March 2021 - remaining 50% of loan to be paid in 1 instalments on 1st April 2021 - ₹ 200	1	1	Quarterly	12M MCLR	9.30%
11	Axis Bank Limited	₹ Term loan - 8	440.19	98.99	- 3 instalments during FY 2021-22 - ₹ 34.375 each - 4 instalments during FY 2022-23 - ₹ 34.375 each - 4 instalments during FY 2023-24 - ₹ 34.375 each - 4 instalments during FY 2024-25 - ₹ 34.375 each - 1 instalment during FY 2025-26 - ₹ 34.375 each	51	16	Quarterly	3M MCLR	7.30%
12	IndusInd Bank Limted	₹ Term loan - 9	447.40	33.31	- 3 instalments during FY 2021-22 - ₹ 12.50 each - 4 instalments during FY 2022-23 - ₹ 12.50 each - 1 instalment during FY 2023-24 - ₹ 12.50 - 3 instalments during FY 2023-24 - ₹ 18.75 each - 4 instalments during FY 2024-25 - ₹ 18.75 each - 1 instalment during FY 2025-26 - ₹ 18.75 - 3 instalments during FY 2025-26 - ₹ 31.25 each - 4 instalments during FY 2026-27 - ₹ 31.25 each - 1 instalment during FY 2027-28 - ₹ 31.25	74	24	Quarterly	1 year T- bill	7.50%

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

Description	Terms of security
1 to 3 & 5 to 12	First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.
1 to 3 & 5 to 12	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.
1 to 2 and 4 to 12	Second pari passu charge by way of hypothecation on the entire current assets of the Company both present and future.
4	Second Pari Passu Charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. and equitable mortgage on the immovable property, plant and equipment of the Company's industrial.
10 to 12	Personal guarantee of director (Mr. Ravi Kant Jaipuria)
11	Corporate guarantee of RJ Corp Limited
12	Personal guarantee of director (Mr. Ravi Kant Jaipuria) and Ravi Kant Jaipuria and sons (HUF)
4	100% Guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC)

Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
1	Axis Bank Limited	₹ Term loan - 1	179.80	243.38	- 4 instalments during FY 2020-21 - ₹ 60 each - 3 instalments during FY 2021-22 - ₹ 60 each	21	7	Quarterly	10.05%
2	Yes Bank Limited	₹ Term loan - 2	120.00	61.59	- 1 instalment during FY 2020-21 - ₹ 60 - 1 instalment during FY 2021-22 - ₹ 60 - 1 instalment during FY 2022-23 - ₹ 60	36	3	Annualy	10.40%
3	RBL Bank Limited	₹ Term loan - 5	373.96	135.64	- 4 instalments during FY 2020-21 - ₹ 34.09 each - 4 instalments during FY 2021-22 - ₹ 34.09 each - 4 instalments during FY 2022-23 - ₹ 34.09 each - 3 instalments during FY 2023-24 - ₹ 34.09 each	43	15	Quarterly	9.10%
4	Yes Bank Limited	USD Term loan - 1	116.15	57.74	- 4 instalments during FY 2020-21- USD 0.19 million each - 4 instalments during FY 2021-22- USD 0.19 million each - 4 instalments during FY 2022-23- USD 0.19 million each	36	12	Quarterly	5.25%
5	Yes Bank Limited	USD Term loan - 2	100.02	49.59	- 4 instalments during FY 2020-21- USD 0.17 million each - 4 instalments during FY 2021-22- USD 0.17 million each - 4 instalments during FY 2022-23- USD 0.17 million each	36	12	Quarterly	5.50%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
6	IndusInd Bank Limted	₹ Term loan - 6	825.00	125.21	- 2 instalments during FY 2020-21- ₹ 25 each - 2 instalments during FY 2020-21- ₹ 37.5 each - 2 instalments during FY 2021-22- ₹ 37.5 each - 2 instalments during FY 2021-22- ₹ 50 each - 2 instalments during FY 2022-23- ₹ 50 each - 2 instalments during FY 2022-23- ₹ 62.5 each - 2 instalments during FY 2023-24- ₹ 62.5 each - 2 instalments during FY 2023-24- ₹ 75 each - 2 instalments during FY 2024-25- ₹ 75 each	52	18	Quarterly	8.85% -9.93%
7	IDFC First Bank Limted	₹ Term loan - 7	300.00	100.11	- 4 instalments during FY 2020-21- ₹ 25 each - 4 instalments during FY 2021-22- ₹ 25 each - 4 instalments during FY 2022-23- ₹ 25 each - 4 instalments during FY 2023-24- ₹ 25 each	48	16	Quarterly	10.15%
8	IndusInd Bank Limted	₹ Term loan - 8	780.00	20.26	- 2 instalments during FY 2020-21- ₹ 10 each - 4 instalments during FY 2021-22- ₹ 10 each - 1 instalment during FY 2022-23- ₹ 10 - 3 instalments during FY 2022-23- ₹ 40 each - 4 instalments during FY 2023-24- ₹ 40 each - 1 instalment during FY 2024-25- ₹ 40 - 3 instalments during FY 2024-25- ₹ 50 each - 4 instalments during FY 2025-26- ₹ 50 each - 1 instalment during FY 2025-26- ₹ 60	73	23	Quarterly	9.70% -9.72%

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

Description	Terms of security
1 to 8	First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.
1 to 8	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.
1 to 2 & 4 to 8	Second pari passu charge by way of hypothecation on the entire current assets of the Company both present and future.

18 Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand from banks		
Cash credit facilities from banks (secured)	136.03	777.09
	136.03	**777.09**

Details for current borrowings:

Terms of loan	As at 31 March 2021	As at 31 March 2020
The credit facility taken from HDFC Bank carries interest rate of HDFC Bank , currently 7.75 % p.a. (previous year: 9.15 % p.a), (interest payable on monthly rests).		
The credit facility is secured by:		
- First pari passu charge on entire current assets of the company with IDBI Bank.		
- Second pari passu charge on all property, plant and equipment of the Company.	136.03	496.55
The credit facility taken from ICICI Bank carries variable interest rate, currenty 8.40% p.a (previous year: 9.75%). The facility is secured by: -First pari passu charge on Current Assets of the Company - Subservient charge over movable fixed assets of the of Company.	-	255.82
The credit facility taken from IndusInd Bank carries variable interest rate, currently 9.35% p.a (previous year.9.95%). The facility is secured by:		
- First pari passu charge on Current Assets of the Company.		
- Subservient charge over movable fixed assets of the of Company.	-	24.72

19 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current portion of long-term borrowings (refer note 17)	-	-	552.16	793.52
Security deposits payable	41.70	36.38	8.59	13.75
Financial guarantee liability	7.95	8.86	0.91	0.91
Derivatives (interest rate swap)	7.23	13.98	-	-
Employee related payables	-	-	97.12	213.62
Capital creditors	-	-	340.82	445.18
Other payables	-	-	0.90	5.71
	56.88	**59.22**	**1,000.50**	**1,472.69**

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

20 Provisions

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits				
Gratuity (refer note 40)	96.33	62.24	50.11	23.34
Compensated absences	53.90	34.46	26.99	15.57
	150.23	**96.70**	**77.10**	**38.91**

21 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Deferred income	9.67	10.31	4.93	3.30
Statutory dues:				
Goods and services tax payable	-	-	74.22	34.10
Tax deducted at source payable	-	-	31.46	42.31
Other statutory dues	-	-	20.28	22.62
Advances from customers*	-	-	31.12	31.82
	9.67	**10.31**	**162.01**	**134.15**

***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)	As at 31 March 2021	As at 31 March 2020
Opening balance	31.82	28.75
Revenue recognized that was included in the contract liability balance at the beginning of the year	(31.82)	(28.75)
Closing balance	**31.12**	**31.82**

22 Trade payables

Contract liabilities (advances from customers against sale of goods)	As at 31 March 2021	As at 31 March 2020
Micro enterprises and small enterprises (refer note below)	148.11	18.56
Other than micro enterprises and small enterprises*	1,124.15	1,221.37
	1,272.26	**1,239.93**

** 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Dues to micro and small enterprises

Particulars	As at 31 March 2021	As at 31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	144.72	18.02
- Interest	3.39	0.54
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	223.03	10.61
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.	2.85	0.21
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.85	0.26
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.	0.54	0.28

23 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Finished goods	9,768.21	11,767.59
Traded goods	67.49	133.41
Other operating revenues		
Marketing and other services	9.23	75.71
Rental and maintenance income	133.24	220.82
Management fee	8.31	74.34
Scrap sales	1.16	6.25
	9,987.64	**12,278.13**

24 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under effective interest method from:		
- bank deposits	1.06	1.75
- loan to subsidiaries	35.94	27.35
- others	3.56	10.45
Interest income from financial assets at amortized cost	84.64	63.19
Dividend income	1.25	1.25
Liabilities no longer required written back	25.30	28.77
Net gain on foreign currency transactions and translations	39.61	39.66
Gain on modification of lease liabilities	52.71	16.49
Gain on termination of leases	-	19.88
Rent concession [refer note 36 A (ii)]	233.93	-
Gain on net investment in finance lease	-	18.76
Derivatives at fair value through profit and loss	6.75	-
Others	0.91	5.37
	485.66	**232.92**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

25 Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw material including packing material consumed		
Inventories at the beginning of the year	458.02	313.88
Add: Purchases during the year	3,028.05	3,776.01
Less: Inventories at the end of the year	(535.37)	(458.02)
	2,950.70	**3,631.87**

26 Purchases of stock-in-trade

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases of stock-in-trade	59.67	116.78
	59.67	**116.78**

27 Employee benefit expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus #	1,204.74	1,660.14
Contribution to provident and other funds	81.79	129.59
Gratuity (refer note 40)	25.21	19.01
Staff welfare expenses	44.70	53.21
	1,356.44	**1,861.94**

 # The amount includes "Employee stock option scheme expenses/(reversal)" for ₹ 21.21 (Previous year: ₹ (10.30)). Refer note 42.

28 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses	1,255.52	1,167.54
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost	-	15.30
Other borrowing costs	9.89	4.03
	1,265.41	**1,186.87**

29 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3A)	665.52	602.86
Depreciation on right-of-use assets (refer note 3C)	1,066.99	1,035.52
Depreciation on investment properties (refer note 3D)	48.15	52.73
Amortisation of other intangible assets (refer note 5)	134.02	54.70
	1,914.68	**1,745.81**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

30 Impairment of non-financial assets

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(Reversal)/impairment on property, plant and equipment (refer note 3A)	377.68	(51.82)
Impairment on right-of-use assets (refer note 3C)	37.38	81.57
Impairment on investment properties (refer note 3D)	-	0.77
(Reversal)/impairment of other intangible assets (refer note 5)	37.45	(6.53)
	452.51	**23.99**

31 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	576.41	808.79
Rent [refer note 36 A (ii)]	-	659.19
Repairs and maintenance		
- Plant and equipment	114.93	148.71
- Buildings	254.14	323.48
- Others	50.40	43.34
Rates and taxes	40.79	33.75
Travelling and conveyance	39.90	87.09
Legal and professional	30.29	47.78
Auditor's remuneration (refer note below)	8.08	7.69
Water	27.33	33.48
Insurance	14.57	6.98
Printing and stationery	8.80	12.14
Communication	54.33	86.80
Directors' sitting fee	2.79	1.73
Security and service	38.03	88.55
Bank charges	12.28	15.45
Advertisement and sales promotion	559.36	678.67
Commission and brokerage	814.84	500.66
Royalty and continuing fees	686.56	732.44
Freight including delivery charges	166.12	196.97
Loss on sale of property, plant and equipment (net)	82.69	58.32
Loss allowance	10.28	25.68
Net loss on foreign currency transactions and translations	-	0.09
Derivatives at fair value through profit and loss	-	8.62
General office and other miscellaneous	41.67	42.90
	3,634.60	**4,649.32**

Note - Auditor's remuneration

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor		
Statutory audit*	7.08	7.08
Tax matters	0.67	0.31
Others matters	0.05	-
Outlays	0.28	0.30
	8.08	**7.69**

**Inclusive of applicable taxes*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

32 Exceptional items

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for impairment loss in value of investments in subsidiary (refer note 6B and 51)	111.31	-
Gain on termination of leases *	(568.84)	-
	(457.53)	**-**

**The gain on termination of leases comprises on account of termination of leases with Airport Authority of India in respect of airports like Trichi, Lucknow, Raipur and Srinagar amounting to ₹ 491.16 and the balance amount in respect of termination of leases of other loss making stores.*

33. Income and deferred taxes

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The tax expense comprises of :		
Current tax	-	-
Deferred tax	-	-
	-	**-**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(653.05)	(1,350.74)
Tax using the Company's domestic tax rate: 31.20% (previous year: 31.20%)	203.75	421.43
Effect of change in income tax rate [refer note (ii) below]	-	(392.65)
Difference in applicable tax rates and tax rates used to measure deferred taxes	(39.39)	(81.48)
Difference in income tax rates @	(14.42)	(15.22)
Others	6.09	(2.46)
Unrecognised deferred tax asset on deductible temporary differences [refer note (iv) below]	(156.03)	70.38
	-	**-**

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets (net)		
Advance taxes (net of provision of tax ₹ Nil) (previous year: ₹ Nil)	72.22	70.63
	72.22	**70.63**
Deferred taxes (net)		
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused tax losses and depreciation	824.88	513.46
Expenses allowed on payment/actual basis	85.74	135.59
Employee stock option outstanding account	3.62	25.32
Derivative instruments	1.82	3.52
Provision for impairment of investments	101.29	193.99
Lease liabilities (net of right of use assets)	292.00	397.33
Property, plant and equipment exceeds its tax base	331.80	219.73
Financial instruments measured at amortised cost	26.66	16.16
Deferred tax assets	1,667.81	1,505.10
Deferred tax assets (restricted to deferred tax liabilities)	7.96	1.28
Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(7.96)	(1.28)
Deferred tax liabilities	(7.96)	(1.28)
Net deferred tax assets/(liabilities)	-	-

Notes:

(i) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2021

	As at 31 March 2020	On adoption of Ind AS 116	Credited/(charged)		As at 31 March 2021
			Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:					
Unabsorbed depreciation	513.46	-	311.42	-	824.88
Expenses allowed on payment/actual basis	135.59	-	(46.85)	(3.00)	85.74
Employee stock option outstanding account	25.32	-	(21.70)	-	3.62
Derivative instruments	3.52	-	(1.70)	-	1.82
Provision for impairment of investments	193.99	-	(92.70)	-	101.29
Lease liabilities (net of right-of-use assets)	397.33	-	(105.33)	-	292.00
Property, plant and equipment exceeds its tax base	219.73	-	112.07	-	331.80
Financial instruments measured at amortised cost	16.16	-	10.50	-	26.66
Deferred tax assets	**1,505.10**	**-**	**165.71**	**(3.00)**	**1,667.81**
Tax effect of items constituting deferred tax liabilities					
Financial instruments measured at amortised cost	(1.28)	-	(6.68)	-	(7.96)
Deferred tax liabilities	**(1.28)**	**-**	**(6.68)**	**-**	**(7.96)**

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for the year ended 31 March, 2021

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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)**

(ii) The Company has measured its deferred tax assets and liabilities based on the income tax rates that are expected to apply to the period when such assets/liabilities are expected to be realized/settled. As per section 115BBA of the Income-tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance), the Company has option to opt for a lower tax rate of 25.168%, as against current enacted tax rate of 31.20%). However, the Company has not yet opted for such reduced income tax rate and expects to do so in the year in which the C133Company has profits. Further, Company also expects that the reversal of deferred tax will also happen at that point of time only and at reduced rate. Hence, deferred tax has been measured at 25.168% in the above reconciliation of tax expense.

(iii) As at 31 March 2021 and 31 March 2020, 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	As at 31 March 2021	As at 31 March 2020
Unabsorbed depreciation (never expire)		
Gross amount	2,667.48	2,040.13
Unrecognised tax impacts	671.35	513.46
Unused tax losses (expiry AY 2029-2030)		
Gross amount	659.02	-
Unrecognised tax impacts	**153.53**	**-**
Other deductible temporary differences (never expire)		
Gross amount	3,317.60	3,935.00
Unrecognised tax impacts	**834.97**	**990.36**

34. Earnings/(Loss) per share (EPS/LPS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020^
Loss from continuing operations attributable to equity shareholders for calculation of basic and diluted LPS	(700.28)	(703.80)
Profit/(Loss) from discontinuing operations attributable to equity shareholders for calculation of basic and diluted EPS/(LPS)	47.23	(646.94)
Weighted average number of equity shares for the calculation of basic LPS#	1,100,217,249	1,061,666,660
Effect of dilutive potential equity shares		
– Employee stock options *	-	-
Weighted average number of equity shares for calculation of diluted LPS	1,100,217,249	1,061,666,660
Profit/(Loss) per share from continuing operations (₹) (basic and diluted)	(0.64)	(0.66)
Profit/(Loss) per share from discontinuing operation operations (₹) (basic and diluted)	0.04	(0.61)
Nominal value per shares (₹)#	1.00	1.00

** In respect of continuing/discontinued operations, the outstanding potential equity shares had an anti-dilutive effect on EPS, hence there was no dilution of EPS in current and previous year.*

 # Equity shares of ₹ 1 each as at 31 March 2021 pursuant to share split with effect from 25 March 2021

^ The basic and diluted loss per share for the year ended 31 March 20 is restated to take the effect of share split.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

(₹ 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 2021

Particulars	Carrying value					Fair value measurement using		
	Note	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	6C	22.08	-	-	22.08	-	-	22.08
(ii) Loans	7	-	-	977.17	977.17	-	-	977.17
(iii) Other financial assets*	8	-	-	153.30	153.30	-	-	-
Current**								
(i) Trade receivables*	11	-	-	387.05	387.05	-	-	-
(ii) Cash and cash equivalents*	12	-	-	281.85	281.85	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	2.88	2.88	-	-	-
(iv) Loans	7	-	-	106.69	106.69	-	-	106.69
(v) Other financial assets*	8	-	-	108.13	108.13	-	-	-
Total		**22.08**	**-**	**2,017.07**	**2,039.15**			
Financial liabilities								
Non - current								
(i) Lease Liabilities	16	-	-	6,441.41	6,441.41	-	-	6,441.41
(ii Borrowings#	17	-	-	3,055.42	3,055.42	-	-	3,055.42
(iii) Other financial liabilities (other than derivatives below)	19	-	-	49.65	49.65	-		
(iv) Derivatives (interest rate swap)		7.23	-	-	7.23	-	7.23	-
Current								
(i) Lease Liabilities	16	-	-	621.66	621.66	-	-	621.66
(ii) Borrowings#	18	-	-	136.03	136.03	-	-	136.03
(iii) Trade payables*	22	-	-	1,272.26	1,272.26	-	-	-
(iv) Other financial liabilities	19	-	-	1,000.50	1,000.50	-	-	-
Total		**7.23**	**-**	**13,049.12**	**13,056.36**			

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(ii) As on 31 March 2020

Particulars	Carrying value					Fair value measurement using		
	Note	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	6C	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 derivatives 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**			

*** 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.

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

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2021 and 31 March 2020.

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 9.56% (previous year: ₹ 8.36%) 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:]

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Investments in preference shares		
Balance at the beginning of the year	19.18	17.45
Additions during the year	Nil	Nil
Disposals during the year	Nil	Nil
Unrealised Gain/(Loss) recognised in profit or loss*	2.90	1.73
Balance at the end of the year	**22.08**	**19.18**

** 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

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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

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Loans (Including Security Deposits)	1,083.86	1,509.32
(ii) Investments	876.17	19.18
(iii) Guarantee given on behalf of subsidiaries	18.95	41.75
(iii) Trade receivables	387.05	328.23
(iv) Cash and cash equivalents	281.85	23.10
(v) Bank balances other than cash and cash equivalents, above	2.88	25.39
(vi) Other financial assets (current and non-current)	261.43	200.84

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 Devyani Food Street Private Limited , RV enterprise Pte Ltd and Devyani Airport Services (Mumbai) Private Limited.

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 and online aggregator platforms, 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

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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.

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 2021	As at 31 March 2020
Not due	125.68	92.24
1-90 days past due*	7.74	22.81
91 to 180 days past due*	2.49	2.45
More than 180 days past due #	6.48	7.45
	142.39	**124.95**

For trade receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2021	As at 31 March 2020
Not due	50.05	115.62
1-90 days past due*	129.59	74.13
91 to 180 days past due*	1.59	8.45
More than 180 days past due #	63.44	5.08
	244.67	**203.28**

** 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 365 days past due.

Changes in the loss allowance in respect of trade receivables	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	23.81	2.90
Bad debts written off	-	-
Impairment allowances for doubtful receivables #	4.27	20.91
Balance at the end of the year	**28.08**	**23.81**

(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.

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(₹ 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 ₹ 284.73 (previous year: ₹ 48.49), anticipated future internally generated funds from operations, its fully available, revolving undrawn credit facility of ₹ 713.97 (previous year: ₹ 73.10) and certain other current assets (financial and non financial) of ₹ 1,137.24 (previous year: ₹ 971.55) 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 2021, the Company has earned a cash inflow from operating activities of ₹ 1,580.88 (previous year: ₹ 2,410.25). Further, the Company generated an Earnings before Tax, depreciation and amortisation, impairment and fair valuation gains/losses of ₹ 1,206.48 (previous year: ₹ 1,064.27). 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 2021	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Long term borrowings including current portion	3,607.58	791.72	3,302.45	223.10	4,317.27
Lease liabilities	7,063.07	1,295.70	4,859.10	5,900.96	12,055.75
Trade payables	1,272.26	1,272.26	-	-	1,272.26
Security deposits payable	50.29	8.05	55.54	0.60	64.19
Short term borrowings	136.03	136.03	-	-	136.03
Capital creditors	340.82	340.82	-	-	340.82
	12,470.05	**3,844.58**	**8,217.09**	**6,124.66**	**18,186.32**
Derivative financial liabilities					
Interest rate swap	7.23	-	7.23	-	7.23
	7.23	**-**	**7.23**	**-**	**7.23**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

As at 31 March 2020	Contractual cash flows				
	Carrying amount	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Non-derivative financial liabilities					
Long term borrowings including current portion	3,588.44	1,086.82	3,022.90	273.14	4,382.86
Lease liabilities	8,408.76	2,479.28	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	12.71	42.33	9.49	64.53
Financial guarantee liability	9.78	-	-	9.78	9.78
Short term borrowings	777.09	777.09	-	-	777.09
Capital creditors	445.18	445.18	-	-	445.18
	14,519.30	**6,041.01**	**9,704.21**	**4,471.54**	**20,216.77**
Derivative financial liabilities					
Interest rate swap	13.98	-	-	13.98	13.98
	13.98	**-**	**-**	**13.98**	**13.98**

(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:

Fixed- rate instruments	As at 31 March 2021	As at 31 March 2020
Indian rupee term loan	892.00	-
Impact of interest rate swaps	236.63	323.49
	1,128.63	**323.49**
Variable - rate instruments		
Indian rupee term loan	2,478.95	3,264.95
Short term borrowings	136.03	777.09
Foreign currency term loan	236.63	323.49
Impact of interest rate swaps	(236.63)	(323.49)
	2,614.98	**4,042.04**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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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 2021	(26.15)	26.15
Increase / (decrease) in profit or loss and other equity for the for the year ended 31 March 2020	(40.42)	40.42

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.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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 2021 and 31 March 2020 are as below:

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount (in foreign currency)	Amount (in ₹)	Amount (in foreign currency)	Amount (in ₹)
Financial assets					
Other receivables	GBP	-	-	0.01	1.30
Loans to related parties	GBP	-	-	9.20	855.86
USD		4.49	328.82	4.34	327.25
Total financial assets			**328.82**		**1,184.41**
Financial liabilities					
Trade payables	GBP	0.07	6.70	0.17	15.50
Foreign currency loans from banks	USD	3.23	236.63	4.31	324.87
Total financial liabilities			**243.33**		**340.37**

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.

Particulars	Profit/ (Loss) for the year ended 31 March 2021		Profit/ (Loss) for the year ended 31 March 2020	
	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	(4.61)	4.61	(0.12)	0.12
GBP	0.34	(0.34)	(42.08)	42.08

Particulars	Other equity As at 31 March 2021		Other equity As at 31 March 2020	
	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	(4.61)	4.61	(0.12)	0.12
GBP	0.34	(0.34)	(42.08)	42.08

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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 2021 and 31 March 2020.

Variable - rate instruments	As at 31 March 2021	As at 31 March 2020
Amounts subject to master netting arrangements		
Non current borrowings	552.16	793.52
Current borrowings	3,055.42	2,794.92
	3,607.58	**3,588.44**
Financial instruments collateral		
Trade receivables	387.05	328.23
Cash and cash equivalents	281.85	23.10
Other balances with banks	2.88	25.39
Loans	1,083.86	1,509.32
Other financial assets	261.43	200.84
	2,017.07	**2,086.88**
Net amount *	**1,590.51**	**1,501.56**

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

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 1-30 years.

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

i. Lease liabilities

Lease liability included in balance sheet	As at 31 March 2021	As at 31 March 2020
Current	621.66	856.95
Non current	6,441.41	7,551.81

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on right-of-use assets	29	1,066.99	1,059.36
Impairment of right-of-use assets	30	37.38	81.57
Interest on lease liabilities (included in interest expenses)	28	832.80	790.68
Expenses relating to short-term leases	31	13.16	59.12
Rent concession	24	(233.93)	-
Expense relating to variable lease payments not included in the measurement of the lease liability *	31	238.21	599.88
Net impact on statement of profit and loss		**1,954.61**	**2,590.61**

During the year ended 31 March 2021, consequential to COVID-19 pandemic, the Company has negotiated several rent concessions with the landlords. Further, in view of recent amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per MCA notification dated 24th July 2020 on Ind AS 116 for rent concessions received on account of COVID-19 pandemic. Accordingly, per requirements of MCA notification, out of total rent concessions confirmed till 31 March 2021 of ₹ 801.12 for continuing operations, ₹ 567.19 has been reduced from rent expenses (to the extent available) and balance of ₹ 233.93 million is reported under Other Income for the year ended 31 March 2021. Rent concessions for leases in respect of discontinued operations amounted to ₹ 12.16. Total rent concessions amounts to ₹ 813.28

iii. Amounts recognised in the standalone cash flow statement

Lease liability included in balance sheet	For the year ended 31 March 2021	For the year ended 31 March 2020
Payment of lease liabilities- principal	-	683.34
Payment of lease liabilities- interest	725.60	790.68
Total cash outflows	**725.60**	**1,474.02**

vi. 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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

During the year ended 31 March 2021 and 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 2021	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	12.58	12.47
Income relating to variable lease payments not included in the net investment in finance leases	23	3.33	1.77
Finance lease receivables	8	106.19	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 2021	As at 31 March 2020
Less than one year	20.79	25.97
One to five years	82.98	115.44
More than five years	58.47	90.95
Total undiscounted lease payments receivable	**162.24**	**232.36**
Less: Unearned finance income	(56.05)	(78.94)
Net investment in the lease	**106.19**	**153.42**

ii. **The incremental borrowings rate range between 9.25% - 11.55%.**

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 term of finance leases entered into is ranging from 3.16 - 18.01 years. The Company is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in ₹. 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Lease income on operating leases	23	68.30	144.00
Therein lease income relating to variable lease payments that do not depend on an index or rate		64.94	9.25

Amounts receivable under operating leases:

	As at 31 March 2021	As at 31 March 2020
Less than one year	79.55	92.24
One to five years	216.26	287.91
More than five years	10.28	32.73
	306.09	**412.88**

37. Other disclosures in relation to investment properties:

i. Information regarding income and expenditure of investment properties

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rental income derived from investment properties	69.82	210.65
Direct operating expenses (including repairs and maintenance) generating rental income	30.10	70.22
Direct operating expenses (including repairs and maintenance) that did not generate rental income	5.23	11.86
Profit arising from investment properties before interest, depreciation and indirect expenses	**34.49**	**128.57**
Less: finance cost	(43.26)	(50.35)
Less: depreciation	(48.15)	(52.73)
Less: impairment	-	(0.77)
Profit arising from investment properties before indirect expenses	**(56.92)**	**24.72**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Less than one year	79.55	73.03
One to five years	216.26	335.08
More than five years	10.28	344.00

iii. Fair value

	As at 31 March 2021	As at 31 March 2020
Leasehold Investment Properties*	306.85	654.64
Owned Investment Properties#	170.63	-

Estimation of fair value

** The Company's leasehold 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.*

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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 10.81%.

 # The fair value of owned 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 market prevailing rates applicable to same location.

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 (till 16 Februrary 2021)

(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 (till 25 March 21)

(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 (till 16 Februrary 2021)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

(d) Joint Venture

The Minor Food Group (India) Private Limited (till 26 March 21)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(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 to 15 Februrary 2021)

Mr. Manish Dawar- Chief Financial Officer and Director (with effect from 17 Februrary 2021)

Mrs. Rashmi Dhariwal- Independent Director

Dr. Ravi Gupta - Independent Director

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

Arctic International 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

(III) Transactions with related parties during the year ended 31 March 2021 and 31 March 2020

		For the year ended 31 March 2021	For the year ended 31 March 2020
(i)	**Sale of products (Finished goods)**		
	Devyani Food Street Private Limited	16.25	22.04
	Devyani Airport Services (Mumbai) Private Limited	1.07	-
	Modern Montessori International (India) Private Limited	-	1.99
	Champa Devi Jaipuria Charitable Trust	0.88	50.39
	RJ Corp Limited	-	0.17
	Alisha Retail Private Limited	-	0.02
	Devyani Food Industries Limited	34.11	46.61
	Varun Beverages Limited	1.41	3.48
	Mala Jaipuria Foundation	0.30	1.89
(ii)	**Sale of products (Traded goods)**		
	Devyani Food Street Private Limited	2.67	51.48
	Devyani International (Nepal) Private Limited	15.61	28.65
	Devyani Airport Services (Mumbai) Private Limited	7.95	8.70
	RJ Corp Limited	-	0.47
	Varun Beverages Limited	-	6.61
	Lineage Healthcare Limited	0.03	-
(iii)	**Marketing and other services**		
	Lineage Healthcare Limited	0.02	0.06
(iv)	**Management fee**		
	Devyani International (Nepal) Private Limited	0.46	21.87
	Devyani Food Street Private Limited	-	52.47
(v)	**Sale of property, plant and equipment (PPE)**		
	Devyani Food Street Private Limited	-	1.14
	Varun Beverages Limited	0.12	-
	Devyani Food Industries Limited	0.68	-
(vi)	**Purchase of raw materials and other items**		
	Varun Beverages Limited	36.26	60.22
	Devyani Food Industries Limited	4.33	0.85
	Devyani Food Street Private Limited	3.13	-
	Devyani Airport Services (Mumbai) Private Limited	0.39	-
(vii)	**Purchase of PPE and intangible assets**	`	
	Varun Beverages Limited	-	1.34
	Devyani Airport Services (Mumbai) Private Limited	2.05	-
	Devyani Food Industries Limited	0.05	-
(viii)	**Loans given**		
	Devyani Airport Services (Mumbai) Private Limited	24.40	175.00
	Devyani Food Street Private Limited	111.50	-
	Devyani International (UK) Private Limited	26.20	209.99
	Parkview City Limited	-	550.00
(ix)	**Loans repaid**		
	Devyani Food Street Private Limited	-	5.00
	Devyani Airport Services (Mumbai) Private Limited	23.00	60.00
	Devyani International (UK) Private Limited	759.71	-
	Devyani International (Nepal) Private Limited	-	6.67
	Parkview City Limited	-	550.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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		For the year ended 31 March 2021	For the year ended 31 March 2020
(xi)	**Payment to gratuity trust**		
	DIL Employee Gratuity Trust	5.00	5.00
(xii)	**Expenses incurred by other company on behalf of the Company**		
	RJ Corp Limited	0.37	0.86
	Devyani Food Industries Limited	0.03	-
	Devyani Airport Services (Mumbai) Private Limited	0.03	-
(xiii)	**Expenses incurred/(collection) on behalf of other company**		
	Devyani Food Street Private Limited	-	0.05
	Diagno Labs Private Limited	0.04	-
	RJ Corp Limited	(2.29)	-
(xiv)	**Rent expense**		
	S V S India Private Limited	0.06	0.06
	Alisha Retail Private Limited	0.03	-
(xv)	**Dividend income**		
	Devyani International (Nepal) Private Limited	1.25	1.25
(xvi)	**Guarantee commission income**		
	Devyani Food Street Private Limited	-	3.19
	Devyani International (UK) Private Limited	-	1.28
	Devyani International (Nepal) Private Limited	0.91	0.91
(xvii)	**Royalty and continuing fee recovered**		
	Devyani Food Street Private Limited	2.79	15.24
	Devyani Airport Services (Mumbai) Private Limited	0.72	4.10
(xviii)	**Repair and maintenance - others**		
	Varun Beverages Limited	-	2.27
(xix)	**Interest income**		
	Devyani International (Nepal) Private Limited	-	0.23
	Devyani Airport Services (Mumbai) Private Limited	22.37	11.48
	Devyani Food Street Private Limited	2.66	-
	Devyani International (UK) Private Limited	17.61	24.35
	RV Enterprizes Pte. Limited	10.91	15.64
	Parkview City Limited	-	8.06
(xx)	**Conversion of loan to equity share capital**		
	Devyani International (UK) Private Limited	189.04	-
(xxi)	**Acquisition of Immovable property**		
	RJ Corp Limited*	180.00	-
	**The Company aquired food court at Mohali, Punjab.*		
(xxii)	**Purchase consideration for transfer of business**		
	RJ Corp Limited**	10.00	-
	***The Company transferred TWG India Business during the year.*		
(xxiii)	**Sale of Investment**		
	Arctic International Private Limited***	3.60	-
	****The Company transferred the equity investment in Devyani international UK private limited for the consideration of 50,000 USD.*		

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		For the year ended 31 March 2021	For the year ended 31 March 2020
(xxiv)	**Compensation to key managerial personnel**		
	Short-term employment benefits		
	Mr. Virag Joshi	20.59	25.13
	Mr. Sanjeev Arora	4.65	6.18
	Mr. Manish Dawar	7.14	-
	Mr. Anil Dwivedi	2.49	0.72
	Post-employment benefits		
	Mr. Virag Joshi	1.02	1.30
	Mr. Sanjeev Arora	0.25	0.36
	Mr. Manish Dawar	0.37	-
	Mr. Anil Dwivedi	0.09	0.02
	Share based payments		
	Mr. Raj. P. Gandhi	10.27	(0.43)
	Mr. Virag Joshi	12.57	(1.05)
	Mr. Manish Dawar	1.56	-
(xxv)	**Compensation to relative of key managerial personnel**		
	Mrs. Dhara Jaipuria	10.03	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.		
(xxvi)	**Director's sitting fee***		
	Dr. Ravi Gupta	1.20	0.90
	Mrs. Rashmi Dhariwal	1.20	0.60
	**Excludes applicable taxes.*		
(xxvii)	**Employee stock option scheme expenses/(reversal)**		
	Devyani Food Street Private Limited	(0.65)	(1.89)
(xxviii)	**Impairment of equity investment in subsidiaries**		
	Devyani Food Street Private Limited	111.31	-
	Devyani International (UK) Private Limited	-	350.82
(xxix)	**Impairment/(reversal) of loans to subsidiary**		
	Devyani International (UK) Private Limited	(307.70)	307.70
(xxx)	**Net loss/ (gain) on investment carried at fair value through profit or loss**		
	Devyani International (Nepal) Private Limited	2.91	(1.73)
(xxxi)	**Equity shares alloted (including securities premium)**		
	Mr. Virag Joshi	111.70	-
	Mr. Raj. P. Gandhi	33.51	-
(xxxii)	**Loss on sale of investment**		
	Devyani International (UK) Private Limited	185.45	-

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(IV) Balances as at 31 March 2021 and 31 March 2020

		As at 31 March 2021	As at 31 March 2020
(i)	**Trade payables**		
	Varun Beverages Limited	8.61	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
	Mr. Virag Joshi	-	44.01
	Mr. Manish Dawar	1.56	-
	# The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/exercise.		
(iv)	**Trade receivables**		
	Devyani International (Nepal) Private Limited	36.85	43.36
	Devyani Food Street Private Limited	179.46	150.26
	Devyani Airport Services (Mumbai) Private Limited	11.30	1.75
	Modern Montessori International (India) Private Limited	-	0.34
	Champa Devi Jaipuria Charitable Trust	0.50	6.75
	Lineage Healthcare Limited	0.03	0.03
	Mala Jaipuria Foundation	0.48	0.27
	Devyani Food Industries Limited	8.57	-
	RJ Corp Limited	-	0.53
	Diagno Labs Private Limited	0.02	-
(v)	**Other financial assets - Other receivables**		
	Devyani Food Street Private Limited	2.53	1.92
	Devyani International (UK) Private Limited	-	1.27
	Devyani International (Nepal) Private Limited	2.02	3.04
	RJ Corp Limited	7.46	-
(vi)	**Loans and advances***		
	Devyani Food Street Private Limited	113.96	-
	Devyani International (Nepal) Private Limited	-	-
	Devyani Airport Services (Mumbai) Private Limited	177.10	185.33
	RV Enterprizes Pte. Limited	328.82	327.24
	Devyani International (UK) Private Limited**	-	548.16
	** Includes interest accrued on loans to related parties amounting to ₹ 39.04 (previous year: ₹ 78.87)*		
	**The balance is net of provision for impairment created during the year ₹ Nil (previous year ₹ 307.70)		
(vii)	**Guarantees given by the Company on behalf of other party**		
	Devyani Food Street Private Limited##	-	100.00
	Devyani International (Nepal) Private Limited^	18.95	25.58
	Devyani International (UK) Private Limited@@	-	126.66

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	As at 31 March 2021	As at 31 March 2020
(viii) Guarantees/security given by the other party on behalf of the subsidiaries		
Ravi Kant Jaipuria^ ^	1,218.75	-
Ravi Kant Jaipuria and sons (HUF)# #	480.70	-
RJ Corp Limited* *	539.18	-

The Company has given guarantee to Yes Bank Limited with a limit of ₹ Nil (previous year: ₹ 100.00) in respect of borrowings of Devyani Food Street Private Limited.

@@ The Company has given guarantee to Axis Bank Limited with a limit of GBP Nil (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. 30.34 million (previous year: NPR 40.96 million) in respect of borrowings of Devyani International Nepal Private Limited.

The Company has provided a letter of support for financial and operational assistance to Devyani Food Street Private Limited ,Devyani Airport Services (Mumbai) Private Limited , RV Enterprizes and Devyani International Nigeria Limited for ongoing operations for atleast 12 months.

^ ^ Mr. Ravi Kant Jaipuria has given a personal gaurantee to IndusInd Bank Limited, SBM Bank Limited & Axis Bank Limited in respect of term loan outstanding on 31 March 2021 of ₹ 1,218.75 taken by the Company.

 # #' 'Ravi Kant Jaipuria and sons (HUF) has given a personal gaurantee to IndusInd Bank Limited in respect of term loan outstanding on 31 March 2021 of ₹ 480.70 taken by the Company.

*** RJ Corp Limited has given a corporate gaurantee to Axis Bank Limited in respect of term loan outstanding on 31 March 2021 of ₹ 539.18 taken by the Company.*

(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 2021	As at 31 March 2020
(i) Claims made by direct and indirect tax authorities:		
(i) Goods and service tax	-	0.31
(ii) Value added tax	13.10	13.23
(iii) Service tax	6.36	6.36
(iv) Income tax	0.28	0.28
	19.74	**20.18**
(ii) Others (miscellaneous claims in relation to Company's operations)#	30.44	24.40

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

(b) Guarantees

Particulars	As at 31 March 2021	As at 31 March 2020
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.During the current year the given guarantee has been surrendered and cancelled.	-	126.66
Guarantee given to Everest Bank Limited in respect of loan taken by Devyani International (Nepal) Private Limited, wholly owned subsidiary of the Company	18.95	25.58
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

The Company has provided a letter of support for financial and operational assistance to Devyani Food Street Private Limited, Devyani Airport Services (Mumbai) Private Limited , RV Enterprizes and Devyani International Nigeria Limited for ongoing operations for atleast 12 months.

(c) Others

Particulars	As at 31 March 2021	As at 31 March 2020
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 136.98 (previous year: ₹ 25.15)]	494.40	2,079.19

 # 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

A. Defined contribution plans

An amount of ₹ 64.71 (previous year: ₹ 96.33) 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.

B. 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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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'

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation as at beginning of the year	99.60	94.00
Acquisition adjustment	30.36	3.00
Interest cost	5.02	6.13
Current service cost	20.89	14.31
Benefits paid	(20.98)	(16.41)
Actuarial (Gain)/loss recognised in other comprehensive income		
-changes in demographic assumption	-	(0.05)
-changes in financial assumption	0.84	(1.34)
-experience adjustment	10.95	(0.04)
Present value of obligation as at end of the year	**146.68**	**99.60**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	14.02	21.91
Return on plan assets recognised in total other comprehensive income	0.62	1.63
Fund charges	(0.05)	(0.12)
Contribution paid into the plan	5.00	5.00
Benefits paid	(19.35)	(14.40)
Balance at the end of the year	0.24	14.02
Net defined benefit liability/ (asset)	**146.44**	**85.58**

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 2021	31 March 2020
Discounting rate	4.81%	5.04%
Future salary increase	6.00%	6.00%

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B. **Demographic assumptions**

Particulars	31 March 2021	31 March 2020
i) Retirement age (years)	58	58
ii) Mortality table	IALM (2012 - 14)	IALM (2012 - 14)
iii) Ages	Withdrawal rate per annum (%)	Withdrawal rate 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 2021	For the year ended 31 March 2020
Employee benefit expenses:		
(a) Current service cost	20.89	14.31
(b) Interest cost	5.02	6.13
(c) Interest income on plan assets	(0.71)	(1.43)
	25.20	**19.01**

(b) **Remeasurements recognised in other comprehensive income**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial gain/(loss) on defined benefit obligation	(11.79)	1.43
Actuarial gain/(loss) on plan assets	(0.13)	0.08
	(11.92)	**1.51**
Expense recognised in the standalone statement of profit and loss	37.12	17.50

v. **Reconciliation of statement of expense in the standalone statement of profit and loss**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of obligation as at the end of the year	146.68	99.60
Present value of obligation as at the beginning of the year	(99.60)	(94.00)
Benefits paid	20.98	16.41
Actual return on plan assets	0.62	(1.51)
Acquisition adjustment	(30.36)	(3.00)
Expense recognised in the standalone statement of profit and loss	**38.32**	**17.50**

vi. **Change in fair value of plan assets:**

Particulars	As at 31 March 2021	As at 31 March 2020
Opening fair value of plan assets	14.02	21.91
Actual return on plan assets	0.62	1.63
Fund charges	(0.05)	(0.12)
Contribution by employer	5.00	5.00
Benefits paid	(19.35)	(14.40)
Fair value of plan assets as at year end	**0.24**	**14.02**

The Company expects to contribute ₹ 10.00 (previous year ₹ 18.01) to gratuity in the next year.

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vii. The expected maturity analysis of undiscounted defined benefit liability is as follows

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
31 March 2021	50.35	36.21	52.44	27.72
31 March 2020	27.17	23.55	26.95	21.93

viii. Bifurcation of closing net liability at the end of year

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability (amount due within one year)	50.11	23.34
Non-current liability (amount due over one year)	96.33	62.24
	146.44	**85.58**

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 2021	As at 31 March 2020
a) Impact due to increase of 1%	(3.59)	(2.70)
b) Impact due to decrease of 1%	3.83	2.89

Impact of the change in salary on defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
a) Impact due to increase of 1%	3.74	2.89
b) Impact due to decrease of 1%	(3.59)	(2.70)

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.

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.

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C. Compensated absences

iv. (a) Expense recognised in the standalone statement of profit or loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee benefit expenses:		
(a) Current service cost	22.37	16.74
(b) Interest cost	2.52	4.59
(c) Net actuarial (gain) / loss recognized in the period	19.75	(26.71)
	44.64	**(5.38)**

D. Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Food and beverage segment		
(i) Domestic	9,971.57	12,227.61
(ii) International	16.07	50.52
b. Other income (refer note 24)	485.66	232.92
Total	**10,473.30**	**12,511.05**

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)

ESOS - 2011

On 20 September 2011 and 20 December 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was approved by the shareholders on 20 December 2011 and subsequently

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on 18 May 2012 for increasing the ceiling limit to 49,00,000 Options ("Ceiling Limit") with condition at any given point of time 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 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 111.70. 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. 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.

Further, ESOS 2011 was amended subsequently and was approved by the shareholders on 17 March 2021. The resolution provides the delinking of vesting schedule of the Options from filing of the RHP by the Company and for aligning the Scheme in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 ("SEBI SBEB Regulations") and accordingly all Options under ESOS 2011 were vested immediately on the day of passing the said resolution and the exercise window for ESOS 2011 was opened by the Nomination and Remuneration Committee on 17 March 2021. The Company received the exercise letters from the Options holders and allotted 15,81,500 equity shares pursuant to exercise of Options.

ESOS - 2018

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was 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 fully diluted 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 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 306.12.

Further ESOS 2018 was subsequently amended and approved by the shareholders on 17 March 2021 for linking the vesting of options to listing date of shares of the Company and to align the Scheme with compliance requirement of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 ("SEBI SBEB Regulations"). Under the ESOS 2018, no vesting shall occur until date of listing of shares on recognized Stock Exchanges by the Company in respect of proposed offer.

ESOS - 2021

On 17 March 2021, the Board of Directors approved the Employees Stock Option Scheme 2021 ("ESOS 2021") in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 ("SEBI SBEB Regulations"), which was approved by the shareholders on 17 March 2021. ESOS 2021 was formulated with the same objective of ESOS 2011 and ESOS 2018.

ESOS 2021 provides that Options so granted, shall not represent more than 5% of the fully diluted 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 by way of a special resolution. As per ESOS 2021 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 433.28.

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The Options were granted on the dates as mentioned in the table below:

S. No	Grant Date	Number of Options granted	Exercise Price (₹)	Vesting Condition	Vesting period	Contractual period
1	19 May 2012	20,88,200	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*	0 years to 5 years (Previous year: 2.75 years to 7.75 years)
2	31 May 2014	3,00,000	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*	0 years to 5 years (Previous year: 2.75 years to 7.75 years)
3	21 September 2018	5,06,000	306.12	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	# and @	0.25 years to 5.76 years (2.25 years to 7.76 years)
4	17 March 2021	7,20,000	433.28	Graded vesting over 4 years being first vesting due on 17 March 2022	17 March 2022 to 17 March 2025	1 year to 9 years

** As mentioned above, ESOS - 2011 was amended and approved in shareholders meeting dated 17 February 2021. Accordingly, all Options under ESOS 2011 were vested immediately on the day of passing the said resolution.*

 # As mentioned above, ESOS - 2018 was amended and approved in shareholders meeting dated 17 February 2021 for linking the vesting of options to listing date of shares of the Company.

@ 379,500 options on 30 June 2021 and 126,500 options on 1 January 2022 (379,500 options on 30 June 2022 and 126,500 options on 1 January 2023)

Note - Exercise period in every scheme is maximum five years from the date of vesting of shares.

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 17 March 2021	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 ₹)	183.51 - 239.33	105.28 - 133.03	123.17	56.35 - 57.28
Share price at grant date (in ₹)	432.98	268.99	151.07	93.21
Exercise price (in ₹)	433.28	306.12	111.70	111.70
Expected volatility	45.60% - 50.50%	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	3.50 - 6.50	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	5.39% - 6.31%	8.06% - 8.11%	9.19%	8.50% - 8.51%

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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 2021	For the year ended 31 March 2020
Employee stock option scheme (reversal)/expense*	21.21	(10.30)
	21.21	**(10.30)**

**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 2021		As at 31 March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Number of Options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	1,985,500	124.04	2,365,500	153.29
Add: Options granted during the year	720,000	433.28	-	-
Less: Options exercised during the year	1,581,500	111.70	-	-
Less: Options forfeited/ lapsed during the year	266,000	306.12	380,000	306.12
	858,000	**349.83**	**1,985,500**	**124.04**
Options outstanding as at the end of the year *	**8,580,000**	**-**	**-**	**-**
Options exercisable at the end of the year	-	-	-	-

** Pursuant to share split with effect from 25 March 2021 the number options outstanding 858,000 is changed to 8,580,000 as a result of share split.*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Weighted average remaining life of options outstanding at the end of year (in years)	7.62	7.30

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 "RVE"). The carrying value of investment as at the yearend is ₹ 720.95 (previous year: ₹ 720.95). The carrying value of the loan to RVE, including interest accrued thereon is ₹ 328.82 (previous year: ₹ 327.24). RVE 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 17.13 million (previous year: USD 16.96 million), respectively.

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During the current and previous years, the step down subsidiary has incurred losses. As at 31 March 2021, RVE has not impaired the loan amounting to USD 17.13 million outstanding as at 31 March 2021 (31 March 2020: USD 16.96 million) and the recoverability of the loan and investment has not been qualified by the auditor of RVE, moreover impairment of equity investment done in previous years has also been reversed during the year. 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 concluded that there is no need to recognise any impairment loss on the investment made in and loan given (including interest accrued thereon) to RVE amounting to ₹ 720.95 (previous year: ₹ 720.95) and ₹ 328.82 (previous year: 327.24), 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 2021 and 31 March 2020. 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 2021	For the year ended 31 March 2020
Employee benefits expense	20.60	25.65
Other expenses	35.99	27.59
	56.59	**53.24**

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 ₹ 541.11(net of opening provision for impairment of ₹ 96.11) (previous year: ₹ 360.80 net of opening impairment provision of ₹ 68.86) have been reduced to the recoverable amount aggregating to ₹ 14.80 (previous year: ₹ 75.25) by way of impairment charge of ₹ 526.20 (previous year ₹: 216.70). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil-5% (previous year: 5%-20%) and salary growth rate of 6% (previous year: 6%), over balance lease term , discounted at rate of 12.17 % p.a. (previous year: 12.11% 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.

Moreover, the impairment reversal of ₹ 73.69 (previous year: ₹192.71) 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 ₹ 277.72 (previous year: ₹ 337.33) has exceeded the written down value of these stores aggregating ₹ 204.03 (after considering impairment charge recorded in previous years amounting to ₹ 183.21) (previous year: ₹ 190.06 after considering impairment charge recorded in preceeding previous year amounting to ₹ 258.59).

Goodwill amounting to ₹ 504.57 (previous year: ₹ 84.46) is allocated across multiple stores acquired under business combination. The 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 aforesaid goodwill during the year.

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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.

Impairment loss	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Impairment charge for non financial assets	526.20	216.70
Impairment reversal for non financial assets	(73.69)	(192.71)
Net impairment charge	**452.51**	**23.99**

Sensitivity analysis	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Discount Rate		
(Increase by 1%)	2.15	8.97
(Decrease by 1%)	(1.93)	(8.42)
Sales Growth Rate		
(Increase by 1%)	(9.25)	(30.37)
(Decrease by 1%)	11.96	29.19
Salary Growth Rate		
(Increase by 1%)	1.97	3.84
(Decrease by 1%)	(1.81)	(3.87)

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.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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48. Business Combination

During the previous year, the Company executed a Business Transfer Arrangement dated 11 December 2019 ('BTA') with Yum Restaurants (India) Private Limited ("Yum") for acquiring 61 KFC stores (60 stores as amended) in multiple tranches. Till 31 March 2020, the Company had acquired 9 KFC stores on 01 March 2020 from Yum on a slump sale basis for an estimated purchase consideration of ₹ 339.34 and the remaining 51 stores were acquired during the year ended 31 March 2021 for a purchase consideration of ₹ 1,960.66, an aggregate consideration of ₹ 2,300. 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.

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 2021	For the year ended 31 March 2020 (Restated) refer note 58
Assets		
Property, plant and equipment (refer note 3A)	360.70	76.32
License Fee (refer note 5)	198.79	33.91
Franchisee Rights (refer note 5)	916.22	143.61
Inventories	27.11	4.67
Other assets	69.05	8.86
	1,571.87	**267.37**
Liabilities	31.32	3.00
	31.32	**3.00**
Total identifiable net assets (at fair value)	**1,540.55**	**264.37**
Purchase consideration to be transferred/transferred in cash	**1,960.66**	**339.34**
Goodwill (refer note 4)	**420.11**	**74.97**

The goodwill is attributable to the operational synergies and expansion on market share.

Transaction costs of ₹ 0.42 (previous year: ₹ 0.20) 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.

From the date of acquisition, acquired stores under business combination contributed ₹ 1,479.64 (previous year: ₹ 26.54) of revenue and profit of ₹ 223.21 (previous year loss of: ₹ 0.62) to profit/(loss) before tax from continuing operations of the Group. If the combination had taken place at the beginning of an acquisition year, the Group revenue from continuing operations would have been ₹ 1,754.45(previous year: ₹ 537.02) and since the details on profit after tax is not available at individual store level separately, such information has not been disclosed.

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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 2021	As at 31 March 2020
(A) Loans and advances *		
Devyani Food Street Private Limited	113.96	-
Devyani Airport Services (Mumbai) Private Limited	177.10	185.33
RV Enterprizes Pte. Limited (refer note 43)	328.82	327.24
Devyani International (UK) Private Limited (refer note 52)" till 16 February 2021"	-	855.86
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)" till 16 February 2021"	-	350.82
The Minor Food Group (India) Private Limited (refer note 53) (till 25 March 21)	-	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
Devyani International (Nepal) Private Limited	18.95	25.58
Devyani International (UK) Private Limited" till 16 February 2021"	-	126.66

** refer note 7 for particulars of the loans and advances given.*

 # 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 previous year the Company has given loan of ₹ 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: The Company has provided a letter of support for financial and operational assistance to Devyani Food Street Private Limited ,Devyani Airport Services (Mumbai) Private Limited , RV Enterprizes and Devyani International Nigeria Limited for ongoing operations for atleast 12 months.

50. Investment in Devyani Airport Services (Mumbai) Private Limited, a subsidiary

As at 31 March 2021, the Company has investment in equity shares of Devyani Airport Services (Mumbai) Private Limited (a subsidiary company) amounting to ₹ 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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During earlier years, the investment in equity shares of Devyani Airport Services (Mumbai) Private Limited were considered for impairment assessment. Based on such assessment, recoverable amount was lower than the carrying amount for such investment and this resulted in impairment loss in the value of investment of ₹ 84.84 and such loss 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 2021. the Company has reassessed whether there is an indication for impairment and based on its assessment, management has concluded that the said impairment need not be reversed.

51. Investment in Devyani Food Street Private Limited, a subsidiary

As at 31 March 2021, the Company has investment in equity shares of Devyani Food Street Private Limited (a subsidiary company) amounting to ₹ 175.92, and additional deemed equity of ₹ 26.33 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.

As at 31 March 2021, 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 4 years (approximately) cash flow forecast. The key assumptions used for computation of value in use has been taken at 50% of pre pandemic sales level up to 31 March 2023 and thereafter growth rate of 8% p.a. and discount rate of 19.00% 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 ₹ 111.31 as at 31 March 2021. Such provision amount has been disclosed under "Exceptional items" in the Standalone Statement of Profit and Loss (refer note 32).

52. Investment 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 ₹ 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: ₹ 855.86 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 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 ₹ 350.82 as at 31 March 2020 and for loans granted including interest accrued thereon, ₹ 307.70 as at 31 March 2020. Such provision amount has been disclosed under "discontinued operations" in the Standalone Statement of Profit and Loss (refer note 56 (b)).

During the year, out of the total loan amount of ₹ 948.75 given by the Company to Devyani International (UK) Private Limited, ₹ 189.05 has been converted into equity investment and the remaining amount of ₹ 759.70 along with interest has been recovered in full. On account of such recovery of loan, Company reversed impairment provision of ₹ 307.70 on loan created during the previous year. On 17 February 21, based on an independent valuation report, the Company transferred the entire equity investment to Arctic International Private Limited (a fellow subsidiary) for a total

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consideration of ₹ 3.60 and incurred a loss of ₹ 185.45 on sale of investment. Hence a total gain of ₹ 122.25 (on account of reversal of impairment provision and loss on transfer of investment) is recognised under "discontinued operations" in the Standalone Statement of Profit or Loss for the year. (refer note 56).

53. Investment in The Minor Food Group (India) Private Limited, a joint venture

The Minor Food Group (India) Private Limited (MFGIPL) is a joint arrangement in which the Company had 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 Company had classified its interests in Minor as a joint venture. During the previous year, the carrying value of the investment in Minor was Nil and therefore, not material to the Company.

During the current year, the Company has transferred the entire investment in equity shares to MGF International Holding (Singapore) Pte Limited at ₹ 73 (absolute) with effect from 26 March 21 and therefrom, it ceases to be the joint venture of the Company.

54. Disclosures about the Company's ability to continue as a going concern.

The Company has incurred losses (total comprehensive loss) of ₹ 664.97 in current year (previous year: ₹ 1,349.23) and has accumulated losses of ₹ 6309.00 as at 31 March 2021 (previous year: ₹ 5,644.03), Further, the Company's current liabilities exceed its current assets as at 31 March 2021 by ₹ 1,684.27 (previous year: ₹ 3,358.31).

Based on financial projections, revised and detailed business strategies , 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 2021 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.

In view of the same, the management of the Company is of the view 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 impacted businesses across all sectors and geographies. As a result, operations of most restaurants and commissaries were affected temporarily in compliance with lockdown announced by Central Government of India and other directives/orders issued by other relevant authorities which resulted in lower sales as compared to previous periods.

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 its liquidity position for next one year, 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 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.

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56. Discontinued operation

a) The Company has business of tea trading in the brand name of TWG which has operations in India through two stores, in the Company ('TWG India') and in UK [through its subsidiary - Devyani International (UK) Private Limited ('DIL UK or TWG UK')]. During the current year, the Company has sold TWG India business by way of slump sale to RJ Corp Limited (the holding company) on 1 March 2021. Further, the Company has also sold its entire shareholding in DIL UK to Arctic International Private Limited (Mauritius) (a fellow subsidiary company) on 17 February 2021.

Accordingly, both TWG India and TWG UK have been reported as discontinued operation during the current year up to 28 February 2021 and 16 February 2021, respectively. Financial information relating to the discontinued operation for the period to the date of disposal are set out as below:-

(i) Financial performance and cash flow information

TWG India (A)	For the period ended 28 February 2021	For the period ended 31 March 2020
Revenue from operations	22.44	85.82
Other income	12.26	2.35
Total income	**34.70**	**88.17**
Purchase of stock-in-trade	-	35.54
Changes in inventories of stock-in-trade	55.31	(7.68)
Employee benefits expense	5.96	13.91
Finance costs	3.93	7.13
Depreciation and amortisation expense	18.06	39.81
Impairment of non-financial assets	49.87	-
Other expenses	11.25	13.52
Total expenses	**144.38**	**102.23**
Loss before tax	**(109.68)**	**(14.07)**
Gain on transfer of business operations	17.05	-
Loss from discontinued operation	**(92.63)**	**(14.07)**

TWG UK (B)	For the period ended 16 February 2021	For the period ended 31 March 2020
Other income	17.61	25.63
Total income	**17.61**	**25.63**
Total expenses	**-**	**-**
Profit before exceptional items and tax	**17.61**	**25.63**
Exceptional items gain/ (loss)	307.70	(658.51)
Profit/(Loss) from discontinued operation	**325.31**	**(632.89)**
Loss on sale of investment	(185.45)	-
Profit/(Loss) from discontinued operation	**139.86**	**(632.89)**
Total Profit/(Loss) from discontinued operation (A) + (B)	**47.23**	**(646.95)**

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Cash Flow Statement for discontinued Operations	For the period ended 28 Feburary 2021*	For the period ended 31 March 2020
Net cash inflow/(outflow) from;		
Operating activities	(93.03)	66.67
Investing activities	754.72	(184.36)
Financing activities	-	-
Net cash flow from/(used in) discontinued operations	**661.69**	**(117.69)**

** Up to 16 February 2021 in case of TWG UK*

(ii) Details of the sale of discontinued Operations

	TWG India	TWG UK
Date of Transfer	1 March 2021	17 Feburary 2021
Consideration received in cash	10.00	3.60
Carrying amount of net assets transferred	(7.05)	189.05
Gain/ (Loss) on sale of discontinued Operations	17.05	(185.45)

(iii) The carrying amounts of assets and liabilities as at the date of transfer were:

	TWG India	TWG UK
Date of Transfer	1 March 2021	17 Feburary 2021
Assets		
Property, plant and equipment	0.70	-
Right of use	30.67	-
Investments	-	189.05
Loans (Unsecured)- net of Impairment	-	-
Inventories	0.46	-
Other current assets	16.74	-
Total assets (A)	**48.57**	**189.05**
Liabilities		
Lease liabilities	47.72	-
Other current liabilities	7.90	-
Total liabilities (B)	**55.62**	**-**
Net assets (A-B)	**(7.05)**	**189.05**

57. Initial Public Offering (IPO)

The Board of Directors (Board) of the Company in their board meeting dated 17 February 2021 has approved raising of capital for the Company through an Initial Public Offering (IPO). As part of its proposed IPO, the Company plans to file Draft Red Hearing Prospectus (DRHP) with the Securities Exchange Board of India (SEBI) in coming period. Apart from the Company, existing shareholders also proposes to sell the stake in the Company. Prepayments in relation to the proposed IPO included under "Other current assets" include expenses of ₹ 5.88 million incurred by the Company towards IPO of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to shares that will be offered to the public in the proposed IPO.

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58. Restatement of previously reported financial information

The Company, in order to comply with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', has restated its previously issued financial information.The details in respect of which are as follows:-

In respect of acquisition of 9 KFC stores on 1 March 2020 (as explained in detail in Note 42), the management of the Company did not assign any value to the franchisee rights while doing the Purchase Price Allocation (PPA) under business combination during the previous year and hence, the difference between the purchase price of these 9 KFC stores and the underlying assets and liabilities was recorded as Goodwill. Post completion of acquisition of all KFC stores during the current year, the management of the Company has carried out the revised PPA for 9 stores and correspondingly, assigned the fair value to the franchisee rights as well. The management has adjusted the same retrospectively by restating the financial statements as at and for the previous year (in accordance with Ind AS 8) by recognizing fair value of the franchisee rights of ₹ 143.61 and therefore reducing the previously recognised goodwill of ₹ 218.58 to ₹ 74.97. Accordingly, corresponding disclosure for business combination under Ind AS 103 have also been appropriately restated.

Due to the aforesaid restatement in the amounts for the comparative periods, there is no change in net cash flow from operating activities, investing activities and financing activities. Further the impact of such restatement on total equity as at 31 March 2020, the statement of profit and loss and earnings per share for the year then ended was not material, hence not considered for restatement by the management of the Company.

59. 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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476

Anil Dwivedi
Company Secretary
Membership No.: 18893

Place: Gurugram
Date: 21 April 2021

Independent Auditor's Report

To the Members of Devyani International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying 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 listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, 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 one of the joint auditors, APAS & Co. and other auditors on separate financial statements of the subsidiaries and joint ventures, 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 ventures, as at 31 March 2021, 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 and 13 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 53 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.

   The above matter has also been reported as emphasis of matter in the audit reports issued by one of the joint auditors on the separate financial statements of two subsidiaries of the Group. Our opinion is not modified in respect of this matter.

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 do 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 financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture 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 /management 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 joint venture 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 joint venture 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.
- 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 financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by APAS & Co. and the other auditors, such other 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 ₹ 3,750.72 million and net assets of ₹ (1,687.08) million as at 31 March 2021, total revenues of ₹ 1,979.50 million and net cash inflows amounting to ₹ 10.59 million for the year ended on that date, as considered in the consolidated financial statements. Out of above, financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 1,141.17 million and net assets of ₹ (969.63) million as at 31 March 2021, total revenues of ₹ 467.83 million and net cash inflows amounting to ₹ 5.29 million for the year ended on that date, as considered in the consolidated financial statements have been audited by APAS & Co. These financial statements of six subsidiaries have been audited by APAS & Co. 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the APAS & Co. and other auditors.

    Further, of these six subsidiaries, four subsidiaries 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. 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 located outside India, 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.

    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. and other auditors.

13. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ Nil for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements has not been audited by us. The financial statements of aforesaid company is unaudited and has 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 the aforesaid 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 joint venture, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, the financial statements of aforesaid company is not material to the Group.

    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 matter with respect to our reliance on the financial statements/financial information certified by the management.

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 the APAS & Co. 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 APAS & Co. and other auditors on separate financial statements of the subsidiaries and 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. 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 its joint venture company covered under the Act, are disqualified as on 31 March 2021 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 other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 39 to the consolidated financial statements;

ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture company covered under the Act, during the year ended 31 March 2021; 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's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAABM1583

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 21520078AAAADE5051

Place: Gurugram
Date: 21 April 2021

Annexure I

List of entities included in the consolidated financial statements.

1) Devyani International Limited, Holding Company

Wholly owned Subsidiaries

2) Devyani Food Street Private Limited
3) Devyani International (Nepal) Private Limited
4) Devyani International (UK) Private Limited (till 16 February 2021)

Subsidiaries

5) Devyani Airport Services (Mumbai) Private Limited
6) RV Enterprizes Pte. Limited
7) Devyani International (Nigeria) Limited (subsidiary of RV Enterprizes Pte. Limited)

Joint Venture

8) The Minor Food Group (India) Private Limited (till 25 March 2021)

Annexure A

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 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 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and 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 Company considering the essential components of internal control stated in Guidance Note on 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 internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and 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. and other auditors in terms of their reports referred to in the Other Matter(s) 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 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. 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 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 2021, 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.

Other Matters

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 ₹ 1,141.17 million and net assets of ₹ (969.63) million as at 31 March 2021, total revenues of ₹ 467.83 million and net cash inflows amounting to ₹ 5.29 million for the year ended on that date, as considered in the consolidated financial statements. 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., 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 financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies 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 APAS & Co.

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one joint venture company, which is companies covered under the Act, in respect of which, the Group's share of net loss (including other comprehensive loss) of ₹ Nil for the year ended 31 March 2021, has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this joint venture company which is company covered under the Act, is unaudited and our opinion under Section 143(3)(i) of the Act insofar as it relates to the aforesaid joint venture company, which is company covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, financial statements of aforesaid company is not material to the Group. Our report on adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Group does not include the internal financial controls with reference to financial statements assessment in respect of the aforesaid company. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAABM1583

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 21520078AAAADE5051

Place: Gurugram
Date: 21 April 2021

Consolidated Balance Sheet

as at 31 March 2021

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

Particulars	Note	As at 31 March 2021	As at 31 March 2020 *
Assets			
Non-current assets			
Property, plant and equipment	3A	4,306.74	4,786.54
Capital work-in-progress	3B	142.75	135.27
Right-of-use assets	3D	6,660.20	10,350.83
Investment properties	3C	455.89	413.99
Goodwill	4	644.45	224.34
Other intangible assets	5	1,855.19	577.42
Investments accounted for using equity method	6	-	-
Financial assets			
(i) Loans	7	435.36	491.60
(ii) Other financial assets	8	167.38	182.27
Deferred tax assets (net)	33	95.78	75.49
Income tax assets (net)	33	80.46	94.95
Other non-current assets	9	194.56	71.22
Total non-current assets		**15,038.76**	**17,403.92**
Current assets			
Inventories	10	621.97	720.87
Financial assets			
(i) Trade receivables	11	168.80	172.99
(ii) Cash and cash equivalents	12	399.62	132.26
(iii) Bank balances other than cash and cash equivalents	13	5.71	28.06
(iv) Loans	7	141.57	128.13
(v) Other financial assets	8	106.06	36.38
Other current assets	9	201.58	213.15
Total current assets		**1,645.31**	**1,431.84**
Total assets		**16,684.07**	**18,835.76**
Equity and liabilities			
Equity			
Equity share capital	14	1,153.63	1,061.67
Other equity	15	(15.90)	(2,952.68)
Equity attributable to owners of the Group		**1,137.73**	**(1,891.01)**
Non-controlling interests	48	(419.15)	(391.14)
Total equity		**718.58**	**(2,282.15)**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	3,593.65	3,402.17
(ii) Lease liabilities	16	7,936.96	11,759.04
(iii) Other financial liabilities	19	49.30	52.82
Provisions	20	169.15	115.73
Other non-current liabilities	21	9.74	10.49
Total non-current liabilities		**11,758.80**	**15,340.25**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	211.10	904.56
(ii) Lease liabilities	16	787.38	1,122.83
(iii) Trade payables	22		
(a) total outstanding dues of micro and small enterprises		150.53	20.91
(b) total outstanding dues of creditors other than micro and small enterprises		1,468.47	1,610.98
(iv) Other financial liabilities	19	1,305.94	1,896.91
Other current liabilities	21	193.48	170.44
Provisions	20	82.94	44.15
Current tax liabilities (net)	33	6.85	6.88
Total current liabilities		**4,206.69**	**5,777.66**
Total equity and liabilities		**16,684.07**	**18,835.76**

** Adjusted in accordance with Ind AS 8 - 'Accounting policies, Changes in Accounting Estimates and Errors (refer note 56)*

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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476
Place: Gurugram
Date: 21 April 2021

Anil Dwivedi
Company Secretary
Membership No.: 18893

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

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

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020 *
Income			
Revenue from operations	23	11,348.38	15,163.86
Other income	24	640.57	186.55
Total income		**11,988.95**	**15,350.41**
Expenses			
Cost of materials consumed	25	3,386.93	4,487.18
Purchases of stock-in-trade	26	59.67	116.78
Employee benefits expense	27	1,543.32	2,254.85
Finance costs	28	1,528.03	1,584.37
Depreciation and amortisation expense	29	2,294.53	2,233.14
Impairment of non-financial assets	30	480.05	38.77
Other expenses	31	4,089.18	5,750.21
Total expenses		**13,381.71**	**16,465.30**
Loss before exceptional items and tax		**(1,392.76)**	**(1,114.89)**
Exceptional items	32	(568.84)	(345.78)
Loss before tax		**(823.92)**	**(769.11)**
Tax expense	**33**		
Current tax		9.75	13.48
Deferred tax expense/(credit)		(20.43)	4.93
Total tax expense		**(10.68)**	**18.41**
Loss from continuing operations after tax (A)		**(813.24)**	**(787.52)**
Profit/(Loss) from discontinued operation before tax		**183.37**	**(426.66)**
Tax expense of discontinued operations		-	-
Profit/(Loss) from discontinued operation after tax (B)		**183.37**	**(426.66)**
Loss for the year (A+B)		**(629.87)**	**(1,214.18)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		(12.94)	3.73
Income tax relating to above mentioned item		(0.14)	(0.34)
		(13.08)	**3.39**
Items that will be reclassified to profit or loss			
Exchange difference in translating financial statements of foreign operations		124.14	156.95
Exchange differences on translation of discontinued operations		(58.86)	(17.76)
Other comprehensive income for the year		**52.20**	**142.58**
Total comprehensive income for the year		**(577.67)**	**(1,071.60)**
Loss attributable to:			
Owners of the Company		(552.08)	(1,216.73)
Non controlling interest	48	(77.79)	2.55
Loss for the year		**(629.87)**	**(1,214.18)**
Other comprehensive income attributable to:			
Owners of the Company		9.61	106.98
Non controlling interest	48	42.59	35.60
Other comprehensive income for the year		**52.20**	**142.58**
Total comprehensive income for the year attributable to:			
Owners of the Company		(542.47)	(1,109.75)
Non controlling interest	48	(35.20)	38.15
Total comprehensive loss for the year		**(577.67)**	**(1,071.60)**
Loss per equity share from continuing operations	34		
Basic (₹)		(0.67)	(0.74)
Diluted (₹)		(0.67)	(0.74)
Earnings/(Loss) per equity share from discontinued operations	34		
Basic (₹)		0.17	(0.40)
Diluted (₹)		0.17	(0.40)

** Adjusted in accordance with Ind AS 8 - 'Accounting policies, Changes in Accounting Estimates and Errors (refer note 58)*

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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476
Place: Gurugram
Date: 21 April 2021

Anil Dwivedi
Company Secretary
Membership No.: 18893

Consolidated Cash Flow Statement

for the year ended 31 March 2021

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

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A.	**Cash flows from operating activities**		
	Profit/(loss) before tax		
	Continuing operations	(823.92)	(769.11)
	Discontinued operations	183.37	(426.66)
	Adjustments for:		
	Depreciation and amortisation expense	2,356.94	2,467.04
	Impairment loss of non-financial assets	529.90	38.77
	Liabilities no longer required written back	(43.09)	(28.97)
	Loss on disposal of property plant and equipment	87.38	187.67
	Bad debts and advances written off	-	0.13
	Loss allowance	12.36	27.04
	Unrealised foreign exchange (gain)/loss	(19.63)	108.09
	Finance costs	1,621.75	1,687.91
	Derivatives at fair value through profit and loss	(6.75)	8.62
	Employee stock option scheme expenses/(reversal)	22.62	(12.18)
	Interest income	(103.95)	(93.47)
	Gain on net investment in finance lease	-	(18.76)
	Gain on termination of leases	(611.39)	(365.66)
	Gain on modification of leases	(52.71)	(18.84)
	Rent concession [refer note 36 A (iii)]	(1,158.89)	-
	Operating profit before working capital changes	**1,993.99**	**2,791.62**
	Adjustments for changes in:		
	- trade receivables	4.19	29.31
	- inventories	126.01	(171.45)
	- loans, other financial assets, and other assets	163.94	(67.64)
	- trade payables, other financial liabilities and other liabilities	102.60	433.13
	Cash generated from operating activities	**2,390.73**	**3,014.97**
	Income tax refund/(paid) (net)	4.85	(7.81)
	Net cash generated from operating activities	**2,395.58**	**3,007.16**
B.	**Cash flows from investing activities**		
	Payment for acquisition of stores under business combination	(2,300.00)	-
	Payment for property, plant and equipment and other intangible assets other than above	(1,373.37)	(999.09)
	Proceeds from sale of property plant and equipment	43.94	10.95
	Deposits made with banks	-	(22.96)
	Proceeds from maturity of deposits	22.35	21.10
	Interest received	7.52	15.71
	Proceeds from transfer of business	13.60	-
	Net cash used in investing activities	**(3,585.96)**	**(974.29)**

Consolidated Cash Flow Statement

for the year ended 31 March 2021

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

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity share capital	3,476.43	-
	Proceeds from long term borrowings	2,355.86	800.00
	Repayment of long term borrowings	(2,401.08)	(651.19)
	(Repayment of)/proceeds from cash credit facilities from banks (net)	(693.46)	227.63
	Payment of lease liabilities- principal	-	(1,043.52)
	Payment of lease liabilities- interest	(825.69)	(1,123.90)
	Interest paid	(492.24)	(435.17)
	Net cash generated from/(used in) financing activities	**1,419.82**	**(2,226.15)**
D.	**Effect of foreign currency fluctuation arising out of consolidation**	**37.93**	**59.81**
	Net decrease in cash and cash equivalents during the year (A+B+C+D)	**267.37**	**(133.47)**
	Effect of exchange rate changes on cash and cash equivalent held in foreign currency	**-**	**0.01**
E.	**Cash and cash equivalents at the beginning of the year**	**132.26**	**265.72**
E.	**Cash and cash equivalents as at the end of the year (refer note 12)**	**399.62**	**132.26**

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

As per our report of even date attached

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

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476

Anil Dwivedi
Company Secretary
Membership No.: 18893

Place: Gurugram
Date: 21 April 2021

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

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

A. Equity share capital

	Note	As at 31 March 2021		As at 31 March 2020	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	14	10,61,66,666	1,061.67	10,61,66,666	1,061.67
Changes in equity share capital		91,96,833	91.96	-	-
Balance at the end of the year		**11,53,63,499**	**1,153.63**	**10,61,66,666**	**1,061.67**
Balance at the end of the year *		1,15,36,34,990	1,153.63	10,61,66,666	1,061.67

**The face value of equity shares of the Company has been split from ₹ 10 to ₹ 1 per share with effect from 25 March 2021*

B. Other equity

	Note	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 Holding 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 (net of tax)			
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		-	-	-	(1,216.71)	-	-	(1,216.71)	2.55	(1,214.16)
Other comprehensive loss for the year	15	-	-	-	-	103.59	3.39	106.98	35.60	142.58
Total comprehensive 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 expenses/(reversal)	42	-	(12.18)	-	-	-	-	(12.18)	-	(12.18)
Transactions with NCI	48	-	-	-	(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)**

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

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

B. Other equity

	Note	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 Holding 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 (net of tax)			
Balance as at 01 April 2020		4,632.61	101.24	5.47	(8,317.00)	625.00	-	(2,952.68)	(391.14)	(3,343.82)
Profit/(loss) for the year		-	-	-	(552.08)	-	-	(552.08)	(77.79)	(629.87)
Other comprehensive income for the year	15	-	-	-	-	22.69	(13.08)	9.61	42.59	52.20
Reclassified on account of disposal of foreign operations						64.67		64.67	-	64.67
Total comprehensive income/(loss) for the year		-	-	-	(552.08)	87.36	(13.08)	(477.80)	(35.20)	(513.00)
Securities premium received during the year		3,384.47	-	-	-	-	-	3,384.47	-	3,384.47
Transferred to retained earnings		-	-	-	(13.08)	-	13.08	-	-	-
Employee stock options scheme expenses/(reversal)	42	-	22.62	-	-	-	-	22.62	-	22.62
Transferred to securities premium on exercise of stock options		109.46	(109.46)	-	-	-	-	-	-	-
Transactions with NCI	48	-	-	-	7.49	-	-	7.49	7.19	14.68
Balance as at 31 March 2021		**8,126.54**	**14.40**	**5.47**	**(8,874.67)**	**712.36**	**-**	**(15.90)**	**(419.15)**	**(435.05)**

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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476
Place: Gurugram
Date: 21 April 2021

Anil Dwivedi
Company Secretary
Membership No.: 18893

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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 Coffee, Vaango etc. and retail stores of 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 consolidated financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

The consolidated financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 21 April 2021

(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, defined benefit obligations and share based payments.

(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: -

- measurement of defined benefit obligations: key actuarial assumptions;
- measurement of useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets;
- judgment required to determine probability of recognition of deferred tax assets;
- fair value measurement of financial instruments;
- impairment assessment of non-financial assets key assumptions underlying recoverable amount;
- impairment assessment of financial assets;
- measurement of share based payments; measurement of financial guarantee contracts, provisions and contingent liabilities;
- judgment required to ascertain lease classification, lease term, incremental borrowing rate, lease and non-lease component, and impairment of ROU;
- 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;
- measurement of consideration and assets acquired as part of business combination;
- cash flow projections and liquidity assessment with respect to Covid-19.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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.

(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 consolidated 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.

(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 Statement of profit and 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 Statement of profit and loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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 its 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 2021	% voting power held as at 31 March 2020
Devyani International (Nepal) Private Limited	Nepal	100%	100%
Devyani Food Street Private Limited	India	100%	100%
Devyani International (UK) Private Limited (till 16th February 2021)	United Kingdom	-	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 2021	% voting power held as at 31 March 2020
The Minor Food Group (India) Private Limited (till 25th March 2021)	India	-	30%

The financial statements of the above entities (Subsidiaries and Equity accounted investee) are drawn upto the same accounting period as that of the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

(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 and 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, are 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 the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated Statement of profit and loss when such asset 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 Statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Group has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Building	30	60
Plant and equipment	12	15
Electrical Fitting	10	10
Office equipment	10	5
Computers	4- 6	3-6
Furniture and fixtures	6	10
Vehicles	5	6
Utensil and Kitchen Equipment	4-10	15

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.

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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 Statement of profit and 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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 Statement of profit and 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 Statement of profit and 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	10
Franchisee rights	10
Computer software	6

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

(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

The Group as a lessee

The Group 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 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:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

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:

- 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 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 Statement of profit and 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'.

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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.

Lease payments

Lease payments in respect of assets taken on operating lease are charged to the consolidated Statement of profit and 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 Statement of profit and 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

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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

<u>Defined contribution plans</u>

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 Statement of profit and 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 Statement of profit and 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

<u>Compensated absences</u>

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 Statement of profit and 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

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scheme expenses in the consolidated Statement of profit and 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.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

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

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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 Statement of profit and loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the consolidated Statement of profit and 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 Statement of profit and 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 (₹), 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 (₹) 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.

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.

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Scrap sale

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

Interest income

Interest income on financial assets (including deposits with banks) 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

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 Statement of profit and 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 and 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 Statement of profit and 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 Statement of profit and 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 Statement of profit and loss.

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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 and 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 Statement of profit and 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 and 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 Statement of profit and 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 Statement of profit and loss. Any gain or loss on derecognition is also recognised in the consolidated Statement of profit and 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 Statement of profit and 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 Statement of profit and loss.

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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 Statement of profit and 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 Statement of profit and 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 Statement of profit and 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.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(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.

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.

(p) 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.

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(q) Segment reporting

As the Group's business activity primarily falls within a single business and the geographical segments considered are "within India" and "outside India" and the Chief Operating Decision Maker monitors the operating results of its business units not separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements, accordingly the relevant disclosures has been provided under Ind AS 108 –"Segment Reporting". The management considers that the various goods and services provided by the Group constitutes single business segment, since the risk and rewards from these services are not different from one another.The analysis of geographical segments is based on geographical location of the customers.

(r) 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 (₹). 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.

(s) 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.

(t) 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 Group 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.

(u) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. rofit or loss from discontinued operations comprise the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations separately in the statement of profit and loss.

(v) Share issue expense

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of profit and loss.

(w) 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 2021.

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3A Property, plant and equipment

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 2019	**103.91**	**431.93**	**2,311.22**	**2,973.73**	**523.65**	**133.01**	**174.17**	**274.85**	**236.31**	**67.35**	**7,230.13**
Acquisitions through business combination (refer note 50)	-	-	44.67	24.03	1.79	-	0.01	1.72	3.85	0.25	76.32
Additions other than above	-	-	268.41	297.16	55.15	9.06	23.17	133.79	55.48	6.95	849.17
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**	**7,706.92**
Acquisitions through business combination (refer note 50)	-	-	216.80	98.96	10.83	-	0.03	8.51	23.23	2.34	360.70
Additions other than above	-	23.39	275.43	415.77	42.66	6.13	26.49	80.95	54.21	13.47	938.50
Disposals	-	-	603.92	590.78	171.74	39.79	32.05	87.69	106.68	36.35	1,669.00
Exchange differences on translation of foreign operations	-	-	(28.02)	(19.36)	(12.41)	-	(0.70)	-	-	(0.23)	(60.72)
As at 31 March 2021	**103.91**	**455.32**	**2,312.34**	**3,053.02**	**369.53**	**105.61**	**188.88**	**394.17**	**248.93**	**44.69**	**7,276.40**
Accumulated depreciation											
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**
Depreciation	-	14.16	260.55	365.88	65.03	11.70	22.37	63.68	37.02	7.69	848.08
Disposals	-	-	253.20	241.84	98.90	26.33	15.47	73.00	59.33	32.77	800.84
Exchange differences on translation of foreign operations	-	-	(17.57)	(11.22)	(6.58)	-	(0.54)	-	-	(0.07)	(35.98)
As at 31 March 2021	**-**	**55.36**	**905.41**	**1,114.56**	**208.03**	**44.10**	**63.58**	**149.26**	**79.54**	**20.46**	**2,640.30**
Accumulated impairment											
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**
Impairment loss (refer note 42)	22.65	1.90	216.39	165.23	10.70	10.91	19.56	10.82	45.95	2.46	506.57
Impairment (reversal) (refer note 42)	-	-	(16.69)	(29.69)	(1.07)	(1.07)	(0.58)	(1.99)	(0.41)	(0.01)	(51.50)
Disposals	22.65	-	246.97	63.90	9.57	8.74	10.43	7.78	43.56	3.44	417.05
As at 31 March 2021	**-**	**26.07**	**42.27**	**213.76**	**10.50**	**5.12**	**13.82**	**7.45**	**8.53**	**1.84**	**329.36**
Net carrying amount											
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**
As at 31 March 2021	**103.91**	**373.89**	**1,364.66**	**1,724.70**	**151.00**	**56.39**	**111.48**	**237.46**	**160.86**	**22.39**	**4,306.74**

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

3B Capital work-in-progress

Particulars	Amount
As at 1 April 2019	**115.18**
Additions	862.31
Transfers to property, plant and equipment	(842.22)
As at 31 March 2020	**135.27**
Additions	909.12
Transfers to property, plant and equipment	(901.64)
As at 31 March 2021	**142.75**

3C Investment properties (refer note 37)

Particulars	Leasehold Investment Properties	Owned Investment Properties	Total
Gross carrying amount			
As at 1 April 2019	-	-	-
Recognition on transition to Ind AS 116, Leases	470.66	-	470.66
Additions	5.90	-	5.90
Disposals	(9.07)	-	(9.07)
As at 31 March 2020	**467.49**	**-**	**467.49**
Additions	11.96	169.63	181.59
Disposals	(122.73)	-	(122.73)
As at 31 March 2021	**356.72**	**169.63**	**526.35**
Accumulated depreciation			
As at 1 April 2019	-	-	-
Depreciation	52.73	-	52.73
As at 31 March 2020	**52.73**	**-**	**52.73**
Depreciation	46.74	1.41	48.15
Disposals	(31.19)	-	(31.19)
As at 31 March 2021	**68.28**	**1.41**	**69.69**
Accumulated impairment			
As at 1 April 2019	-	-	-
Impairment loss (refer note 42)	0.77	-	0.77
As at 31 March 2020	**0.77**	**-**	**0.77**
Impairment loss (refer note 42)	-	-	-
Impairment (reversal) (refer note 42)	-	-	-
Disposals	-	-	-
As at 31 March 2021	**0.77**	**-**	**0.77**
Net carrying amount as at 31 March 2020	**413.99**	**-**	**413.99**
Net carrying amount as at 31 March 2021	**287.67**	**168.22**	**455.89**

3D Right-of-use assets (refer note 36)

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2021	As at 31 March 2020
Right-of-use assets		
Leasehold property	7,204.70	11,510.25
Accumulated amortisation	(424.26)	(1,076.56)
Accumulated impairment (refer note 42)	(120.24)	(82.86)
Net carrying amount	**6,660.20**	**10,350.83**

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for the year ended 31 March, 2021

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

4 Goodwill

Particulars	Goodwill on consolidation	Goodwill on business combination	Amount
Gross carrying amount			
As at 1 April 2019	**206.17**	**9.49**	**215.66**
Acquisitions through business combination (refer note 50)	-	74.97	74.97
As at 31 March 2020	**206.17**	**84.46**	**290.63**
Acquisitions through business combination (refer note 50)	-	420.11	420.11
As at 31 March 2021	**206.17**	**504.57**	**710.74**
Accumulated impairment			
As at 1 April 2019	**54.33**	**-**	**54.33**
Impairment loss (refer note 42)	11.96	-	11.96
As at 31 March 2020	**66.29**	**-**	**66.29**
Impairment loss (refer note 42)	-	-	-
As at 31 March 2021	**66.29**	**-**	**66.29**
Net carrying amount			
As at 31 March 2020	**139.88**	**84.46**	**224.34**
As at 31 March 2021	**139.88**	**504.57**	**644.45**

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.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

Particulars	As at 31 March 2021	As at 31 March 2020
Devyani Food Street Private Limited	139.88	139.88
Devyani Airport Services (Mumbai) Private Limited	-	-
RV Enterprizes Pte. Limited	-	-
Total	**139.88**	**139.88**

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 2021	As at 31 March 2020
Discount rate	19.00% - 21.00%	12.11% - 29.90%
Average sales growth rate	32 -36%	Nil - 20%.

Discount rate is the weighted average cost of capital of the respective subsidiary (CGU).

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for the year ended 31 March, 2021

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The Group, for CGU, has considered it appropriate to undertake 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.

During the year ended 31 March 2020, based on management's impairment assessment in respect of RV Enterprizes Pte. Limited, recoverable amount was expected to be lower than the carrying amount for such CGU due to higher operating costs and this resulted in provision for impairment loss of goodwill of ₹ 11.96 during then year ended and the provision for impairment loss has been disclosed under "Impairment on non-financial assets" in the Restated Consolidated Statement of Profit and loss.

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 ₹ 504.57 (previous year ₹ 74.97) 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.

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

5 Other intangible assets

Particulars	Franchisee rights	License fees	Computer softwares	Total
Gross carrying amount				
As at 1 April 2019	**-**	**479.54**	**95.86**	**575.40**
Acquisitions through business combination (refer note 50)	143.61	33.91	-	177.52
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	**143.61**	**563.88**	**109.59**	**817.08**
Acquisitions through business combination (refer note 50)	916.22	198.79	-	1,115.01
Additions other than above	-	343.31	5.14	348.45
Disposals	-	51.36	8.97	60.33
Exchange differences on translation of foreign operations	-	(2.04)	-	(2.04)
As at 31 March 2021	**1,059.83**	**1,052.58**	**105.76**	**2,218.17**
Accumulated amortisation				
As at 1 April 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**
Amortisation	48.46	80.34	14.54	143.34
Disposals	-	19.91	8.37	28.28
Exchange differences on translation of foreign operations	-	(1.21)	-	(1.21)
As at 31 March 2021	**48.46**	**204.37**	**75.09**	**327.92**
Accumulated impairment				
As at 1 April 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**
Impairment loss (refer note 42)	-	41.17	0.35	41.52
Impairment (reversal) (refer note 42)	-	(4.07)	-	(4.07)
Disposals	-	27.37	0.61	27.98
As at 31 March 2021	**-**	**27.66**	**7.40**	**35.06**
Net carrying amount				
As at 31 March 2020	**143.61**	**400.80**	**33.01**	**577.42**
As at 31 March 2021	**1,011.37**	**820.55**	**23.27**	**1,855.19**

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

6. Investments accounted for using equity method

Particulars	As at 31 March 2021	As at 31 March 2020
Interest in joint venture		
Investment in unquoted equity shares (accounted using equity method per Ind AS 28, Investments in Associates and Joint Ventures)		
Nil (previous year: 7,223,144) equity shares of The Minor Food Group (India) Private Limited of ₹ 10/- each, fully paid up (refer note 47)	-	25.00
Provision for impairment loss in the value of investments	-	(25.00)
Aggregate value of unquoted non-current investment	**-**	**-**
Aggregate provision for impairment in value of investments	-	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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Security deposits (considered good, unsecured)	435.36	491.60	143.11	129.17
Less: loss allowance	-	-	(1.54)	(1.04)
	435.36	**491.60**	**141.57**	**128.13**

8 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good				
Bank deposits ^ #	14.95	18.45	0.07	0.36
Lease rental receivables	56.27	21.59	11.73	1.04
Finance lease receivables	96.16	142.23	10.03	11.19
Other receivables	-	-	84.23	23.79
	167.38	**182.27**	**106.06**	**36.38**
Other receivables (credit impaired)	-	-	2.96	2.96
Less: loss allowance	-	-	(2.96)	(2.96)
	167.38	**182.27**	**106.06**	**36.38**

^Bank deposits include ₹ 14.95 (previous year : ₹ 16.24) 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 ₹ 0.01 (previous year: ₹ 2.21)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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9 Other assets

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital advances	147.42	25.20	-	-
Prepaid expenses	15.13	8.92	33.01	52.32
Prepaid rent	5.73	9.68	1.59	1.89
Balance with statutory/government authorities	26.13	26.96	72.21	69.67
Advances to employees	-	-	25.07	19.48
Share issue expenses (refer note 55)	-	-	5.88	-
Advance to suppliers	0.15	0.46	70.10	70.56
Less: loss allowance	-	-	(6.28)	(0.77)
	194.56	**71.22**	**201.58**	**213.15**

10 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
(Valued at the lower of cost and net realisable value)		
Raw materials including packaging materials	621.97	539.41
Stock-in-trade	-	181.46
	621.97	**720.87**

11 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
- Considered good- unsecured	168.80	172.99
- Credit impaired	34.00	28.66
	202.80	**201.65**
Less: loss allowance	(34.00)	(28.66)
	168.80	**172.99**

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.

12 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with banks :		
- On current accounts	351.16	125.04
Cash in hand	38.97	6.47
Cash in transit	9.49	0.75
	399.62	**132.26**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Other bank balances*		
- On deposit accounts^	5.71	28.06
	5.71	**28.06**

**Bank deposits ₹ 5.71 (previous year: ₹ 28.06) 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 ₹ 0.01 (previous year: ₹ 0.01)

14 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised capital		
125,000,000 equity shares of ₹ 10/- each *	-	1,250.00
1,250,000,000 equity shares of ₹ 1/- each *	1,250.00	-
	1,250.00	**1,250.00**
Issued, subscribed and fully paid -up		
106,166,666 equity shares of ₹ 10/- each *	-	1,061.67
1,153,634,990 equity shares of ₹ 1/- each *	1,153.63	-
	1,153.63	**1,061.67**

**The face value of equity shares of the Company has been split from ₹ 10 to ₹ 1 per share with effect from 25 March 2021*

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	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
Issued during the year	9,196,833	91.96	-	-
At the end of the year	**115,363,499**	**1,153.63**	**106,166,666**	**1,061.67**
Equity shares of ₹ 1/-each as at 31 March 2021 pursuant to share split with effect from 25 March 2021	1,153,634,990	1,153.63	-	-

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 1/- per share (pursuant to the share split from ₹ 10/- to ₹ 1/- per share with effect from 25 March 2021) . 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. 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.

During the current year, Yum Restaurants India Private Limited ("YRIPL") has been allotted 5,308,333 (pre-split of shares) equity shares of ₹ 10/- each of the Company. Further, Dunearn Investments (Mauritius) Pte Limited ("Dunearn"), and YRIPL, both the investors in the Company, enjoy certain exit rights as defined in their respective Shareholder's Agreements executed with the Company, including buyback of equity shares by the Company, equity swap in another listed entity of the Promoters ('RJ Corp Limited'), purchase by the Promoters or sale to third party, in either of the manner - as the case may be, in an eventuality of DIL not able to complete an IPO by a specified date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

c) Shares reserved for issue under options and contracts

For terms and other details of shares reserved for issue and options exercised during the year 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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
-RJ Corp Limited, India, holding and ultimate holding company				
Equity shares of ₹ 10/- each fully paid-up	-	-	81,108,607	76.40
Equity shares of ₹ 1/- each fully paid-up *	804,821,970	69.76	-	-
	804,821,970	**69.76**	**81,108,607**	**76.40**

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

Particulars		As at 31 March 2021		As at 31 March 2020	
		No. of shares	% holding	No. of shares	% holding
-	RJ Corp Limited, India, holding company				
	Equity shares of ₹ 10/- each	-	-	8,11,08,607	76.40
	Equity shares of ₹ 1/- each *	80,48,21,970	69.76	-	-
-	Dunearn Investments (Mauritius) Pte Limited				
	Equity shares of ₹ 10/- each	-	-	1,63,33,333	15.38
	Equity shares of ₹ 1/- each *	16,33,33,330	14.16	-	-
-	Mr. Varun Jaipuria				
	Equity shares of ₹ 10/- each	-	-	70,04,726	6.60
	Equity shares of ₹ 1/- each *	7,00,47,260	6.07	-	-

**The face value of equity shares of the Company has been split from ₹ 10/- to ₹ 1/- per share with effect from 25 March 2021*

f) For the period of five years immediately preceding the date of the Consolidated 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 2021 and 31 March 2020.

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

a) Reserves and Surplus

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium	8,126.54	4,632.61
General reserve	5.47	5.47
Retained earnings	(8,874.67)	(8,317.00)
Employee stock options outstanding account (refer note 40)	14.40	101.24
Exchange difference of translation of foreign operations	712.36	625
Total	**(15.90)**	**(2,952.68)**

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.

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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.

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)

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Lease liabilities (unsecured)#	7,936.96	11,759.04	787.38	1,122.83
	7,936.96	**11,759.04**	**787.38**	**1,122.83**

 # Secured to the extent of security deposit of ₹ 911.58 (previous year ₹ 919.29)

17 Borrowings

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Term loans (secured) from banks:				
Indian rupee term loans	2,923.83	2,653.76	447.12	712.09
Foreign currency term loans	143.90	235.11	111.68	113.96
Unsecured term loans from others:				
Redeemable, non-cumulative, non-convertible preference shares	77.23	47.91	24.18	59.68
Bodies corporate (refer note 38)	448.69	465.39	245.54	248.47
	3,593.65	**3,402.17**	**828.52**	**1,134.20**
Less. Current portion of long-term borrowings disclosed under other financial liabilities	-	-	828.52	1,134.20
	3,593.65	**3,402.17**	**-**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance of loans:		
Indian rupee term loan	3,365.85	3,107.08
Term Loan- Unsecured	713.86	563.83
Foreign currency term loan	349.07	430.01
Cash credit facilities from banks	904.56	676.93
Redeemable, non-cumulative, non-convertible preference shares (unsecured)	107.59	104.30
Lease liabilities	12,881.87	-
Cash flows		
Proceeds from long term borrowings	2,355.86	800.00
Repayment of long term borrowings	(2,401.07)	(651.19)
(Repayments)/proceeds of cash credit and overdraft facilities from banks (net)	(693.46)	227.63
Finance cost paid	(492.24)	(435.17)
Payment of lease liabilities- principal #	-	(1,043.52)
Payment of lease liabilities- interest	(825.69)	(1,123.90)
Non-cash changes		
Foreign currency exchange fluctuations due to reinstatement	(9.24)	52.99
Foreign currency exchange fluctuations due to reinstatement (Unsecured loan)	(19.63)	-
Exchange difference of translation of foreign operations	(9.80)	0.52
Changes in loans received at amortisation cost	(3.79)	(59.68)
Finance cost expense	1,577.59	1,687.91
Lease liabilities recognised on adoption of Ind AS 116	-	12,317.18
Gain on modification of leases	(52.71)	-
Gain on termination of leases	(611.39)	-
Rent concession	(1,158.89)	-
Additions/remeasurement of lease liabilities	(2,620.73)	1,608.20
Closing balance of secured loans		
Indian rupee term loans (secured)	3,370.95	3,365.85
Foreign currency term loans (secured)	255.58	349.07
Term loans from others (unsecured)	694.23	713.86
Redeemable, non-cumulative, non-convertible preference shares (unsecured)	101.41	47.91
Lease liabilities (unsecured)	8,724.34	12,881.87
Cash credit facilities from banks (secured)	211.10	904.56

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 ₹ 0.88 (previous year: ₹ 7.52). The same has been included in 'Other current financial liabilities'. Refer note 19.*

#Nil on account of adjustment for rent concessions

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

17 Borrowings

Sl. No	Bank	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
1	Axis Bank Limited	₹ Term loan - 1	-	59.80	- 1 instalments during FY 2021-22 - ₹ 60 each	9	1	Quarterly	7.30%
2	Yes Bank Limited	₹ Term loan - 2	-	-	The loan is fully repaid on 30th December 2020	-	-	Annualy	-
3	Ratnakar Bank Limited	₹ Term loan - 3	-	-	The loan is fully repaid on 19th March 2021	-	-	Quarterly	-
4	Ratnakar Bank Limited	₹ Term loan - 10	836.25	55.90	- 3 instalments during FY 2021-22 - ₹ 18.58 each - 12 instalments during FY 2022-23 - ₹ 18.58 each - 12 instalments during FY 2023-24 - ₹ 18.58 each - 12 instalments during FY 2024-25 - ₹ 18.58 each - 9 instalments during FY 2025-26 - ₹ 18.58 each"	57	48	Monthly	6.00%
5	Yes Bank Limited	USD Term loan - 1	70.68	56.47	- 4 instalments during FY 2021-22- USD 0.19 million each - 4 instalments during FY 2022-23- USD 0.19 million each - 1 instalments during FY 2023-24- USD 0.19 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme.	27	9	Quarterly	5.25%
6	Yes Bank Limited	USD Term loan - 2	60.91	48.58	- 4 instalments during FY 2021-22- USD 0.17 million each - 4 instalments during FY 2022-23- USD 0.17 million each - 1 instalments during FY 2023-24- USD 0.17 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme."	27	9	Quarterly	5.50%

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Sl. No	Bank	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
7	IndusInd Bank Limited	₹ Term loan - 4	550.00	0.11	- 1 instalment during FY 2022-23- ₹ 62.5 - 3 instalments during FY 2023-24- ₹ 62.5 each - 1 instalment during FY 2023-24- ₹ 75 - 3 instalments during FY 2024-25- ₹ 75 each Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme. Further prepayment of ₹ 87.50 made in July-20.	43	8	Quarterly	7.50%
8	IDFC First Bank Limted	₹ Term loan - 5	-	-	The loan is fully repaid on 26th March 2021	-	-	Quarterly	-
9	IndusInd Bank Limited	₹ Term loan - 6	650.00	0.13	- 1 instalments during FY 2022-23- ₹ 40 each - 4 instalments during FY 2023-24- ₹ 40 each - 1 instalment during FY 2024-25- ₹ 40 - 3 instalments during FY 2024-25- ₹ 50 each - 4 instalments during FY 2025-26- ₹ 50 each - 1 instalment during FY 2026-27- ₹ 60	61	14	Quarterly	7.50%
10	SBM Bank Limited	₹ Term loan - 7	-	198.87	- ₹ 200 of loan is paid on 19 March 2021 - remaining 50% of loan to be paid in 1 instalments on 1st April 2021 - ₹ 200	1	1	Quarterly	9.30%
11	Axis Bank Limited	₹ Term loan - 8	440.19	98.99	- 3 instalments during FY 2021-22 - ₹ 34.375 each - 4 instalments during FY 2022-23 - ₹ 34.375 each - 4 instalments during FY 2023-24 - ₹ 34.375 each - 4 instalments during FY 2024-25 - ₹ 34.375 each - 1 instalment during FY 2025-26 - ₹ 34.375 each"	51	16	Quarterly	7.30%

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Sl. No	Bank	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
12	IndusInd Bank Limited	₹ Term loan - 9	447.39	33.31	- 3 instalments during FY 2021-22 - ₹ 12.50 each - 4 instalments during FY 2022-23 - ₹ 12.50 each - 1 instalment during FY 2023-24 - ₹ 12.50 - 3 instalments during FY 2023-24 - ₹ 18.75 each - 4 instalments during FY 2024-25 - ₹ 18.75 each - 1 instalment during FY 2025-26 - ₹ 18.75 - 3 instalments during FY 2025-26 - ₹ 31.25 each - 4 instalments during FY 2026-27 - ₹ 31.25 each - 1 instalment during FY 2027-28 - ₹ 31.25	74	24	Quarterly	7.50%
13	High Street Food Services Private Limited	₹ Term Loan		0.95	The term loan is repayable in 1 quarterly instalment as below mentioned : - 1 instalment during 2021-22- ₹ 0.39 Period of maturity from the balance sheet date is 3 months.	3	1	Quarterly	12.00%
14	High Street Food Services Private Limited	Prefrence Share	77.23	24.18	2.25 million redeemable preference shares were issued during the year 2017-2018 as fully paid with a par value of ₹ 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 terms of redemption of preference shares (which were due for redemption) has been extended for further period of five years in the current year.	-	-	-	8.00%
15	Yes Bank Limited	₹ Term Loan	-	-	The term loan is fully repaid in the month of December 2020	-	-	Quarterly	0.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

Sl. No	Bank	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
16	Everest Bank Limited	NPR Term Loan 1	6.26	3.93	The term loan is repayable in 11 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 0.984 each - 4 instalments during 2022-23- ₹ 0.984 each - 2 instalments during 2023-24- ₹ 0.984 each - 1 instalment during 2023-24-of ₹ 0.35 each Period of maturity from the balance sheet date is 33 months.	33	11	Quarterly	8.52%
17	Everest Bank Limited	NPR Term Loan 2	6.06	2.70	The term loan is repayable in 13 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹0.674 each - 4-installments during 2022-23- ₹0.674 each - 4-installments during 2023-24- ₹0.674 each - 1-installments during 2023-24- ₹0.664 each Period of maturity from the balance sheet date is 33 months."	33	13	Quarterly	8.52%
18	Chellarams Plc	NGN Unsecured TL	1.63	1.09	The term loan rescheduled in financial year 2020-21 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2021-22- ₹ 0.54 each - 2 instalments during 2022-23- ₹ 0.54 each - 1 instalment during 2023-24- ₹ 0.54 each Period of maturity from the balance sheet date is 27 months."	27	5	Quarterly	5.00%

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for the year ended 31 March, 2021

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

Sl. No	Bank	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
19	Chellarams Plc	NGN Unsecured TL	6.00	4.80	The term loan rescheduled in financial year 2020-21 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2021-22- ₹ 2.16 each - 2 instalments during 2022-23- ₹ 2.16 each - 1 instalment during 2023-24- ₹ 2.16 Period of maturity from the balance sheet date is 27 months.	27	5		
20	Chellarams Plc	NGN Unsecured TL	7.56	6.04	The term loan rescheduled in financial year 2020-21 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2021-22- ₹ 2.72 each - 2 instalments during 2022-23- ₹ 2.72 each - 1 instalment during 2023-24- ₹ 2.72 Period of maturity from the balance sheet date is 27 months.	27	5	Quarterly	5.00%
21	Chellarams Plc	NGN Unsecured TL	12.00	6.00	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 1.50 each - 4 instalments during 2022-23- ₹ 1.50 each - 4 instalments during 2023-24- ₹ 1.50 each Period of maturity from the balance sheet date is 36 months."	36	12	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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Sl. No	Bank	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
22	Chellarams Plc	USD Unsecured TL	104.19	52.06	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 13.02 each - 4 instalments during 2022-23- ₹ 13.02 each - 4 instalments during 2023-24- ₹ 13.02 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%
23	Chellarams Plc	USD Unsecured TL	88.50	44.25	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 11.06 each - 4 instalments during 2022-23- ₹ 11.06 each - 4 instalments during 2023-24- ₹ 11.06 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%
24	Chellarams Plc	USD Unsecured TL	41.65	20.83	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 5.21 each - 4 instalments during 2022-23- ₹ 5.21 each - 4 instalments during 2023-24- ₹ 5.21 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%
25	Chellarams Plc	USD Unsecured TL	41.64	20.82	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 5.21 each - 4 instalments during 2022-23- ₹ 5.21 each - 4 instalments during 2022-24- ₹ 5.21 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

Sl. No	Bank	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
26	Chellarams Plc	USD Unsecured TL	62.47	31.23	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 7.81 each - 4 instalments during 2022-23- ₹ 7.81 each - 4 instalments during 2023-24- ₹ 7.81 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%
27	Chellarams Plc	USD Unsecured TL	63.72	47.79	The term loan rescheduled in financial year 2020-21 and repayable in 10 quarterly instalments as below mentioned is repayable in 10 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 11.15 each - 4 instalments during 2022-23- ₹ 11.15 each - 2 instalment during 2023-24- ₹ 11.15 each Period of maturity from the balance sheet date is 28 months.	28	10	Quarterly	5.00%
28	Chellarams Plc	USD Unsecured TL	19.34	9.68	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 2.42 each - 4 instalments during 2022-23- ₹ 2.42 each - 4 instalments during 2023-24- ₹ 2.42 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%

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Description	Terms of security
1 to 3 & 5 to 12	First Pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.
1 to 3 & 5 to 12	First Pari passu 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.
1 to 2 & 4 to 12	Second pari passu charge by way of hypothecation on the entire current assets of the Company both present and future.
4	Second Pari Passu Charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. and 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.
4	100% Guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC)
10 to 12 & 16 to 17	Personal guarantee of Mr. Ravi Kant Jaipuria
11	Corporate guarantee of RJ Corp Limited
12	Personal guarantee Ravi Kant Jaipuria and sons (HUF)
16 & 17	Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company and the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors

17 Borrowings

Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
1	Axis Bank Limited	₹ Term loan - 1	179.92	243.26	The term loan is repayable in 7 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2020-21 - ₹. 60 each - 3 instalments during Financial Year 2021-22 - ₹. 60 each Period of maturity from the balance sheet date is 21 months.	21	7	Quarterly	10.05%
2	Yes Bank Limited	₹ Term loan - 2	120.00	61.59	The term loan is repayable in 3 annual instalments as below mentioned : - 1 instalment during Financial Year 2020-21 - ₹. 60 - 1 instalment during Financial Year 2021-22 - ₹. 60 - 1 instalment during Financial Year 2022-23 - ₹. 60 Period of maturity from the balance sheet date is 36 months.	36	3	Annualy	10.40%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
3	Ratnakar Bank - 2	₹ Term loan - 3	374.08	135.52	The term loan is repayable in 15 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2020-21 - ₹. 34.09 each - 4 instalments during Financial Year 2021-22 - ₹. 34.09 each - 4 instalments during Financial Year 2022-23 - ₹. 34.09 each - 3 instalments during Financial Year 2023-24 - ₹. 34.09 each Period of maturity from the balance sheet date is 43 months.	43	15	Quarterly	9.10%
4	Yes Bank Limited	USD Term loan - 1	116.02	57.86	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.	36	12	Quarterly	5.25%
5	Yes Bank Limited	USD Term loan - 2	99.90	49.71	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.	36	12	Quarterly	5.50%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
6	IndusInd Bank Limited	₹ Term loan	825.00	125.21	The term loan is repayable in 18 quarterly instalments as below mentioned : - 2 instalment during Financial Year 2020-21- ₹. 25 each - 2 instalments during Financial Year 2020-21- ₹. 37.5 each - 2 instalment during Financial Year 2021-22- ₹. 37.5 each - 2 instalments during Financial Year 2021-22- ₹. 50 each - 2 instalment during Financial Year 2022-23- ₹. 50 each - 2 instalments during Financial Year 2022-23- ₹. 62.5 each - 2 instalment during Financial Year 2023-24- ₹. 62.5 each - 2 instalments during Financial Year 2023-24- ₹. 75 each - 2 instalment during Financial Year 2024-25- ₹. 75 each Period of maturity from the balance sheet date is 52 months."	52	18	Quarterly	9.90%
7	IDFC First Bank Limted	₹ Term loan - 5	300.00	100.11	The term loan is repayable in 16 quarterly instalments as below mentioned : - 4 instalments during Financial Year 2020-21- ₹. 25 each - 4 instalments during Financial Year 2021-22- ₹. 25 each - 4 instalments during Financial Year 2022-23- ₹. 25 each - 4 instalments during Financial Year 2023-24- ₹. 25 each Period of maturity from the balance sheet date is 48 months.	48	16	Quarterly	10.15%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
8	IndusInd Bank Limited	₹ Term loan	780.00	20.26	The term is loan repayable in 23 quarterly instalments as below mentioned : - 2 instalment during Financial Year 2020-21- ₹. 10 each - 4 instalment during Financial Year 2021-22- ₹. 10 each - 1 instalment during Financial Year 2022-23- ₹. 10 - 3 instalment during Financial Year 2022-23- ₹. 40 each - 4 instalment during Financial Year 2023-24- ₹. 40 each - 1 instalment during Financial Year 2024-25- ₹. 40 - 3 instalment during Financial Year 2024-25- ₹. 50 each - 4 instalment during Financial Year 2025-26- ₹. 50 each - 1 instalment during Financial Year 2025-26- ₹. 60 Period of maturity from the balance sheet date is 73 months.	73	23	Quarterly	9.72%
9	High Street Food Services Private Limited	₹ Term Loan	-	0.39	The term loan is repayable in 1 quarterly instalment as below mentioned : - 1 instalment during 2020-21- ₹ 0.39 Period of maturity from the balance sheet date is 3 months."	3	1	Quarterly	12.00%
10	High Street Food Services Private Limited	Prefrence Share	47.91	59.68	2.25 million redeemable preference shares were issued during the year 2017-2018 as fully paid with a par value of ₹ 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.	-	-	-	8.00%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
11	Yes Bank Limited	₹ Term Loan	75.01	25.91	The term loan is repayable in 16 equal quarterly instalments as mentioned below. - 4 instalment during 2020-21- ₹ 6.25 each - 4 instalment during 2021-22- ₹ 6.25 each - 4 instalment during 2022-23- ₹ 6.25 each - 4 instalment during 2023-24- ₹ 6.25 each Period of maturity from the balance sheet date is 48 months "	48.00	16.00	Quarterly	10.00%
12	Everest Bank Limited	NPR Term Loan	10.45	3.67	The term loan is repayable in 15 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹0.984 each - 4 instalments during 2021-22- ₹0.984 each - 4-installments during 2022-23- ₹0.984 each - 2-installments during 2023-24- ₹0.984 each - 1-installments during 2023-24-of ₹0.35 each Period of maturity from the balance sheet date is 45 months."	45	15	Quarterly	11.70%
13	Everest Bank Limited	NPR Term Loan	8.49	2.96	The term loan is repayable in 17 quarterly instalments as below mentioned : - 5 instalments during 2020-21- ₹0.674 each - 4 instalments during 2021-22- ₹0.674 each - 4-installments during 2022-23- ₹0.674 each - 3-installments during 2023-24- ₹0.674 each - 1-installments during 2023-24- ₹0.664 each Period of maturity from the balance sheet date is 45 months.	45	17	Quarterly	11.70%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
14	Chellarams Plc	NGN Unsecured TL	4.41	2.94	The term loan rescheduled in financial year 2019-20 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2020-21- ₹1.47 each - 2 instalments during 2021-22- ₹1.47 each - 1 instalment during 2022-23- ₹1.47 each Period of maturity from the balance sheet date is 30 months."	30	5	Quarterly	5.00%
15	Chellarams Plc	NGN Unsecured TL	12.20	9.76	The term loan rescheduled in financial year 2019-20 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2020-21- ₹ 4.39 each - 2 instalments during 2021-22- ₹ 4.39 each - 1 instalment during 2022-23- ₹ 4.40 Period of maturity from the balance sheet date is 27 months.	27	5	Quarterly	5.00%
16	Chellarams Plc	NGN Unsecured TL	12.96	6.48	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 1.62 each - 4 instalments during 2021-22- ₹ 1.62 each - 4 instalments during 2022-23- ₹ 1.62 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%
17	Chellarams Plc	USD Unsecured TL	111.33	48.86	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 13.35 each - 4 instalments during 2021-22- ₹ 13.35 each - 4 instalments during 2022-23- ₹ 13.34 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
18	Chellarams Plc	USD Unsecured TL	90.77	45.38	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 11.35 each - 4 instalments during 2021-22- ₹ 11.35 each - 3 instalments during 2022-23- ₹ 11.35 each - 1 instalment during 2022-23- ₹ 11.30 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%
19	Chellarams Plc	USD Unsecured TL	42.72	21.36	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 5.34 each - 4 instalments during 2021-22- ₹ 5.34 each - 4 instalments during 2022-23- ₹ 5.34 each Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%
20	Chellarams Plc	USD Unsecured TL	42.71	21.35	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 5.34 each - 4 instalments during 2021-22- ₹ 5.34 each - 3 instalments during 2022-23- ₹ 5.34 each - 1 instalment during 2022-23- ₹ 5.32 Period of maturity from the balance sheet date is 36 months.	36	12	Quarterly	5.00%

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Sl. No	Bank	Description	31 March 2020		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
21	Chellarams Plc	USD Unsecured TL	64.07	32.03	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 8.01 each - 4 instalments during 2021-22- ₹ 8.01 each - 3 instalments during 2022-23- ₹ 8.01 each - 1 instalment during 2022-23- ₹ 7.99 Period of maturity from the balance sheet date is 36 months."	36	12	Quarterly	5.00%
22	Chellarams Plc	USD Unsecured TL	71.18	53.38	The term loan rescheduled in financial year 2019-20 and repayable in 10 quarterly instalments as below mentioned is repayable in 10 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 12.46 each - 4 instalments during 2021-22- ₹ 12.46 each - 2 instalments during 2022-23- ₹ 12.44 each Period of maturity from the balance sheet date is 28 months.	28	10	Quarterly	5.00%
23	Chellarams Plc	USD Unsecured TL	13.05	6.53	The term loan rescheduled in financial year 2019-20 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2020-21- ₹ 1.63 each - 4 instalments during 2021-22- ₹ 1.63 each - 3 instalments during 2022-23- ₹ 1.63 each - 1 instalment during 2022-23- ₹ 1.65 Period of maturity from the balance sheet date is 36 months."	36	12	Quarterly	5.00%

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Description	Terms of security
1 to 8	First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.
1 to 8	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.
1 to 2 & 4 to 8	Second pari passu charge by way of hypothecation on the entire current assets of the Company both present and future.
12 & 13	Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company and the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors
11	First Pari Passu Charge over entire Movable Fixed assets and Current Assets (both present and future), Unconditional and Irrevocable Corporate Guarantee of Devyani International Limited & Non Disposable Undertaking (NDU) from Devyani International for its shareholding in Devyani Food Street Private Limited.
12 & 13	Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company and the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of Mr Ravi Kant Jaipuria

18 Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand from banks		
Cash credit facilities from banks (secured)	211.10	904.56
	211.10	**904.56**

Details for current borrowings:

Terms of loan	As at 31 March 2021	As at 31 March 2020
The credit facility taken from Standard Chartered Bank carries interest rate of 18% p.a. (Previous year 18% p.a.) The facility is secured by: The credit 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	75.06	127.47
The credit facility taken from ICICI Bank Limited carries variable interest rate, curranty 9.75% p.a. (previous year: 9.75%). 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 carries interest rate of HDFC Bank , currently 7.75 % p.a. (previous year: 9.15 % p.a), (interest payable on monthly rests). The credit facility is secured by: - First pari passu charge on entire current assets of the company with IDBI Bank. - Second pari passu charge on all property, plant and equipment of the Company.	136.04	496.55
The credit facility taken from IndusInd Bank Limited carries variable interest rate, currently 9.95% p.a. (previous year: 9.95%). 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

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19 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current portion of long-term borrowings (refer note 17)	-	-	828.52	1,134.20
Security deposits payable	42.07	38.84	13.62	20.79
Derivatives (interest rate swap)	7.23	13.98	-	-
Employee related payables	-	-	110.29	258.54
Capital creditors	-	-	341.26	467.69
Other payables	-	-	12.25	15.69
	49.30	**52.82**	**1,305.94**	**1,896.91**

20 Provisions

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits				
Gratuity (refer note 45)	110.66	76.26	54.63	27.25
Compensated absences	58.49	39.47	28.31	16.90
	169.15	**115.73**	**82.94**	**44.15**

21 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Deferred income	9.74	10.49	5.05	3.62
Advances from customers*	-	-	31.72	32.40
Statutory dues payable				
Goods and service tax/ value added tax payables	-	-	85.80	42.67
Tax deducted at source payable	-	-	36.88	49.28
Other statutory dues payable	-	-	33.09	42.47
Other payable	-	-	0.94	-
	9.74	**10.49**	**193.48**	**170.44**

*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)	As at 31 March 2021	As at 31 March 2020
Opening balance	32.40	31.19
Revenue recognized that was included in the contract liability balance at the beginning of the year	(32.40)	(31.19)
Closing balance	**31.72**	**32.40**

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22 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Micro enterprises and small enterprises (refer note below)	150.53	20.91
Other than micro enterprises and small enterprises*	1,468.47	1,610.98
	1,619.00	**1,631.89**

** 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 2021	As at 31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	146.53	20.37
- Interest	4.00	0.54
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.	231.32	21.65
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.	3.16	0.39
The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.46	0.55
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.	0.89	0.58

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23 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Finished goods	11,152.67	14,785.81
Traded goods	41.27	44.59
Other operating revenues		
Marketing and other services	20.04	105.78
Rental and maintenance income	133.24	221.43
Scrap sales	1.16	6.25
	11,348.38	**15,163.86**

24 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under effective interest method from:		
- bank deposits	2.76	4.55
- others	4.76	11.16
Interest income from financial assets at amortized cost	96.43	77.14
Liabilities no longer required written back	43.09	28.97
Gain on modification of leases	52.71	16.49
Gain on termination of leases	-	19.88
Rent concession [refer note 36 A (iii)]	431.17	-
Gain on net investment in finance lease	-	18.76
Derivatives at fair value through profit and loss	6.75	-
Others	2.90	9.60
	640.57	**186.55**

25 Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw material and packing material consumed		
Inventories at the beginning of the year	539.41	396.78
Add: Purchases during the year	3,469.49	4,629.81
Less: Inventories at the end of the year	621.97	539.41
	3,386.93	**4,487.18**

26 Purchases of stock-in-trade

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases of stock-in-trade	59.67	116.78
	59.67	**116.78**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

27 Employee benefit expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus #	1,369.79	2,007.58
Contribution to provident and other funds	86.44	147.54
Gratuity (refer note 45)	28.78	25.09
Staff welfare expenses	58.31	74.64
	1,543.32	**2,254.85**

 # The amount includes "Employee stock option scheme expenses/(reversal)" for ₹ 22.83 (Previous year: ₹ (12.18)). Refer note 40.

28 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses	1,483.87	1,456.29
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost	33.27	127.37
Others borrowing costs	10.89	0.71
	1,528.03	**1,584.37**

29 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3A)	803.73	805.84
Depreciation on right-of-use asset (refer note 3D)	1,299.31	1,308.76
Depreciation on investment properties (refer note 3C)	48.15	52.73
Amortisation of other intangible assets (refer note 5)	143.34	65.81
	2,294.53	**2,233.14**

30 Impairment of non-financial assets

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Impairment/(reversal) on property, plant and equipment (refer note 3A)	405.22	(50.34)
Impairment on right-of-use assets (refer note 3D)	37.38	82.86
Impairment on investment properties (refer note 3C)	-	0.77
Impairment/(reversal) of goodwill (refer note 4)	-	11.96
Impairment/(reversal) of other intangible assets (refer note 5)	37.45	(6.48)
	480.05	**38.77**

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31 Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	651.36	959.34
Rent [refer note 36 A (iii)]	-	800.24
Repairs and maintenance		
- Plant and equipment	118.85	162.67
- Buildings	281.53	383.79
- Others	87.58	84.17
Rates and taxes	70.30	87.90
Travelling and conveyance	45.56	98.96
Legal and professional	38.85	60.78
Auditor's remuneration (refer note below)	10.17	9.55
Water	29.63	41.21
Insurance	20.19	13.29
Printing and stationery	11.01	15.34
Communication	60.05	100.29
Directors' sitting fee	2.79	1.73
Security and service	49.92	126.65
Bank charges	17.84	25.09
Advertisement and sales promotion	661.79	824.42
Commission and brokerage	819.38	517.28
Royalty and continuing fees	724.99	840.39
Freight including delivery charges	183.68	207.66
Loss on sale of property, plant and equipment (net)	87.38	82.12
Bad debts and advances written off	-	0.13
Loss allowance	12.36	27.04
Net loss on foreign currency transactions and translations	36.31	193.70
Derivatives at fair value through profit and loss	-	8.62
General office and other miscellaneous	67.66	77.85
	4,089.18	**5,750.21**

Note - Auditor's remuneration

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor		
Statutory audit*	9.17	7.91
Tax matters	0.67	0.31
Others matters	0.05	1.01
Outlays	0.28	0.32
	10.17	**9.55**

**Inclusive of applicable taxes*

32 Exceptional items

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gain on termination of lease *	(568.84)	(345.78)
	(568.84)	**(345.78)**

**The Group has recorded gain on termination of leases for the current year comprises on account of termination of leases with Airport Authority of India in respect of airports namely Trichi, Lucknow, Raipur and Srinagar amounting to ₹ 491.16 and the balance amount in respect of termination of leases of other loss making stores.*

During the previous year, the Group has booked a gain of ₹ 345.78 on account of termination of lease with Mumbai International Airport Limited.

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33. Income and deferred taxes

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The tax expense comprises of :		
Current tax	9.75	13.48
Deferred tax (credit)/expense	(20.43)	4.93
	(10.68)	**18.41**
Income tax recognised in other comprehensive income		
Income tax relating to remeasurement of defined benefit plans	(0.14)	(0.34)
Income tax relating to exchange difference in translating financial statements of foreign operations	-	-
	(0.14)	**(0.33)**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(640.55)	(1,195.77)
Tax using the Company's domestic tax rate [31.20% (previous year: 31.20%)]	199.85	373.08
Effect of :		
Difference in tax rate of various entities	(24.46)	(15.10)
Expenses not deductible under tax laws	70.32	88.98
Difference in applicable tax rates and tax rates used to measure deferred taxes [refer note (ii) below]	(39.39)	(81.48)
Effect of change in income tax rates [refer note (ii) below]	-	(400.14)
Difference in tax rates @	(14.42)	(15.22)
Impact of gain on loss of control (non-taxable)	(162.80)	-
Others	42.54	101.65
Unrecognised deferred tax asset on deductible temporary differences [refer note (iv) below]	(60.96)	(70.18)
	(10.68)	**18.41**

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

Particulars	As at 31 March 2021	As at 31 March 2020
	Non Current	
Income tax assets and liabilities		
Advance tax (net of provision of tax)	80.46	94.95
	80.46	**94.95**
	Current	
Income tax liability (net of provision of advance tax)	6.85	6.88
	6.85	**6.88**
	Non Current	
Deferred taxes (net)		
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused tax losses and depreciation	1,246.18	1,101.72
Expenses allowed on payment/actual basis	93.95	143.55
Employee stock option outstanding account	4.52	25.80
Derivative instruments	1.82	3.52
Lease liabilities (net of right of use assets)	407.41	531.61
Property, plant and equipment exceeds its tax base	333.22	205.13
Financial instruments measured at amortised cost	71.38	66.28
Deferred tax assets	**2,158.48**	**2,077.61**
Deferred tax asset [refer note (iv) below]	**97.06**	**77.15**
Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(1.28)	(1.66)
Deferred tax liabilities	**(1.28)**	**(1.66)**
Net deferred tax assets/(liabilities) [refer note (iv) below]	**95.78**	**75.49**

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Notes:

(i) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2021

	As at 31 March 2020	On adoption of Ind AS 116	Credited/(charged) Profit or Loss	Credited/(charged) OCI	As at 31 March 2021
Tax effect of items constituting deferred tax assets:					
Unused tax losses and depreciation	1,101.72	-	144.46	-	1,246.18
Expenses allowed on payment/actual basis	143.55	-	(49.46)	(0.14)	93.95
Employee stock option outstanding account	25.80	-	(21.28)	-	4.52
Derivative instruments	3.52	-	(1.70)	-	1.82
Lease liabilities (net of right of use assets)	531.61	-	(124.20)	-	407.41
Property, plant and equipment exceeds its tax base	205.13	-	128.09	-	333.22
Financial instruments measured at amortised cost and others	66.28	-	5.10	-	71.38
Total deferred tax assets	**2,077.61**	**-**	**81.01**	**(0.14)**	**2,158.48**
Tax effect of items constituting deferred tax liabilities					
Financial instruments measured at amortised cost	(1.66)	-	0.38	-	(1.28)
Total deferred tax liabilities	**(1.66)**	**-**	**0.38**	**-**	**(1.28)**

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) Profit or Loss	Credited/(charged) OCI	As at 31 March 2020
Tax effect of items constituting deferred tax assets:					
Unused tax losses and depreciation	1,228.20	-	(126.48)	-	1,101.72
Expenses allowed on payment/actual basis	76.04	-	67.85	(0.34)	143.55
Employee stock option outstanding account	39.81	-	(14.01)	-	25.80
Derivative instruments	1.87	-	1.65	-	3.52
Lease liabilities (net of right of use assets)	-	417.08	114.53	-	531.61
Property, plant and equipment exceeds its tax base	368.73	-	(163.60)	-	205.13
Financial instruments measured at amortised cost and others	18.38	-	47.90	-	66.28
Total deferred tax assets	**1,733.03**	**417.08**	**(72.16)**	**(0.34)**	**2,077.61**
Tax effect of items constituting deferred tax liabilities					
Financial instruments measured at amortised cost-liability	(139.07)	-	137.41	-	(1.66)
Total deferred tax liabilities	**(139.07)**	**-**	**137.41**	**-**	**(1.66)**

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(ii) The Group has measured its deferred tax assets and liabilities based on the income tax rates that are expected to apply to the period when such assets/liabilities are expected to be realized/settled. As per section 115BBA of the Income-tax Act 1961 (the 'Act'), as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance), the certain companies of the Group incorporated in India and covered under the Act has an option to opt for a lower tax rate of 25.168%, as against current applicable tax rate of 31.20%). However, the Company has not yet opted for such reduced income tax rate and expects to do so in the year in which the Company has profits while other companies covered under the Act has opted for such reduced tax rates. Further, the Company also expects that the reversal of deferred tax will also happen at that point of time only and at reduced rate. Hence, deferred tax has been calculated at 25.168% in the above reconciliation of tax expense.

(iii) **Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:**

	As at 31 March 2021		As at 31 March 2020	
	Gross amount	Unrecognised tax effects	Gross amount	Unrecognised tax effects
Unabsorbed depreciation				
Never expire	4,134.73	1,040.63	4,170.77	1,049.70
Unused tax losses (expiry asessment year wise)				
2026-27	73.21	19.04	73.21	19.04
2027-28	131.06	32.98	131.06	32.98
2029-30	659.02	153.53	-	-
Other deductible temporary differences (never expire)	3,619.76	911.02	3,870.91	974.23

(iv) The Group recognised deferred tax assets ₹ 95.78 (previous year: ₹ 75.49) 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 2021 and as at 31 March 2020, 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. Earnings/(Loss) per share (EPS/LPS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020^
Loss from continuing operations attributable to equity shareholders for calculation of basic and diluted LPS	(735.45)	(790.07)
Profit/(Loss) from discontinued operations attributable to equity shareholders for calculation of basic and diluted EPS/(LPS)	183.37	(426.66)
Weighted average number of equity shares for the calculation of basic LPS#	1,100,217,249	1,061,666,660
Effect of dilutive potential equity shares*		
– Employee stock options	-	-
Weighted average number of equity shares for calculation of diluted LPS	1,100,217,249	1,061,666,660
Profit/(Loss) per share from continuing operations (₹) (basic and diluted)	(0.67)	(0.74)
Profit/(Loss) per share from discontinued operation operations (₹) (basic and diluted)	0.17	(0.40)
Nominal value per shares (₹)#	1.00	1.00

** In respect of continuing/discontinued operations, the outstanding potential equity shares had an anti-dilutive effect on EPS, hence there was no dilution of EPS in current and previous year.*

 # Equity shares of ₹ 1 each as at 31 March 2021 pursuant to share split with effect from 25 March 2021

^ The basic and diluted loss per share for the year ended 31 March 20 is restated to take the effect of share split.

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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 2021

Particulars	Carrying value					Fair value measurement using		
	Note	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	7	-	-	435.36	435.36	-	-	435.36
(ii) Other financial assets*	8	-	-	167.38	167.38	-	-	-
Current								
(i) Trade receivables*	11	-	-	168.80	168.80	-	-	-
(ii) Cash and cash equivalents*	12	-	-	399.62	399.62	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	5.71	5.71	-	-	-
(iv) Loans	7	-	-	141.57	141.57	-	-	141.57
(v) Other financial assets*	8	-	-	106.06	106.06	-	-	-
Total		**-**	**-**	**1,424.50**	**1,424.50**			
Financial liabilities								
Non current								
(i) Lease liabilities#	16	-	-	7,936.96	7,936.96	-	-	7,936.96
(ii) Borrowings#	17	-	-	3,593.65	3,593.65	-	-	3,593.65
(iii) Other financial liabilities (other than derivatives below)	19	-	-	42.07	42.07	-	-	-
(iv) Derivatives (interest rate swap)		7.23	-	-	7.23	-	7.23	-
Current**								
(i) Lease liabilities#	16	-	-	787.38	787.38	-	-	787.38
(ii) Borrowings#	18	-	-	211.10	211.10	-	-	211.10
(iii) Trade payables*	22	-	-	1,619.00	1,619.00	-	-	-
(iv) Other financial liabilities	19	-	-	1,305.94	1,305.94	-	-	-
Total		**7.23**	**-**	**15,496.10**	**15,503.33**			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

(ii) As on 31 March 2020

Particulars	Carrying value					Fair value measurement using		
	Note	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	7	-	-	491.60	491.60	-	-	491.60
(ii) Other financial assets*	8	-	-	182.27	182.27	-	-	-
Current**								
(i) Trade receivables*	11	-	-	172.99	172.99	-	-	-
(ii) Cash and cash equivalents*	12	-	-	132.26	132.26	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	28.06	28.06	-	-	-
(iv) Loans	7	-	-	128.13	128.13	-	-	128.13
(v) Other financial assets*	8	-	-	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#	16	-	-	3,402.17	3,402.17	-	-	3,402.17
(iii) Other financial liabilities (other than derivatives below)	18	-	-	38.84	38.84	-	-	-
(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#	17	-	-	904.56	904.56	-	-	904.56
(iii) Trade payables*	22	-	-	1,631.89	1,631.89	-	-	-
(iv) Other financial liabilities	18	-	-	1,896.91	1,896.91	-	-	-
Total		**13.98**	**-**	**20,756.24**	**20,770.22**			

*** 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 2021 and 31 March 2020.

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

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

- Credit risk;
- Liquidity risk;
- Market Risk - Foreign Currency;
- 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 2021	As at 31 March 2020
(i) Loans (including security deposits, current and non current)	576.93	619.73
(ii) Trade receivables	168.80	172.99
(ii) Cash and cash equivalents	399.62	132.26
(iv) Bank balances other than cash and cash equivalents, above	5.71	28.06
(v) Other financial assets (current and non-current)	273.44	218.65

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.

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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

Particulars	Gross Carrying Amount	
	As at 31 March 2021	As at 31 March 2020
Not due	135.57	93.44
1-90 days past due*	16.17	56.61
91 to 180 days past due*	-	5.17
More than 180 days past due #	-	9.86
	151.74	**165.08**

For trade receivables from related parties

Particulars	Gross Carrying Amount	
	As at 31 March 2021	As at 31 March 2020
Not due	15.92	6.60
1-90 days past due*	0.04	0.78
91 to 180 days past due*	0.36	0.53
181 to 365 days past due *	0.74	-
	17.06	**7.91**

** 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 collections.*

 # The Group based upon past trends determines an impairment allowance for doubtful receivables (other than receivables from related parties) outstanding for more than 365 days past due.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Changes in the loss allowance in respect of trade receivables	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	28.66	6.38
Bad debts written off	-	0.13
Impairment allowances for doubtful receivables #	5.34	22.15
Balance at the end of the year	**34.00**	**28.66**

(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 ₹ 405.33 (previous year: ₹ 160.32), anticipated future internally generated funds from operations and its fully available, revolving undrawn credit facility of ₹ 713.97 (previous year: ₹ 73.10) and other current assets (financial and non-financial) of ₹ 1,038.40 (previous year: ₹ 1,058.37) 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 2021, the Group has earned a cash inflow from operating activities of ₹ 2,395.58 (previous year ₹ 3,007.16). Further, the Group generated Earnings before Tax, depreciation and amortisation, impairment and fair valuation gains/losses of ₹ 1,381.82 (previous year: ₹ 1,157.02)

Based on financial projections, revised and detailed business strategies, 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 2021 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 future.

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.

As at 31 March 2021	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Long term borrowings including current portion	4,422.17	1,094.09	3,814.00	288.85	5,196.94
Lease liabilities	8,724.34	2,181.08	5,482.60	6,062.57	13,726.25
Trade Payables	1,619.00	1,619.00	-	-	1,619.00
Security deposits payable	55.69	10.70	55.54	0.60	66.84
Short term borrowings	211.10	211.10	-	-	211.10
Capital creditors	341.26	341.26	-	-	341.26
Others	122.54	122.54	-	-	122.54
	15,496.10	**5,579.77**	**9,352.14**	**6,352.02**	**21,283.93**
Derivative financial liabilities					
Interest rate swap	7.23	-	7.23		7.23
	7.23	**-**	**7.23**	**-**	**7.23**

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As at 31 March 2020	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Long term borrowings including current portion	4,536.37	1,408.77	3,728.61	273.14	5,410.51
Trade payables	1,631.89	1,631.89	-	-	1,631.89
Lease liabilities	12,881.87	2,854.22	8,173.38	8,010.41	19,038.01
Security deposits payable	59.63	15.05	49.79	9.48	74.32
Short term borrowings	904.56	904.56	-	-	904.56
Capital creditors	467.69	467.69	-	-	467.69
Others	274.23	274.23	-	-	274.23
	20,756.24	**7,556.41**	**11,951.78**	**8,293.03**	**27,801.21**
Derivative financial liabilities					
Interest rate swap	13.98	-	-	13.98	13.98
	13.98	**-**	**-**	**13.98**	**13.98**

(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:

Fixed- rate instruments	As at 31 March 2021	As at 31 March 2020
Foreign currency term loans	694.23	713.86
Impact of interest rate swaps	236.63	323.49
Redeemable, non-cumulative, non-convertible preference shares	101.41	107.59
	1,032.27	**1,144.94**
Variable - rate instruments		
Indian rupee term loans	3,370.95	3,365.85
Short term borrowings	211.10	904.56
Foreign currency term loan	255.58	349.07
Hedged foreign currency term loan (via interest rate swap)	(236.63)	(323.49)
	3,601.00	**4,295.99**

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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 2021	(36.01)	36.01
Increasse/(decrease) in consolidated profit or loss and other equity for the year ended 31 March 2020	(42.96)	42.96

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 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 of 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.

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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 2021 and 31 March 2020 are as below:

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount (in foreign currency)	Amount (in ₹)	Amount (in foreign currency)	Amount (in ₹)
Financial assets					
Other receivables	GBP	-	-	0.01	1.30
Total financial assets			**-**		**1.30**
Financial liabilities					
Trade payables	GBP	0.07	6.70	0.17	15.50
Trade payables	USD	-	-	0.46	34.52
Foreign currency loans from banks	USD	3.23	236.63	4.31	323.49
Borrowings	NPR	30.36	18.95	40.96	25.58
Borrowings	USD	8.82	693.28	8.82	713.86
Total financial liabilities			**955.56**		**1,112.95**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at 31 March 2021 (previous year ending as on 31 March 2020) 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.

Particulars	Consolidated profit/ (loss) for the year ended 31 March 2021		Consolidated profit/ (loss) for the year ended 31 March 2020	
	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	46.50	(46.50)	53.59	(53.59)
NPR	0.95	(0.95)	1.28	(1.28)
GBP	0.34	(0.34)	0.71	(0.71)

Particulars	Other equity As at 31 March 2021		Other equity As at 31 March 2020	
	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	46.50	(46.50)	53.59	(53.59)
NPR	0.95	(0.95)	1.28	(1.28)
GBP	0.34	(0.34)	0.71	(0.71)

USD: United States Dollar, GBP. Great British Pound, NPR: Nepali Ruppees

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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 2021 and 31 March 2020.

Variable - rate instruments	As at 31 March 2021	As at 31 March 2020
Amounts subject to master netting arrangements		
Non current borrowings	3,067.73	2,888.87
Current borrowings	558.80	826.05
	3,626.53	**3,714.92**
Financial instruments collateral		
Trade receivables	167.53	166.57
Cash and cash equivalents	392.50	94.57
Bank balances other than cash and cash equivalents	2.87	25.44
Loans	141.57	85.73
Other financial assets	105.99	36.17
	810.46	**408.48**
Net amount *	**2,816.07**	**3,306.44**

** Net amount shows the impact on the Group's balance sheet, if all rights were exercised.*

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 1-45 years.

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

ii. Lease liabilities

Lease liability included in balance sheet	As at 31 March 2021	As at 31 March 2020
Current	787.38	1,122.83
Non current	7,936.96	11,759.04

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

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

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on right-of-use assets	29	1,299.31	1,308.76
Impairment of right-of-use assets	30	37.38	82.86
Interest on lease liabilities (included in interest expenses)	28	1,028.32	1,123.88
Expenses relating to short-term leases	31	13.16	59.12
Rent concession		(431.17)	-
Expense relating to variable lease payments not included in the measurement of the lease liability	31	244.94	752.53
Net impact on statement of profit and loss		**2,191.94**	**3,327.15**

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During the year ended 31 March 2021, consequential to COVID-19 pandemic, the Company has negotiated several rent concessions with the landlords. Further, in view of recent amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per MCA notification dated 24th July 2020 on Ind AS 116 for rent concessions received on account of COVID-19 pandemic. Accordingly, per requirements of MCA notification, out of total rent concessions confirmed till 31 March 2021 of ₹ 1,057.26 for continuing operations, ₹ 626.09 has been reduced from rent expenses (to the extent available) and balance of ₹ 431.17 is reported under Other Income for the year ended 31 March 2021. Rent concessions for leases in respect of discontinued operations amounted to ₹ 101.63. Total rent concessions amounts to ₹ 1,158.89.

iv. Amounts recognised in the consolidated cash flow statement

Lease liability included in balance sheet	For the year ended 31 March 2021	For the year ended 31 March 2020
Payment of lease liabilities- principal	-	1,043.52
Payment of lease liabilities- interest	825.69	1,123.90
Total cash outflows	**825.69**	**2,167.42**

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 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 2021 and 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 31 March 2021	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	12.58	12.47
Income relating to variable lease payments not included in the net investment in finance leases	23	3.33	1.77
Finance lease receivables	8	106.19	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).

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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 2021	As at 31 March 2020
Less than one year	24.03	25.97
One to five years	97.79	115.44
More than five years	65.93	90.95
Total undiscounted lease payments receivable	**187.75**	**232.36**
Less: Unearned finance income	(81.56)	(78.95)
Net investment in the lease	**106.19**	**153.41**

ii. The incremental borrowings rate range between 10.85% - 11.55%.

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.

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 ₹. 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 31 March 2021	For the year ended 31 March 2020
Lease income on operating leases	23	68.30	144.00
Therein lease income relating to variable lease payments that do not depend on an index or rate		64.94	9.25

Amounts receivable under operating leases:

	As at 31 March 2021	As at 31 March 2020
Less than one year	79.55	92.24
One to five years	216.26	287.91
More than five years	10.28	32.73
	306.09	**412.88**

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37. Other disclosures in relation to investment properties:

i. Information regarding income and expenditure of investment properties

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rental income derived from investment properties	69.82	210.65
Direct operating expenses (including repairs and maintenance) generating rental income	30.10	70.22
Direct operating expenses (including repairs and maintenance) that did not generate rental income	5.23	11.86
Profit arising from investment properties before interest, depreciation and indirect expenses	**34.49**	**128.57**
Less: finance costs	(43.26)	(50.35)
Less: depreciation	(48.15)	(52.73)
Less: impairment	-	(0.77)
Profit arising from investment properties before indirect expenses	**(56.92)**	**24.72**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Less than one year	79.55	73.03
One to five years	216.26	335.08
More than five years	10.28	344.00

iii. Fair value

	As at 31 March 2021	As at 31 March 2020
Leasehold Investment Properties*	306.85	654.64
Owned Investment Properties#	170.63	-

Estimation of fair value

** The Groups's leasehold 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 10.81%.

 # The fair value of owned 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 Group 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 market prevailing rates applicable to same location.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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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 (till 16 Februrary 2021)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

Devyani International (Nigeria) Limited (a subsidiary of R V Enterprizes Pte. 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 (till 25 March 21)

(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. Manish Dawar - Chief Financial Officer and Director (with effect from 17 February 2021)

Mr. Sanjeev Arora - Chief Financial Officer and Director (Upto 15 February 2021)

Mrs. Rashmi Dhariwal- Independent Director

Dr. Ravi Gupta - Independent Director

Mr. Anil Dwivedi - Company Secretary (from 7 February 2020)

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(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

High Street Food Services Private Limited

Varun Beverage Nepal Private Limited

Parkview City Limited

Chellarams Plc

Arctic International Private Limited

(g) Relative of Key management personnel

Mrs. Dhara Jaipuria (wife of Mr. Ravi Kant Jaipuria - Director)

 # 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 2021 and 31 March 2020

		For the year ended 31 March 2021	For the year ended 31 March 2020
(i)	**Sale of products (Finished goods)**		
	Modern Montessori International (India) Private Limited	-	1.99
	Champa Devi Jaipuria Charitable Trust	0.88	50.39
	RJ Corp Limited	-	0.17
	Alisha Retail Private Limited	-	0.02
	Devyani Food Industries Limited	34.11	46.61
	Varun Beverages Limited	1.41	3.48
	Mala Jaipuria Foundation	0.30	1.89
(ii)	**Sale of products (Traded goods)**		
	RJ Corp Limited	-	0.47
	Varun Beverages Limited	-	6.61
	Lineage Healthcare Limited	0.03	0.01
(iii)	**Marketing and other services**		
	Lineage Healthcare Limited	0.02	0.06

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		For the year ended 31 March 2021	For the year ended 31 March 2020
(iv)	**Sale of property, plant and equipment (PPE)**		
	Varun Beverages Limited	0.12	-
	Devyani Food Industries Limited	0.68	-
(v)	**Purchase of raw materials**		
	Varun Beverages Limited	36.26	64.66
	Devyani Food Industries Limited	4.33	0.85
	Varun Beverage Nepal Private Limited	-	6.12
(vi)	**Purchase of PPE and intangible assets**		
	Devyani Food Industries Limited	0.05	-
	Varun Beverages Limited	-	1.34
(vii)	**Payment to gratuity trust**		
	DIL Employee Gratuity Trust	5.00	5.00
(viii)	**Expenses incurred by other company on behalf of the Group**		
	Devyani Food Industries Limited	0.03	-
	RJ Corp Limited	0.37	0.86
(ix)	**Expenses incurred/(collection) on behalf of other company**		
	Diagno Labs Private Limited	0.04	-
	RJ Corp Limited	(2.29)	-
(x)	**Rent expense**		
	S V S India Private Limited	0.08	0.08
	Alisha Retail Private Limited	0.03	-
(xi)	**Sale of Investment**		
	Arctic International Private Limited***	3.60	-
	****The Company trasnasfered the equity investment in Devyani international UK private limited for the consideradtion of 50,000 USD.*		-
(xii)	**Interest income**		
	Parkview City Limited	-	8.06
(xiii)	**Acquisition of Immovable property**		
	RJ Corp Limited*	180.00	-
	**The Company aquired food court at Mohali, Punjab.*		
(xiv)	**Purchase consideration for transfer of business**		
	RJ Corp Limited**	10.00	-
	***The Company trasnasfered TWG India Business during the year.*		
(xv)	**Repair and maintenance - others**		
	Varun Beverages Limited	-	2.27
(xvi)	**Finance costs**		
	High Street Food Services Private Limited	7.93	4.48
	Arctic International Pvt Ltd	3.86	-
(xvii)	**Loan Taken**		
	Arctic International Pvt Ltd	784.94	-
(xviii)	**Loan given**		
	Parkview City Limited	-	550.00
(xix)	**Loan recovered**		
	Parkview City Limited	-	550.00

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		For the year ended 31 March 2021	For the year ended 31 March 2020
(xx)	**Director's Sitting Fees***		
	Mr. Ravi Gupta	1.20	0.90
	Mrs. Rashmi Dhariwal	1.20	0.60
	**Excludes applicable taxes.*		
(xxi)	**Compensation to KMPs**		
	Short-term employment benefits		
	Mr. Virag Joshi	20.59	25.13
	Mr. Manish Dawar	7.14	-
	Mr. Sanjeev Arora	4.65	6.18
	Mr. Anil Dwivedi	2.49	0.72
	Post employment benefits		
	Mr. Virag Joshi	1.02	1.30
	Mr. Sanjeev Arora	0.25	0.36
	Mr. Manish Dawar	0.37	-
	Mr. Anil Dwivedi	0.09	0.02
	Share based payments		
	Mr. Raj. P. Gandhi	10.27	(0.43)
	Mr. Virag Joshi	12.57	(1.05)
	Mr. Manish Dawar	1.56	-
(xxii)	**Compensation to relative of KMP**		
	Dhara Jaipuria	10.03	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.		
(xxiii)	**Equity shares alloted (including securities premium)**		
	Mr. Virag Joshi	111.70	-
	Mr. Raj. P. Gandhi	33.51	-

(IV) Balances as at 31 March 2021 and 31 March 2020

		As at 31 March 2021	As at 31 March 2020
(i)	**Trade payables**		
	Varun Beverage Nepal Private Limited	-	0.31
	Varun Beverages Limited	8.71	7.31
	Chellarams Plc	9.23	8.87
	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

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		As at 31 March 2021	As at 31 March 2020
(iii)	**Employee stock options outstanding account#**		
	Mr. Raj. P. Gandhi	-	26.68
	Mr. Virag Joshi	-	44.01
	Mr. Manish Dawar	1.56	-
	# The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/exercise.		
(iv)	**Trade receivables**		
	Modern Montessori International (India) Private Limited	-	0.34
	Champa Devi Jaipuria Charitable Trust	0.50	6.74
	Lineage Healthcare Limited	0.03	0.03
	Mala Jaipuria Foundation	0.48	0.27
	Diagno Labs Private Limited	0.02	-
	Devyani Food Industries Limited	8.57	-
	RJ Corp Limited	-	0.53
(v)	**Other receivables**		
	RJ Corp Limited	7.46	-
(vi)	**Borrowings**		
	High Street Food Services Private Limited	0.95	0.90
	Chellarams Plc	693.29	713.86
(vii)	**Redeemable, non-cumulative, non-convertible preference shares (unsecured)**		
	High Street Food Services Private Limited	101.41	107.59
(viii)	**Guarantees/security given by the other party on behalf of the subsidiaries**		
	Ravi Kant Jaipuria @^^	1,237.70	25.57
	Ravi Kant Jaipuria and sons (HUF)#	480.70	-
	RJ Corp Limited **	539.18	

@ Mr. Ravi Kant Jaipuria has given a personal gaurantee to Everest Bank Limited in respect of term loans of ₹ 18.95 (31 March 2020: ₹ 25.57) taken during the earlier years by Devyani International (Nepal) Private Limited.

^^ Mr. Ravi Kant Jaipuria has given a personal gaurantee to IndusInd Bank Limited, SBM Bank Limited and Axis Bank Limited in respect of term loan outstanding on 31 March 2021 of ₹ 1,218.75 taken by the Group.

 # 'Ravi Kant Jaipuria and sons (HUF) has given a personal gaurantee to IndusInd Bank Limited in respect of term loan outstanding on 31 March 2021 of ₹ 480.70 taken by the Group.

*** RJ Corp Limited has given a corporate gaurantee to Axis Bank Limited in respect of term loan outstanding on 31 March 2021 of ₹ 539.18 taken by the Group.*

The management of the Company confirms that 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.

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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 2021	As at 31 March 2020
(i) Claims made by direct and indirect tax authorities:		
- Goods and service tax	-	0.31
- Value added tax	44.17	26.39
- Service tax	10.37	22.18
- Income tax	184.73	184.65
	239.27	**233.53**
(ii) Others (miscellaneous claims in relation to the Group's operations)#	30.44	24.40

 # 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.

(b) Others

Particulars	As at 31 March 2021	As at 31 March 2020
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 136.98 (previous year: ₹ 25.20)]	494.40	2,079.19

40. Share based payments

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

ESOS - 2011

On 20 September 2011 and 20 December 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was approved by the shareholders on 20 December 2011 and subsequently on 18 May 2012 for increasing the ceiling limit to 49,00,000 Options ("Ceiling Limit") with condition at any given point of time 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 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 111.70. 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. 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.

Further, ESOS 2011 was amended subsequently and was approved by the shareholders on 17 March 2021. The resolution provides the delinking of vesting schedule of the Options from filing of the RHP by the Company and for aligning the Scheme in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014,

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as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 ("SEBI SBEB Regulations") and accordingly all Options under ESOS 2011 were vested immediately on the day of passing the said resolution and the exercise window for ESOS 2011 was opened by the Nomination and Remuneration Committee on 17 March 2021. The Company received the exercise letters from the Options holders and allotted 15,81,500 equity shares pursuant to exercise of Options.

ESOS - 2018

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was 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 fully diluted 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 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 306.12.

Further ESOS 2018 was subsequently amended and approved by the shareholders on 17 March 2021 for linking the vesting of options to listing date of shares of the Company and to align the Scheme with compliance requirement of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 ("SEBI SBEB Regulations"). Under the ESOS 2018, no vesting shall occur until date of listing of shares on recognized Stock Exchanges by the Company in respect of proposed offer.

ESOS - 2021

On 17 March 2021, the Board of Directors approved the Employees Stock Option Scheme 2021 ("ESOS 2021") in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 ("SEBI SBEB Regulations"), which was approved by the shareholders on 17 March 2021. ESOS 2021 was formulated with the same objective of ESOS 2011 and ESOS 2018.

ESOS 2021 provides that Options so granted, shall not represent more than 5% of the fully diluted 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 by way of a special resolution. As per ESOS 2021 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 433.28.

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The Options were granted on the dates as mentioned in the table below:

S. No	Grant Date	Number of Options granted	Exercise Price (₹)	Vesting Condition	Vesting period	Contractual period
1	19 May 2012	20,88,200	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*	0 years to 5 years (Previous year: 2.75 years to 7.75 years)
2	31 May 2014	3,00,000	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*	0 years to 5 years (Previous year: 2.75 years to 7.75 years)
3	21 September 2018	5,06,000	306.12	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	# and @	0.25 years to 5.76 years (2.25 years to 7.76 years)
4	17 March 2021	7,20,000	433.28	Graded vesting over 4 years being first vesting due on 17 March 2022	17 March 2022 to 17 March 2025	1 year to 9 years

** As mentioned above, ESOS - 2011 was amended and approved in shareholders meeting dated 17 February 2021. Accordingly, all Options under ESOS 2011 were vested immediately on the day of passing the said resolution.*

 # As mentioned above, ESOS - 2018 was amended and approved in shareholders meeting dated 17 February 2021 for linking the vesting of options to listing date of shares of the Company.

@ 379,500 options on 30 June 2021 and 126,500 options on 1 January 2022 (379,500 options on 30 June 2022 and 126,500 options on 1 January 2023)

Note - Exercise period in every scheme is maximum five years from the date of vesting of shares.

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 17 March 2021	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 ₹)	183.51 - 239.33	105.28 - 133.03	123.17	56.35 - 57.28
Share price at grant date (in ₹)	432.98	268.99	151.07	93.21
Exercise price (in ₹)	433.28	306.12	111.70	111.70
Expected volatility	45.60% - 50.50%	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	3.50 - 6.50	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	5.39% - 6.31%	8.06% - 8.11%	9.19%	8.50% - 8.51%

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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 2021	For the year ended 31 March 2020
Employee stock option scheme (reversal)/expense*	22.62	(12.18)
	22.62	**(12.18)**

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 2021		As at 31 March 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Number of Options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	19,85,500	124.04	23,65,500	153.29
Add: Options granted during the year	7,20,000	433.28	-	-
Less: Options exercised during the year	15,81,500	111.70	-	-
Less: Options forfeited/ lapsed during the year	2,66,000	306.12	3,80,000	306.12
	8,58,000	**349.83**	**19,85,500**	**124.04**
Options outstanding as at the end of the year *	**85,80,000**	**-**	**-**	**-**
Options exercisable at the end of the year	-	-	-	-

** Pursuant to share split with effect from 25 March 2021 the number options outstanding 858,000 is changed to 8,580,000 as a result of share split.*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Weighted average remaining life of options outstanding at the end of year (in years)	7.62	7.30

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41. Capitalisation of expenditure incurred during construction period (refer Note 3B)

The Group has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2021 and 31 March 2020. 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 2021	For the year ended 31 March 2020
Employee benefits expense	20.60	25.65
Other expenses	35.99	27.59
	56.59	**53.24**

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 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 ₹ 568.65 (net of opening provision for impairment of ₹ 96.11) (previous year: ₹ 366.92 net of opening impairment of ₹ 68.86) have been reduced to the recoverable amount aggregating to ₹ 14.80 (previous year: ₹ 17.54) by way of impairment charge of ₹ 553.74 (previous year: ₹ 219.52). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil-5% (previous year: 5%-20%) and salary growth rate of 6% (previous year: 6%), over balance lease term , discounted at rate of 12.17 % p.a. (previous year: 12.11% 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.

Moreover, the impairment reversal of ₹ 73.69 (previous year: ₹ 180.75) 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 ₹ 277.72 (previous year: ₹ 337.33) has exceeded the written down value of these stores aggregating ₹ 204.03 (after considering impairment charge recorded in previous years amounting to ₹ 183.21)(previous year: ₹ 190.06 after considering impairment charge recorded in preceding previous years ₹ 258.59).

Goodwill amounting to ₹ 504.57 (previous year: ₹ 84.46) is allocated across multiple stores acquired under business combination. The 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 aforesaid goodwill during the year.

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.

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Impairment loss	For the year ended 31 March 2021	For the year ended 31 March 2020
Impairment charge for non financial assets	553.74	219.52
Impairment reversal for non financial assets	(73.69)	(180.75)
Net impairment charge	**480.05**	**38.77**

Sensitivity analysis	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount Rate		
(Increase by 1%)	2.15	8.97
(Decrease by 1%)	(1.93)	(8.42)
Sales Growth Rate		
(Increase by 1%)	(9.25)	(30.37)
(Decrease by 1%)	11.96	29.19
Salary Growth Rate		
(Increase by 1%)	1.97	3.84
(Decrease by 1%)	(1.81)	(3.87)

43. 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 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.

40. Employee benefits

I. Defined contribution plans

An amount of ₹ 69.36 (previous year: ₹ 113.86) 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.

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II. 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 2021	As at 31 March 2020
Present value of obligation as at beginning of year	117.53	113.02
Acquisition adjustment	30.36	3.00
Interest cost	6.50	7.69
Current service cost	22.92	16.97
Benefits paid	(24.00)	(19.80)
Actuarial (gain)/loss recognised in other comprehensive income	-	-
-changes in demographic assumption	-	(0.05)
-changes in financial assumption	0.84	(1.34)
-experience adjustment	12.03	(2.26)
Exchange differences on translation	(0.47)	0.30
Present value of obligation as at end of year	**165.71**	**117.53**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	14.02	21.91
Return on plan assets recognised in other comprehensive income	0.80	1.63
Fund Charges	(0.05)	(0.12)
Contribution paid into the plan	5.00	5.00
Benefits paid	(19.35)	(14.40)
Balance at the end of the year	0.42	14.02
Net defined benefit liability/ (asset)	**165.29**	**103.51**

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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 2021	31 March 2020
Discounting rate	4% - 14%	5% - 14%
Future salary increase	6% - 11%	6% - 11%

B. Demographic assumptions

Particulars	31 March 2021	31 March 2020
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	For the year ended 31 March 2021	For the year ended 31 March 2020
Defined benefit obligations	147.89	116.02
Fair value of plan assets	0.42	14.02
	147.47	**102.00**

(b) Information for non funded plans with a defined benefit obligation:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Defined benefit obligation	17.82	1.51
	17.82	**1.51**

(c) Expense recognised in Consolidated Profit or Loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee benefit expenses:		
(a) Current service cost	22.99	18.83
(b) Interest cost	6.50	7.69
(c) Interest income on plan assets	(0.71)	(1.43)
	28.78	**25.09**

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(d) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial gain/(loss) on defined benefit obligation	12.81	(3.65)
Actuarial gain/(loss) on plan assets	0.13	(0.08)
	12.94	**(3.73)**
Expense recognised in the consolidated statement of profit and loss	41.72	21.36

v. Reconciliation statement of expense in Consolidated Statement of Profit and Loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of obligation as at the end of the year	165.71	117.53
Present value of obligation as at the beginning of the year	(117.53)	(113.02)
Benefits paid	24.00	21.56
Actual return on plan assets	(0.75)	(1.51)
Acquisition adjustment	(30.36)	(3.00)
Exchange differences on translation	0.65	(0.21)
Expenses recognised in the Consolidated Statement of Profit and Loss	**41.72**	**21.35**

The Group expects to contribute ₹ 31.37 (previous year ₹ 30.32) to gratuity in the next year.

vi. Change in fair value of plan assets:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening fair value of plan assets	14.02	21.91
Actual return on plan assets	0.80	1.63
Fund charges	(0.05)	(0.12)
Contribution by employer	5.00	5.00
Benefits paid	(19.35)	(14.40)
Fair value of plan assets as at year end	**0.42**	**14.02**

vii. The expected maturity analysis of undiscounted defined benefit liability is as follows

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
31 March 2021	127.60	40.00	291.41	2,270.84
31 March 2020	31.37	25.27	36.32	24.57

viii. Bifurcation of closing net liability at the end of year

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability (amount due within one year)	54.63	27.25
Non-current liability (amount due over one year)	110.66	76.26
	165.29	**103.51**

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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 2021	As at 31 March 2020
a) Impact due to increase of 1%	(2.79)	(1.86)
b) Impact due to decrease of 1%	2.86	2.23

Impact of the change in salary on defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
a) Impact due to increase of 1%	2.75	2.23
b) Impact due to decrease of 1%	(2.77)	(1.86)

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 an increase in plan liabilities.

III. Compensated absences

iv. (a) Expense recognised in the consolidated statement of profit or loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Employee benefit expenses:		
(a) Current service cost	27.00	18.43
(b) Interest cost	2.84	5.16
(c) Net actuarial (gain) / loss recognized in the period	20.23	(29.48)
	50.07	**(5.89)**

IV. Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020, applicable for Indian entities. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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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.

The Group's business activity falls within a single business i.e. Food and Beverages in terms of Ind AS 108 on Segment Reporting. Information about secondary segment (Consolidated basis) The geographical segments considered are ""within India"" and ""outside India"". The relevant disclosure are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Food and beverage segment #		
(i) Within India	10,194.80	13,672.80
(ii) Outside India	1,153.58	1,491.06
b. Other income (refer note 24) @	640.57	186.55
Total	**11,988.95**	**15,350.41**

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current assets ^		
(i) Within India	13,342.89	15,178.15
(ii) Outside India	916.89	1,381.46
Total	**14,259.78**	**16,559.61**

No single external customer amounts to 10% or more of the Group's revenue.

 # Revenue from food and beverage segment is directly attributed to within India and outside India 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

The Minor Food Group (India) Private Limited (MFGIPL) 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 had classified its interests in Minor as a joint venture. During the previous year, the carrying value of the investment in Minor was Nil and therefore, not material to the Group.

During the current year, the Group has transferred the entire investment in equity shares to MGF International Holding (Singapore) Pte Limited at ₹ 73 (absolute) with effect from 26 March 2021 and therefrom, it ceases to be the joint venture of the Group.

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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 2021	31 March 2020	31 March 2021	31 March 2020
NCI Percentage	13%	13%	49%	49%
Summary of balance sheet				
Non-current assets	544.92	1,061.17	645.47	645.88
Current assets	175.31	103.69	15.69	57.14
Non-current liabilities	(1,771.63)	(1,799.81)	(1,353.21)	(1,236.84)
Current liabilities	(654.10)	(1,110.63)	(85.81)	(152.93)
Net assets	**(1,705.50)**	**(1,745.58)**	**(777.86)**	**(686.75)**
Accumulated NCI	**(86.83)**	**(103.45)**	**(332.32)**	**(287.69)**
Summary of statement of profit and loss				
Total revenue	937.01	1,143.14	192.98	531.16
Profit/(loss) for the year	(82.39)	(329.44)	(105.60)	208.10
Other comprehensive (loss(/income for the year	122.49	155.72	(0.18)	1.95
Total comprehensive (loss)/income for the year	40.10	(173.72)	(105.78)	210.05
Profit/(loss) allocated to NCI	(26.05)	(99.42)	(51.74)	101.97
Other comprehensive income allocated to NCI	42.68	34.64	(0.09)	0.96
Total comprehensive income allocated to NCI	**16.63**	**(64.78)**	**(51.83)**	**102.93**
Summary of cash flow statement				
Cash flows generated from/(used in) operating activities	249.35	259.30	82.09	112.49
Cash flows used in investing activities	(80.55)	(87.12)	0.94	(5.66)
Cash flows generated from/(used in) financing activities	(130.48)	(179.65)	(77.21)	(112.27)
Net increase/(decrease) in cash and cash equivalents	**38.32**	**(7.47)**	**5.82**	**(5.44)**

** Post consolidation of Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)*

Transactions with NCI (adjustments with in other equity)

Particulars	As at 31 March 2021	As at 31 March 2020
Due to adoption of IndAS 116 - Leases	-	(54.91)
Distributions of non reciprocal capital contributions	7.19	80.75
	7.19	**25.84**

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49. Additional information required by Schedule III to the Act:

As at 31 March 2021

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)	416.24%	2,991.05	103.68%	(653.05)	-22.84%	(11.92)	115.11%	(664.97)
Subsidiaries (Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	-26.69%	(191.77)	10.05%	(63.30)	0.78%	0.41	10.89%	(62.89)
Devyani Airport Services (Mumbai) Private Limited	-108.25%	(777.86)	16.77%	(105.61)	-0.34%	(0.18)	18.31%	(105.79)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	5.60%	40.26	-1.43%	9.03	0.50%	0.26	-1.61%	9.29
Devyani International (UK) Private Limited	0.00%	-	41.82%	(263.43)	-112.76%	(58.86)	55.79%	(322.29)
RV Enterprizes Pte. Limited	-191.09%	(1,373.17)	8.94%	(56.34)	152.89%	79.81	-4.06%	23.47
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-46.25%	(332.32)	8.21%	(51.74)	-0.17%	(0.09)	8.97%	(51.83)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	-12.08%	(86.83)	4.14%	(26.05)	81.76%	42.68	-2.88%	16.63
Inter group eliminations	62.52%	449.24	-92.18%	580.62	0.17%	0.09	-100.53%	580.71
As at 31 March 2021	**100.00%**	**718.59**	**100.00%**	**(629.87)**	**100.00%**	**52.20**	**100.00%**	**(577.67)**

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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)
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
At 31 March 2020	**100.00%**	**(2,282.15)**	**100.00%**	**(1,214.18)**	**100.00%**	**142.58**	**100.00%**	**(1,071.60)**

50. Business Combination

During the previous year, the Group executed a Business Transfer Arrangement dated 11 December 2019 ('BTA') with Yum Restaurants (India) Private Limited ("Yum") for acquiring 61 KFC stores (60 stores as amended) in multiple tranches. Till 31 March 2020, the Group had acquired 9 KFC stores on 01 March 2020 from Yum on a slump sale basis for an estimated purchase consideration of ₹ 339.34 and the remaining 51 stores were acquired during the year ended 31 March 2021 for a purchase consideration of ₹ 1,960.66, an aggregate consideration of ₹ 2,300. 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.

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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 2021	For the year ended 31 March 2020 (Restated) refer note 56
Assets		
Property, plant and equipment (refer note 3A)	360.70	76.32
License fee (refer note 5)	198.79	33.91
Franchisee rights (refer note 5)	916.22	143.61
Inventories	27.11	4.67
Other assets	69.05	8.86
	1,571.87	**267.37**
Liabilities	31.32	3.00
	31.32	**3.00**
Total identifiable net assets (at fair value)	**1,540.55**	**264.37**
Purchase consideration to be transferred/transferred in cash	**1,960.66**	**339.34**
Goodwill (refer note 4)	**420.11**	**74.97**

** Previous year figures have been reclassified/ regrouped, wherever necessary to make them comparable.*

The goodwill is attributable to the operational synergies and expansion on market share.

Transaction costs of ₹ 0.42 (previous year: ₹ 0.20) have 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.

From the date of acquisition, acquired stores under business combination contributed ₹ 1,479.64 (previous year: ₹ 26.54) of revenue and profit of ₹ 223.21 (previous year loss of: ₹ 0.62) to profit/(loss) before tax from continuing operations of the Group. If the combination had taken place at the beginning of an acquisition year, the Group revenue from continuing operations would have been ₹ 1,754.45 for (previous year: ₹ 537.02) and since the details on profit after tax is not available at individual store level separately, such information has not been disclosed.

51. 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 2021	As at 31 March 2020
(A) Loans and advances *		
Parkview City Limited^	-	-
	-	-

^ during the previous year the Company has given loan of ₹ 550.00 to the party and full repayment of the loan has also been received including interest accrued thereon

52. Disclosures about the Group's ability to continue as a going concern.

The Group has incurred losses of ₹ 629.87 in current year (previous year: ₹ 1,214.18) and has accumulated losses of ₹ 8,874.67 as at 31 March 2021 (previous year: ₹ 8,317.00), which has significantly eroded the net worth of the Group as at 31 March 2021. Further, the Group's current liabilities exceed its current assets as at 31 March 2021 by ₹ 2,561.38 [previous year: ₹ 4,345.82].

Based on financial projections, revised and detailed business strategies , 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

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activities. The Group believes such anticipated internally generated funds from operations in future and its available revolving undrawn credit facilities as at 31 March 2021 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.

In view of the same, the management of the Group is of the view of generating sufficient cash flows in the future to meet the Group's financial obligations. Therefore, these consolidated financial statements have been prepared on a going concern basis.

53. Estimation of uncertainties relating to the global health pandemic from Coronavirus (Covid 19)

The global spread of Covid 19 impacted businesses across all sectors and geographies. As a result, operations of most restaurants and commissaries were affected temporarily in compliance with lockdown announced by the Central Government of India and government of other countries, along with other directives/orders issued by other relevant authorities which resulted in lower sales as compared to previous periods.

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 consolidated financial statements in determining its liquidity position for next one year, 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 of evaluation and current indicators of future economic conditions, the Group has concluded that no material adjustments are required in the consolidated 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 Group's financial statements will be continuously made and provided for as required.

54. Discontinued operation

a) The Group has business of tea trading in the brand name of TWG which has operations in India through two stores, in the Group ('TWG India') and in UK [through its subsidiary - Devyani International (UK) Private Limited ('DIL UK or TWG UK')]. During the current year, the Group has sold TWG India business by way of slump sale to RJ Corp Limited (the holding Group) on 1 March 2021. Further, the Group has also sold its entire shareholding in DIL UK to Arctic International Private Limited (Mauritius) (a fellow subsidiary Group) on 17 February 2021.

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Accordingly, both TWG India and TWG UK have been reported as discontinued operation during the current year up to 28 February 2021 and 16 February 2021, respectively. Financial information relating to the discontinued operation for the period to the date of disposal are set out as below:-

(i) Financial performance and cash flow information

TWG India (A)	**For the period ended 28 February 2021**	**For the period ended 31 March 2020**
Revenue from operations	22.44	85.82
Other income	12.26	2.35
Total income	**34.70**	**88.17**
Purchase of stock-in-trade	-	35.54
Changes in inventories of stock-in-trade	55.31	(7.68)
Employee benefits expense	5.96	13.91
Finance costs	3.93	7.13
Depreciation and amortisation expense	18.06	39.81
Impairment of non-financial assets	49.87	-
Other expenses	11.25	13.52
Total expenses	**144.38**	**102.23**
Loss before tax	**(109.68)**	**(14.06)**
Gain on transfer of business operations (refer to (ii) below)	17.05	-
Loss from discontinued operation	**(92.63)**	**(14.06)**

TWG UK (B)	**For the period ended 16 February 2021**	**For the period ended 31 March 2020**
Revenue from operations	65.08	401.34
Other income	121.25	0.63
Total income	**186.33**	**401.97**
Expenses		
Purchase of stock-in-trade	11.47	169.51
Changes in inventories of stock-in-trade	36.09	-21.13
Employee benefits expense	59.52	155.85
Finance costs *	89.79	96.49
Depreciation and amortisation expense	172.47	194.11
Other expenses	62.81	219.77
Total expenses	**432.15**	**814.60**
Loss from discontinued operation	**(245.82)**	**(412.63)**
Other comprehensive income from discontinued operation		
Exchange differences to be reclassified to statement of profit and loss	(58.86)	(17.76)
Total comprehensive income from discontinued operation	**(304.68)**	**(430.39)**
Gain on transfer of business operations (refer to (ii) below)	521.81	-
Net loss from discontinued operation	**217.13**	**(430.39)**
Total Profit/(Loss) from discontinued operation (A) + (B)	**124.50**	**(444.45)**

** Net of intra group elimination*

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Cash Flow Statement for discontinued Operations	For the period ended 28 Feburary 2021*	For the period ended 31 March 2020
Net cash inflow/(outflow) from;		
Operating activities	(70.7)	27.10
Investing activities	6.05	(0.70)
Financing activities	712.97	47.33
Effect of exchange rate change	(13.15)	(2.51)
Net cash flow from discontinued operations	**635.80**	**71.22**

**Up to 16 February 2021 in case of TWG UK*

(ii) Details of the sale of discontinued Operations

	TWG India	TWG UK
Date of Transfer	1 March 2021	17 Feburary 2021
Consideration received in cash	10.00	3.60
Carrying amount of net assets transferred (refer to (iii) below)	(7.05)	(582.88)
Exchange difference Gain/ (Loss) on translation of discontinued operation	-	64.67
Gain/ (Loss) on sale of discontinued Operations	**17.05**	**521.81**

(iii) The carrying amounts of assets and liabilities as at the date of transfer were:

	TWG India	TWG UK
Date of Transfer	1 March 2021	17 Feburary 2021
Assets		
Non Current Assets		
Property, plant and equipment	0.70	309.56
Right of use	30.67	2,507.94
Loans	-	9.77
Current Assets		
Inventories	0.46	90.06
Financial assets	-	3.10
Other current assets	16.74	9.55
Total assets (A)	**48.57**	**2,929.98**
Liabilities		
Non Current Liabilities		
Lease liabilities	47.72	2,620.35
Borrowings	-	784.93
Other financial liabilities	-	4.05
Current Liabilities		
Trade Payable	-	47.80
Other financial liabilities	-	55.72
Other current liabilities	7.90	0.01
Total liabilities (B)	**55.62**	**3,512.86**
Net assets (A-B)	**(7.05)**	**(582.88)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2021

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

55. Initial Public Offering (IPO)

The Board of Directors (Board) of the Company in their board meeting dated 17 February 2021 has approved raising of capital for the Company through an Initial Public Offering (IPO). As part of its proposed IPO, the Company plans to file Draft Red Hearing Prospectus (DRHP) with the Securities Exchange Board of India (SEBI) in coming period. Apart from the Company, existing shareholders also proposes to sell the stake in the Company. Prepayments in relation to the proposed IPO included under "Other current assets" include expenses of ₹ 5.88 million incurred by the Company towards IPO of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to shares that will be offered to the public in the proposed IPO.

56. Restatement of previously reported financial information

The Group, in order to comply with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', has restated its previously issued financial information. The details in respect of which are as follows:-

In respect of acquisition of 9 KFC stores on 1 March 2020 (as explained in detail in Note 42), the management of the Group did not assign any value to the franchisee rights while doing the Purchase Price Allocation (PPA) under business combination during the previous year and hence, the difference between the purchase price of these 9 KFC stores and the underlying assets and liabilities was recorded as Goodwill. Post completion of acquisition of all KFC stores during the current year, the management of the Group has carried out the revised PPA for 9 stores and correspondingly, assigned the fair value to the franchisee rights as well. The management has adjusted the same retrospectively by restating the financial statements as at and for the previous year (in accordance with Ind AS 8) by recognizing fair value of the franchisee rights of ₹ 143.61 and therefore reducing the previously recognised goodwill of ₹ 218.58 to ₹ 74.97. Accordingly, corresponding disclosure for business combination under Ind AS 103 have also been appropriately restated.

Due to the aforesaid restatement in the comparative amounts for the comparative periods, there is no change in net cash flow from operating activities, investing activities and financing activities. Further the impact of such restatement on total equity as at 31 March 2020, the statement of profit and loss and earnings per share for the year then ended was not material, hence not considered by the management of the Group.

57. 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
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568

Place: Faridabad
Date: 21 April 2021

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 April 2021

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

Manish Dawar
CFO and Director
DIN: 00319476

Anil Dwivedi
Company Secretary
Membership No.: 18893

Place: Gurugram
Date: 21 April 2021

Notes

DEVYANI
INTERNATIONAL LIMITED

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