



SapphireFoods

Annual Report

2020 / 2021





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Sapphire in 2021

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" Cover Page credits - Mr. Salil Damodaran - Training Head - PH"

About Us

Sapphire Foods India Limited (formerly known as Sapphire Foods India Private Limited) ("Sapphire Foods") is one of the franchisee operator of Yum! Brands Inc. (Yum!) in Indian subcontinent. Our association with YUM started in 2015 and we presently have the non-exclusive rights, directly and through subsidiaries, to operate restaurants under three of Yum! leading brands, namely, the KFC, Pizza Hut and Taco Bell brands in India, Sri-Lanka and Maldives.

Sapphire Foods aspire to be India's best restaurant operator by serving customers great food with great experience at great value. We operate our restaurants in high traffic and high visibility locations in key metropolitan areas and cities across India and develop new restaurants in new cities as part of our brand and food category expansion.



JOURNEY SO FAR

August 2016 to
March 2017

Mr. Sanjay Purohit joins
Sapphire Foods in the
capacity of Whole-time
Director & Group CEO.
Management Team in
place with dedicated CEO
for KFC, Pizza Hut and
Sri-Lanka operations.

September 2015:

First Round of Funding
(~USD 114 million)
received from leading
Private Equity firms viz.,
Samara Capital, Goldman
Sach, IDI Emerging Markets
Partners and CX Partners.

December 2014

Entered into business of
Quick Service Restaurants
("QSR") and Casual Dining
under the brand name
Sapphire Foods.

September 2015 to July 2016

Acquisition of multiple smaller Yum! franchisees
(through business/share acquisition) to
leverage the large value creation opportunity.
Over 250 outlets of KFC & Pizza Hut acquired
across Indian & SriLanka and 7000 employees
on-boarded.



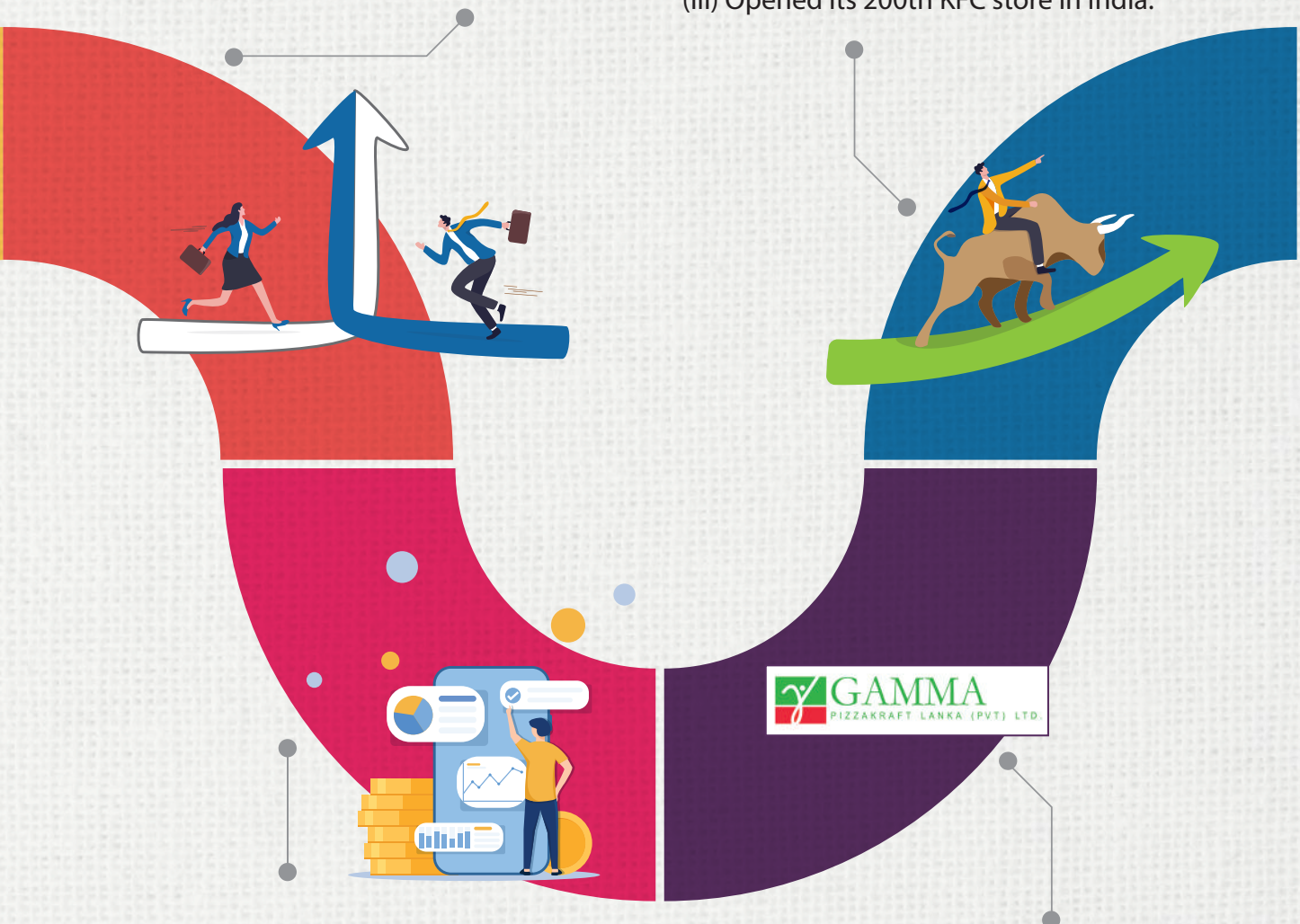
March 2017

Consolidation of Organizational Structure through merger/demerger of acquired companies/undertakings viz.,

- (i) Sapphire Hospitality and Recreation Private Limited
- (ii) Hansazone Private Limited
- (iii) Pizzeria Fast Foods Restaurants (Madras) Private Limited and
- (iv) KFCH Restaurants Private Limited.

April 2020 to March 2021

- (i) Raised Funds through Rights Issue from existing shareholders aggregating to Rs. 408.50 million.
- (ii) Acquisition of Balance Stake (1%) in Gamma Pizzakraft(Overseas) Private Limited, thereby making it 'wholly owned subsidiary' of Sapphire Foods.
- (iii) Opened its 200th KFC store in India.



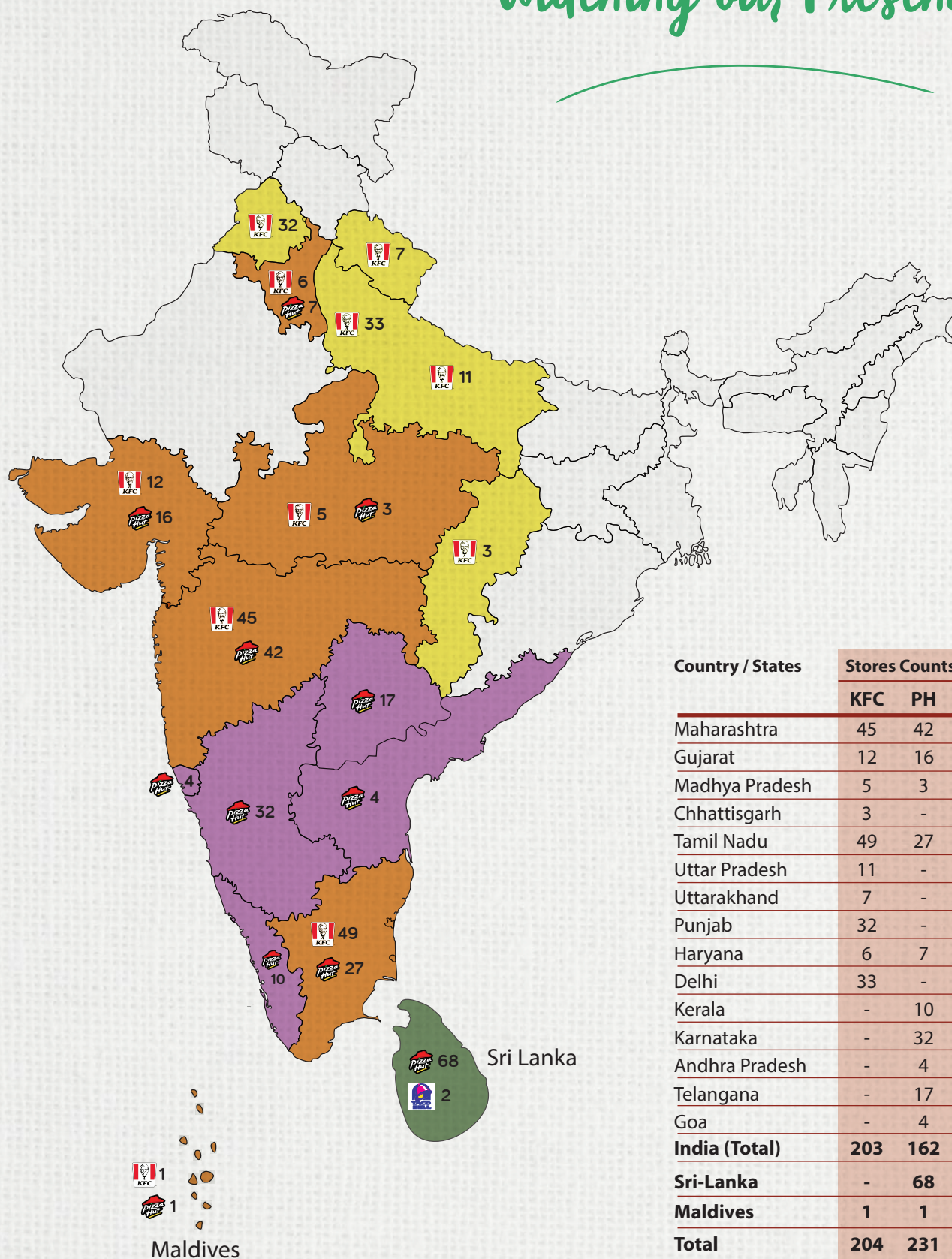
December 2018

Second Round of Funding of INR 2250 million completed successfully from Goldman Sach and Edelweiss.

September 2019

Raised equity stake to 99% (from 72%) in Gamma Pizzakraft (Overseas) Private Limited having business operations in India, Sri-Lanka and Maldives through subsidiaries.

Widening our Presence



* Store Counts on consolidated basis as on 31st March, 2021

Total No. of Stores (India, Sri Lanka, Maldives) - 437

Brand



KFC is the largest QSR chain serving chicken in India in terms of restaurant count, with 483 restaurants in India as of December 31, 2020. Founded in Corbin, Kentucky, in the U.S. by Colonel Harland D. Sanders in 1939, KFC opened its first restaurant in India in 1996. KFC in India and the Maldives has an extensive menu featuring chicken on the bone, boneless chicken and other chicken products, burgers, rice dishes, wraps, beverages and desserts. We operate 204 KFC restaurants in India and Maldives as of March 31, 2021.



Pizza Hut was the second largest pizza chain in India in terms of revenue in financial year 2020, and the market leader in Sri Lanka in terms of revenue for the financial year 2021 and number of restaurants as of March 31, 2021. The first Pizza Hut restaurant was opened in Wichita, Kansas, in the U.S. in 1958. Pizza Hut in India and Sri Lanka has an extensive menu for all parts of the day, offering a broad variety of pizzas, pasta, appetizers, beverages and desserts. Pizza Hut was the first international QSR chain to enter the Sri Lankan food and beverage sector in 1993. We operated 231 Pizza Hut restaurants in India, Sri Lanka and the Maldives as of March 31, 2021.



Taco Bell was the largest Mexican-inspired restaurant chain in the world in terms of store count as of December 31, 2020. The first Taco Bell restaurant was opened in 1962 in Downey, California. Taco Bell specializes in Mexican-inspired food products for multiple dayparts, including breakfast, lunch, snacks and dinner. Taco Bell in Sri Lanka has various types of tacos, chalupas, burritos and other related items. We operated two Taco Bell restaurants in Sri Lanka as of March 31, 2021.

Disclaimer : Sapphire Foods operates Taco Bell through its step down subsidiary viz., Gamma Pizzakraft (Lanka) Private Limited, which has franchise rights duly granted by Yum! to operate Pizza Hut and Taco Bell brand restaurants in Sri Lanka.

Financial Highlights

(Rs. In Million, unless stated otherwise)

Particulars (Consolidated basis)	FY 2018-19	FY 2019-20	FY 2020-21
Revenue from operations	11,938.22	13,404.12	10,196.19
Company adjusted EBITDA#	434.56	661.88	381.82
Company EBITDA@	1,486.82	1,856.00	1,787.40
PBT (before exceptional items and without Ind AS 116)	-435.55	-403.23	-827.66
PBT (before exceptional items and with Ind AS 116)	-683.04	-665.92	-986.94
PAT	-694.04	-1,592.46	-998.97
Revenue Growth (%)	25%	12%	-24%
Capital Employed **	8,307.26	5,978.20	5,555.59
Net Worth ***	6,265.74	5,244.72	4,799.03
Debt (net of cash & cash equivalent bank balance & MF))- Equity Ratio (times)	-0.12	0.03	-0.00
Total Assets	15,674.72	13,806.64	13,489.37
No. of Stores	376	427	437
No. of Employees (Standalone Basis)	8,352	8,829	7,453

Note :

Numbers mentioned above are basis latest audited financials unless stated otherwise"

^ The impact of Ind AS 116 is considered for the purpose of financial highlights for comparability with FY 2019-20 and FY 2020-21.

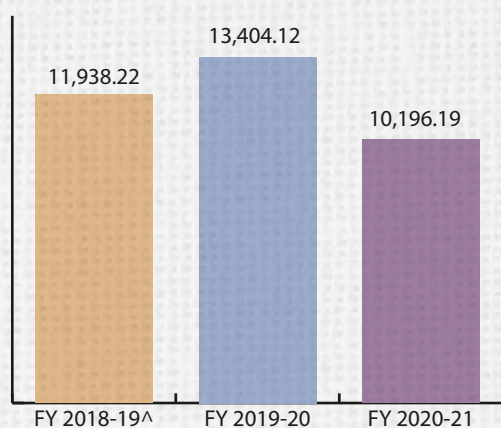
Company EBITDA adjusted for Ind AS 116 adjustment on account of lease contract for rent expenses, other miscellaneous expenses, rent waiver due to COVID and other income pertaining to gain on termination of lease contract and interest income from security deposit at amortized cost

@ Restated loss for the year after tax plus total tax expense, finance costs, depreciation, impairment and amortization expense, exceptional items, net gain on termination of lease contract and rent waiver due to COVID 19 less other income,

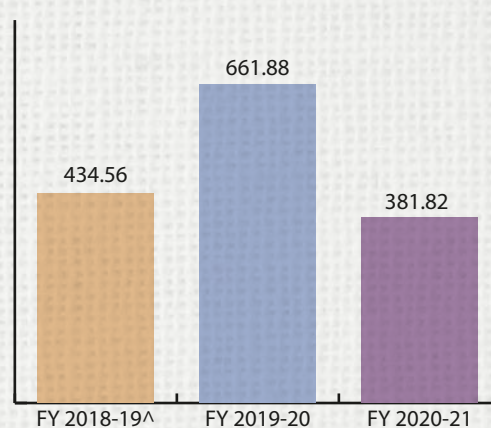
**Capital Employed has been derived as Shareholder's Funds (including CCPS) + Long term borrowings + Short term borrowing+ Current Maturities of long term debt + Compulsory Convertible Debentures (CCD) + FV of NCI Put option

*** Net Worth has been derived as Share Capital (including CCPS) + Other Equity as reported in the Financials (excluding NCI)

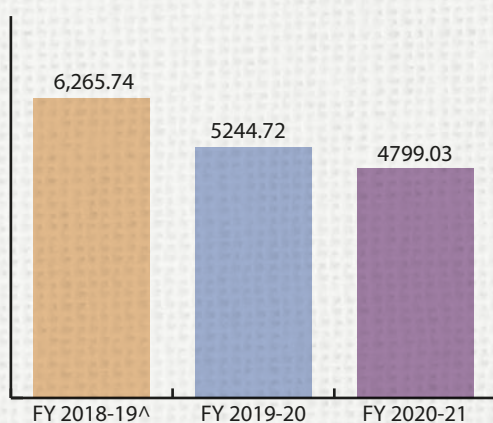
REVENUE FROM OPERATIONS (Rs. in lakh)



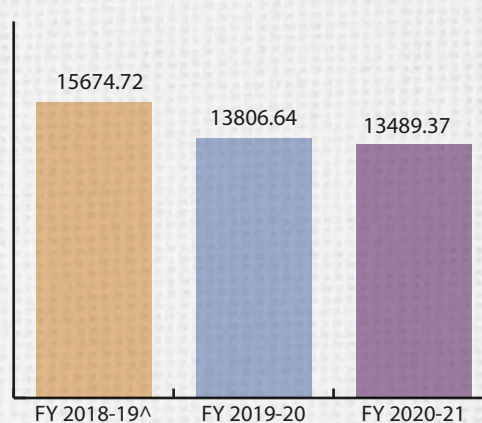
EBITDA (before exceptional items and without Ind AS 116) (Rs. in lakh)



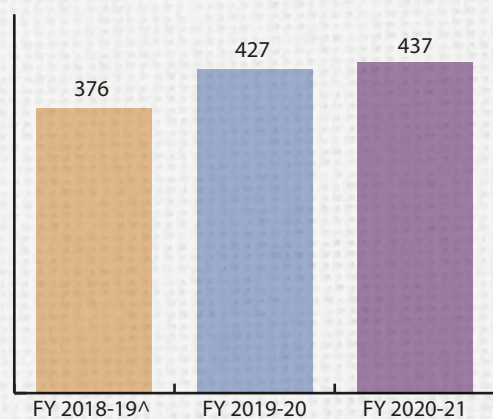
NET WORTH (Rs. in lakh)



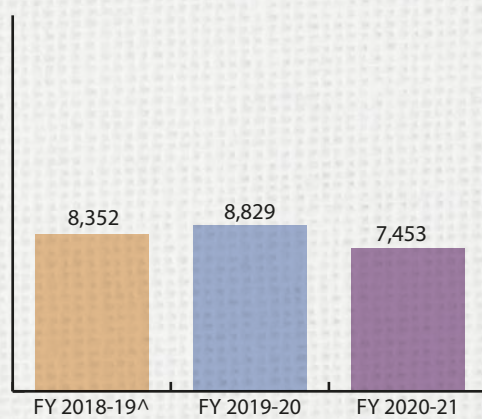
TOTAL ASSETS (Rs. in lakh)



STORE COUNT (Numbers)



EMPLOYEES (Numbers)



Group CEO Message



Sanjay Pusohit

Whole-time Director & Group CEO

In my message in last year's annual report, I spoke of the impact the Covid pandemic was having on our business. I had said that despite the disruptions to the business, I felt positive and confident of the business moving forward, and that perhaps this crisis was an opportunity for us to strengthen the business and organization further.

As I reflect on the year gone by, I feel strangely vindicated in that optimistic belief. It is strange because after all, we have seen the devastation of lives and livelihoods, we have been sequestered in our homes losing precious social connect, fear and anxiety have taken a rather disastrous toll on our collective mental health. It has been a trial by fire for Sapphire and the company has emerged far stronger across all aspects of business. This positive outcome is a consequence of the courage and resilience of Sapphirites in responding to the travails of the pandemic. Let me elaborate on what transpired through the year.

FY'19-20 had been our best ever year in terms of performance but by March 2020, as stores were shut and operating hours constrained, we like every other business in this industry sector were impacted negatively.

The first thing I reminded myself and the entire team was to accept the situation. Not to rail against our misfortune, not to externalize our bad luck. But to accept that something highly unfortunate had

occurred which was beyond our control. As we accepted the situation, we were able to start planning and implementing actions to cope.

Ours is a people centric service business. It seems a cliché, but it is true that our employees and our culture are our principal assets. Even as most of the world was confined to their own houses, our front-end store staff were bravely stepping out of their homes to keep our stores open and serve our customers. Our corporate office teams worked hard from their homes to provide the stores with the back-end support they needed. The commitment of the whole organization during this past year has been exemplary and is to be saluted. True to our spirit of transparency, we ensured frequent communication to our teams through company-wide, function-wide and department-wide Town Halls. It is vindication of our culture, that our Gallup Employee Engagement survey indices improved significantly this year, from a global mean percentile of P57 in 2018 to P76 in 2021.

We knew for us to bounce back sooner than the curve we had to take decisions faster than the curve. Difficult times call for difficult decisions and we did take some quick and bold decisions. In order to protect job continuity, our management teams chose temporary wage cuts over job losses. We ramped up our investments in our assets, both employees and stores, getting them trained and fit to heighten emphasis on food safety, hygiene and contactless delivery and take-away. And as the business bounced

back and sales returned, we were able to pay full wages by the start of H2.

Most importantly, during the past year, we had to remain true to our Purpose - to serve our customers great food with great experience at great value. It was not only important to ensure our food was safe and hygienic, but it was also necessary to build that faith in our customers. We put in place additional Covid appropriate protocols like stringent hygiene standards, frequent sanitization, masks and gloves for staff, socially distanced queues for customers and communicated this to our customers to build trust. As it turned out, customers appreciated the tangible difference in our food safety and hygiene standards compared to other food brands and sales bounced back quickly as operating hours returned to some normalcy.

While the pandemic brought with it restrictions on the dine-in channel, it amplified the opportunities to grow the delivery and take-away business. We put in all efforts to increase our own delivery capabilities and strengthened our partnership with food aggregators with the result that Company's delivery sales contribution improved from 23.9% in FY'20 to 41.9% last year. We prioritized contactless delivery that put customer anxieties to rest, delivering them hot and delicious food, with guaranteed safety.

While frugality and wastage control is an important part of our operations, the pandemic gave us a once-in-a-lifetime opportunity to practice "Zero Based Budgeting", as sales started to recover from near zero towards the last week of March 2020. We were able to reconfigure our store manning, optimize logistics and store operating costs and renegotiate rentals in line with the reduction in sales. These measures together with improvements in gross margins as a result of an altered menu mix helped us recover profitability. We are confident that this muscle we have built of identifying more efficient ways of working and minimizing wastage will serve us well in the future.

Over the past 2-3 years, we have consciously worked to reduce the size of our stores, making them omni-channel suitable – which means that they are optimized to deliver the best customer experience across Dine-In, Take-Away and Delivery channels. Reduced store sizes with reduced capex and operating costs without a negative impact on sales have helped improve our store payback periods. In FY'21, we closed down 20 Pizza Hut and 3 KFC stores that were unprofitable. But towards Q4 FY21, as sales came back to pre-Covid levels, we started to increase the pace of store expansion. We anticipate that in CY 2021, we plan to open our highest number of new stores in a year across both brands.

We also continued to invest in technology during the year. In partnership with YUM! Brands, we were able to improve performance of the digital stores and apps of both brands. We had a significant commitment in upgrading our Point-of-Sales software to LS Retail, and should be able to complete roll-out to all our stores by H1 FY'22. The new POS software improves the front-end customer ordering and payment experience and also builds better financial controls on sales, cash and inventory.

Through the pandemic, we are deeply grateful to all our vendor partners, food, packaging, logistics, capex, for the incredible support they rendered to the business. Without their active help, our recovery would have been slower.

As I said earlier, towards the second fortnight of March 2020, most if not all our restaurants were shut as a result of Government directives. As operating conditions slowly improved, sales and financial performance started to progressively get better. And in the second half of the year, our efforts over the earlier 6 months started to have differential impact. Sales recovery along with all our costs initiatives, meant that profitability improved faster in H2 FY'21. Together with a faster pace of new restaurant expansion, this will translate into improved prospects for the business going forward.

The Covid virus is perhaps here to stay. We will continue to have disruptions in our lives as a consequence of the virus. However, the lessons we have learnt collectively over the past year are also here to stay and this should give us reasons to be optimistic about our future. The biggest lessons from the past year have really been in how to cope with extreme adversity, to embrace challenge, and find ways to get better. The year has reinforced our faith in the Sapphire Values of Excellence, Courage, Integrity, Empathy and Accountability and how these values help build a positive work environment and guide everyday behaviors. These invaluable lessons should help the organization tremendously in the future.

In conclusion, one wouldn't wish a year like this on one's worst enemy. However lurking behind a crisis like this, as the saying goes, there is always an opportunity. I am enthused by what the future holds for the business and deeply grateful to all of you, who have been engaged and committed to our growth journey.

Sanjay Purohit
Whole Time Director & Group CEO

Our Strengths

We believe that we are well-positioned to take advantage of the growth opportunities in the Territories in which we operate. Our recipes for success are set out below:



Our Values

The 5 values of Excellence, Courage, Integrity, Empathy & Accountability form the bedrock of the work culture at Sapphire Foods.

These values inspire each of us and drive our daily behaviours, processes and actions. They shape our environment and form the foundation of our decisions, while providing us with a moral compass and guidance during trying times.



Awards & Recognitions



National Best Employer Brands
2020 award presented by
World HRD Congress



Recognised as a Best Workplaces
for Women 2021 by
The Economic Times



Silver Award in the Large Enterprises
Category in Sri Lanka in 2020 from
Great Place to Work, received by
Gamma Pizzakraft
(Lanka) Private Limited



Ranked as No. 13 in the 'Best Large
Workplaces in Asia 2020' category by
Great Place to Work received
by Gamma Pizzakraft
(Lanka) Private Limited



'Recognised as a Best Workplace in
Sri Lanka 2020' by Great Place to Work,
received by Gamma Pizzakraft
(Lanka) Private Limited



Finalist in the Fan of the Pan Asia 2020
for the Pizza Hut Pan Challenge
Championship 2020



Winner of the
H2OP Challenge from
Yum International



Winner of the
H2OP Challenge from
Yum International

Our CSR Initiatives

Sapphire Foods have a strong focus on gender diversity and have women leaders across various functions of the organization. The Company also run staffing programs at our restaurants for specially-abled teams.

Sapphire Foods have undertaken CSR initiatives such as staffing our KFC restaurant in R-City exclusively with women and inviting less-privileged children to our restaurants on opening days and on special occasions such as World Down Syndrome Day.

During the COVID-19 pandemic, Sapphire Foods has provided free pizza to frontline workers such as doctors, health officials and police officers. On an ongoing basis, our restaurants also provide food for the underprivileged and undertake cleanliness drives near our restaurants to build stronger community bonds.



Leadership Team



Sanjay Purohit
Whole-time Director & Group CEO



Deepak Taluja
CEO – KFC Business



Vikrant Vohra
CEO - Pizza Hut Business



Vijay Jain
Chief Financial Officer



Sandhydeep Purri
Chief People Officer



Puneet Bhatia
VP & Head – Business Development



Nandita Bapat Avadhoot
VP & Head – Projects



Amit Sharma
Sr. VP & Head – Supply Chain Management



Amar Patel
VP & Head - IT



Niraj Patil
VP & Head – Legal & Liaison

DIRECTORS' REPORT

To
The Members,
Sapphire Foods India Private Limited

Your Directors are pleased to present the 12th Annual Report on the business and operations of Sapphire Foods India Private Limited ("Company") together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS AND PERFORMANCE

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015. The Consolidated Financial Statements based on the financial statements received from the subsidiaries, as approved by their respective boards, have been prepared in accordance with Indian Accounting Standard 110 (Ind AS – 110) on 'Consolidated Financial Statements' notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

The Company's financial (standalone and consolidated) performance during the year ended 31st March, 2021 as compared to the previous financial year, is summarized below:

(Rs.in Millions)

Particular	Standalone		Consolidated	
	FY. 2020-21	FY. 2019-20	FY. 2020-21	FY. 2019-20
Total Income	8,584.19	11,146.22	10,812.34	13,517.36
Less: Expenses	9,551.21	11,732.59	11,799.27	14,183.28
Loss before exceptional item and Tax	(967.02)	(586.37)	(986.93)	(665.91)
Less: Exceptional Items	-	802.76	-	943.91
Loss before Tax	(967.02)	(1,389.13)	(986.93)	(1,609.83)
Less: Current Tax and Deferred Tax	-	-	(12.02)	(17.36)
Loss after Tax	(967.02)	(1,389.13)	(998.96)	(1,592.47)
Total Comprehensive Income/ (Loss) for the year, Net of tax	(977.27)	(1,391.88)	(1,041.49)	(1,641.63)

During the year under review, the total income of your Company was Rs. 8,584.19 Million on a standalone basis and Rs. 10,812.34 Millions on a consolidated basis as compared to the previous financial year's total income of Rs. 11,146.22 Million on a standalone basis and Rs. 13,517.36 Millions on consolidated basis. The net loss for the year under review, after taxation and deferred tax stood at Rs. 967.02 Millions on a standalone basis and Rs. 998.96 Millions on a consolidated basis.

The Company has not transferred any amount to General Reserve.

BUSINESS OPERATION AND STATE OF COMPANY AFFAIRS

Sapphire Foods India Private Limited, directly and through its subsidiaries, is one of the largest franchisees of Yum! Brands in Indian sub-continent in terms of revenue with the rights to operate KFC, Pizza hut and Taco Bell Stores in India, Sri-Lanka and Maldives. Your Company, as on 31st March, 2021, directly and through its subsidiaries, operates 204 KFC stores, 231 Pizza Hut stores and 2 Taco Bell stores in India, Sri-Lanka and Maldives..

There was no change in the nature of the business of the Company during the year under review.

DIVIDEND:

During the financial year under review, your Directors have not recommended any dividend to the shareholders of the Company.

SUBSIDIARIES:

As on 31st March 2021, your Company has subsidiary company viz., Gamma Pizzakraft (Overseas) Private Limited (Gamma), which in turn, has three wholly-owned subsidiaries viz., Gamma Pizzakraft Private Limited, India; Gamma Pizzakraft Lanka (Private) Limited, Sri Lanka and French Restaurant Private Limited, Sri Lanka & one subsidiary viz., Gamma Island Foods Private Limited, Maldives. During the financial year under review, the Company acquired 100% stake in Gamma making it as a wholly-owned subsidiary of the Company.

The highlights of performance and financial position / salient features of the financial statement of each of the subsidiary companies for the year ended 31st March 2021 is given in Form AOC-1, in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014. The Form AOC-1 is enclosed and forms an integral part of the Consolidated Financial Statements.

The Company has obtained a certificate from the Statutory Auditor for financial year ended 31st March, 2021 certifying that the Company is in compliance with the Foreign Exchange Management (Non – Debt Instruments) Rules, 2019 read with Notification on Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 with respect to Downstream Investment.

The Company has not obtained certificates from the Statutory Auditor for financial year ended on 31st March, 2016, 31st March, 2017, 31st March, 2018 and 31st March, 2019 in accordance with the Regulation 14 relating to the downstream investments of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, (FEMA TISPRO, 2017) and as per relevant regulations of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (FEMA TISPRO, 2000) and, as may be amended from time to time. The Company has approached the Statutory Auditors for obtaining the certificates for the relevant period, as mentioned hereinabove. Post receipt of the said certificates from the Statutory Auditors for the relevant period, the Company shall file compounding application, suo moto, with the Reserve Bank of India.

RATINGS

As on the date of this report, your Company has been assigned rating of “[ICRA] BBB; Reaffirmed, Outlook revised to Stable from Negative” for Long-term – Term Loan and “[ICRA] BBB/ [ICRA] A3+; Reaffirmed, Outlook revised to Stable from Negative” for Unallocated amount – Short Term and Long Term by ICRA of the Company.

SHARE CAPITAL

During the year under review, there was no change in authorized share capital of the Company. The Company has issued and allotted, during the year under review, 23,65,930 Equity Shares to the existing shareholders through Rights Issue and 1,80,511 Equity Shares pursuant to exercise of Stock Options under ESOP Schemes of the Company. Consequently, the Issued, Subscribed and Paid up Equity Share Capital of the Company, as on 31st March, 2021, stands at Rs. 52,79,04,090/- (Rupees Fifty Two Crores Seventy Nine Lakhs Four Thousand Ninety only) divided into 5,27,90,409 (Five Crores Twenty Seven Lakhs Ninety Thousand Four Hundred Nine) Equity Shares of face value of Rs. 10/- each.

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

SAPPHIRE FOODS EMPLOYEE STOCK OPTION PLAN 2017 (“ESOP 2017”):

The Company has in place Sapphire Foods Employees Stock Option Plan 2017 (“ESOP 2017 / Plan”) which was duly approved by the Board of Directors and the Shareholders of the Company. The Sapphire Foods Employees Stock Option Loyalty Scheme (Loyalty Scheme) and Sapphire Foods Employees Stock Option Performance Scheme (Performance Scheme) forms an integral part of the Plan. With a view to reward loyalty for past services with the Company, retention of critical employees and align employee interest with shareholder’s interest and wealth accumulation, the Company has granted, from time to time, Stock Options to the eligible employees under the said Plan.

The Nomination and Remuneration Committee (previous known as ESOP Committee) of the Board is entrusted with the responsibility of implementation and administration of the ESOP Schemes. The details of ESOP as on 31st March 2021, as prescribed under the Companies Act, 2013 read with Rules made thereunder, is as under:

Sr. No.	Particulars	Sapphire Foods Employee Stock Option Plan, 2017	
		Scheme III*	Scheme IV*
1.	Options granted;	5,30,062	10,41,667
2.	Options transferred from scheme I and scheme II	2,59,872	6,84,318
3.	Options vested;	-	180,511
4.	Options exercised;	-	180,511
5.	Total number of shares arising as result of exercise of option;	-	180,511
6.	Options lapsed;	-	-
7.	Exercise Price (in Rs.)	10/- 177.96/-	10/-
8.	Variation of terms of options;	Refer Note	Refer Note
9.	Money realized by exercise of options (in Rs.)	-	18,05,110/-
10.	Total number of options in force;*	7,89,934	8,61,156
11.	Options granted to Key Managerial Personnel (during the year);	1,10,591	6,84,318

* includes 39,496 stock options lapsed and considered for accounting adjustments during FY21

Note: Keeping in view the interests of the eligible employees are protected, the Shareholders of the Company vide Special Resolution dated 21st August, 2020, had amended and modify the terms of the aforesaid Schemes by overhauling the manner in which the schemes have been divided i.e. the Loyalty Scheme and Performance Scheme. The revised schemes viz., “Sapphire Foods Employee Stock Option Scheme 2019 – Scheme III – Management other than CEO” and “Sapphire Foods Employee Stock Option Scheme 2019 – Scheme IV - CEO” are variation/modification to the Loyalty Scheme and Performance Scheme. The Company has further modified the terms of vesting, inter-alia, through variation of Scheme III & Scheme IV by passing Special Resolution on 30th December, 2020

- (i) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year – N.A.
- (ii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant; - Mr. Sanjay Purohit, Whole Time Director & Group CEO.
- (iii) no employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant – NIL

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable. Further, during the financial year under review, the Company has not borrowed any amount from its Directors.

REPORT ON CORPORATE GOVERNANCE:

Your Company is committed in maintaining the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. The report on Corporate Governance forms an integral part of this report.

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, Extract of the Annual Return in Form MGT-9 for the financial year ended 31st March 2021 made under the provisions of Section 92(3) of the Act forms part of this Report.

BOARD OF DIRECTORS

The Board of Directors are constituted in accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company. The Company has received relevant disclosures and declarations from the Directors and none of them are disqualified from being appointed as Director in terms of Section 164(2) and 184(1) of the Companies Act, 2013.

During the financial year under review, following two Directors were appointed on the Board of the Company with effect from 11th February, 2021:

Sr. No.	Name of Director	DIN	Designation
1.	Mr. Snehal Singhania	09053345	Additional (Nominee) Director
2.	Mr. Ankur Gulati	01690689	Additional (Nominee) Director

From the financial year ended 31st March 2021 till the date of this report, Mr. Niladri Mukhopadhyay, Nominee Director representing WWD Ruby Limited, resigned from the Directorship of the Company with effect from 7th April, 2021. Further, Ms. Somwrita Biswas (DIN: 09155801) was appointed as Additional (Nominee) Director on the Board of the Company on 30th April, 2021, replacing Mr. Niladri Mukhopadhyay. Ms. Somwrita Biswas represented WWD Ruby Limited on the Board of the Company.

As on the date of this report, the Board of Directors of your Company comprises of 13 (Thirteen) Directors, out of whom One Director is Whole-time (Executive) Director and Group CEO, six are Non-Executive Directors, six are Nominee Directors representing Investor Shareholders.

The provisions of Section 149(4) with regards to the appointment of Independent Directors is not applicable to your Company.

BOARD MEETINGS:

The Board of Directors met ten times during the financial year 2020-21 on 7th May, 2020, 17th June, 2020, 4th July, 2020, 3rd August, 2020, 6th August, 2020, 25th September, 2020, 28th October, 2020, 11th February, 2021, 26th March, 2021 and 31st March, 2021 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The meetings are held as per the requirements of business and maximum interval between any two Board Meetings is within the permissible limits. The details of the composition of the Board and the attendance of the directors at the board meetings, inter-alia, are provided at Report on Corporate Governance, appended to this report.

BOARD COMMITTEES:

The Board of Directors of the Company has constituted following Committees in order to effectively carry out some of the diverse functions of the Board:

- Audit Committee
- Nomination and Remuneration Committee (previously known as ESOP Committee)
(ESOP Committee was renamed as Nomination and Remuneration Committee with effect from 11th February, 2021)
- Operations Committee
- Corporate Social Responsibility (CSR) Committee

The details of the composition of these committees of the Board, meetings held during the financial year under review, etc. are set out at the Report on Corporate Governance which forms an integral part of this Report. The Committees of the Board meet at regular intervals to perform their duties and functions as entrusted upon them by the Board.

KEY MANAGERIAL PERSONNEL

During the year under review, there was no change in the Key Managerial Personnel of the Company.

STATUTORY AUDITORS:

The tenure of Statutory Auditors was set to end at the 11th Annual General Meeting of the Company and therefore, the Board of the Directors of your Company at their meeting held on 6th August, 2020 had approved re-appointment of M/s. S R B C & Co LLP, Chartered Accountants, Mumbai for a further period of 5 (Five) years and recommended the same to the shareholders of the Company.

The re-appointment of M/s. S R B C & Co. LLP, Chartered Accountants, Mumbai (Registration No. 324982E) was approved by the members of the Company at the meeting held on 15th October, 2015 for the period of 5 (Five) years commencing from the conclusion of 11th Annual General Meeting till the conclusion of 16th Annual General Meeting. The period of accounts for which M/s. S R B C & Co. LLP, is appointed as Statutory Auditors is from 1st April, 2020 to 31st March, 2025.

The Report given by the Statutory Auditors on the Financial Statements of the Company for FY 2020-21 is annexed to the Financial Statements. The main Audit Report and the Report on Internal Control on Financial Reporting is free from any qualification.

Further, there was no instances of Fraud reported by the Statutory Auditors during the year under review, as required under Section 134 of the Companies Act, 2013 and Rules made thereunder.

INTERNAL AUDITORS:

The Company had appointed Mr. Balkrishna Chaturvedi, Head- Internal Audit and Business Controls, Sapphire Foods India Private Limited as Internal Auditors of the Company, in compliance with the provisions of Section 138 of the Companies Act, 2013 and Rules framed thereunder. The Company has also appointed M/s. Deloitte Touche Tohmatsu India LLP, Chartered Accountants, as Internal Auditors for carrying out the activities of Management Testing of Internal Financial Controls and Internal Audit of various business processes.

Both the internal auditors carry out the functions as per the scope of work assigned and placed their Reports at the meetings of the Audit Committee, during quarterly intervals.

COST AUDITOR:

The Company is not required to maintain cost records, as specified by the Central Government under section 148 of the Companies Act, 2013 and Rules made thereunder.

PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:

During the year under review, your Company has subscribed to the Rights Issue of Gamma Pizzakraft (Overseas) Private Limited, subsidiary of the Company.

The full particulars of the investments, in accordance with Section 186 of the Companies Act, 2013, provided during the financial year under review, has been furnished in note 5 to the notes to account which forms part of the financial statements of the Company.

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All transactions/contracts/arrangements entered into by the Company with related parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis and were reviewed/approved by the Audit Committee and Board of Directors. The Company has in place a policy on Related Party Transactions pursuant to the provisions of Companies Act, 2013.

During the year under review, the Company has not entered into any contracts/arrangements/transactions with the related parties which were considered material in nature and hence the disclosure of Related Party Transactions under Form AOC 2 is not applicable.

RISK MANAGEMENT POLICY:

Adequate Risk Management Framework is a necessity for the purpose of Risk Assessment and minimization/mitigation of Risks involved in Business Activity. Your Company has formulated a Risk Management Policy and defined Risk Management Framework which has been approved by the Audit Committee and Board of Directors during the year under review. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

WHISTLE BLOWER POLICY:

Your Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct. The employees are encouraged to voice their concerns by way of whistle blowing and none of the employees has been denied access to the Chairman of the Audit Committee. The provisions of this policy are in line with the provisions of Section 177 (9) of the Companies Act, 2013. All cases registered under the Whistle Blower Policy of the Company are subject to review by the Audit Committee.

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

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year under review, your company received five (5) Complaints under the Policy and all the Complaints were disposed-off.

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

The activities of the Company are not energy intensive as the Company is not engaged in any manufacturing activity. Further, no technology has been developed and / or imported by way of foreign collaboration.

The particulars with regard to Foreign Exchange Earnings and Outgo are given in notes to financial statements.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on meetings of Board of Directors and General Meetings.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

During the financial year under review, there were no significant/material orders passed by the Regulator, Courts, Tribunals, etc. which can have an impact on the going concern status and the Company's operations in future.

INTERNAL FINANCIAL CONTROLS:

Your Company has aligned its current systems of internal financial control with the requirement of Companies Act 2013. The Internal Control Framework is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. Your Company has successfully laid down the framework and ensured its effectiveness. The internal controls are commensurate with the size of the Company and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of 31st March 2021.

M/s. S R B C & Co LLP, the statutory auditors of the Company have audited the financial statements included in this annual report and have issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

The internal audit department along with the external consultants carry out internal audit of the Company's activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with and approved by the audit committee. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended 31st March 2021.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2021, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. they 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 the Company as at 31st March, 2021 and of the profit/loss of the Company for that year;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts of the Company on a going concern basis;

- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY:

Except as disclosed in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity to thank customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

Your Directors appreciate and value the contribution made by every member of the Sapphire family.

**FOR AND ON BEHALF OF THE BOARD
SAPPHIRE FOODS INDIA PRIVATE LIMITED**

GIRISH BHAT
DIRECTOR
DIN: 01691290

SANJAY PUROHIT
WHOLE-TIME DIRECTOR
DIN:00117676

DATE: 11th June, 2021
PLACE: Mumbai

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a Company meets its obligations with the objective to optimize shareholder value and fulfill its responsibilities to the shareholders, employees, customers, community, government and other societal segments. The Company believes that a sound governance discipline also enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including the society at large.

BOARD OF DIRECTORS

The Board of Directors are constituted in accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company. Your Board consists of eminent persons with considerable professional expertise and credentials in finance, law, accountancy and other related skills and fields. Their wide experience and professional credentials help the Company for strategy formulation and its implementation, thereby enabling its growth objectives. The Board of the Company is committed towards upholding highest standards of governance. The Board has oversight on the functioning of the Company and ensures that every decision taken is in the best interest of all the stakeholders of the Company.

COMPOSITION OF THE BOARD

As on financial year ended 31st March 2021, the Board of Directors of your Company comprises of 13 (Thirteen) Directors, out of whom One Director is Whole-time (Executive) Director and Group CEO, Six are Non-Executive Directors and Six are Nominee Directors representing Investor Shareholders.. The Company has received relevant disclosures and declarations from the Directors and none of them are disqualified from being appointed as Director in terms of Section 164(2) and 184(1) of the Companies Act, 2013. As on 31st March, 2021, the provisions of Section 149(4) with regards to the appointment of Independent Directors is not applicable to your Company.

BOARD MEETINGS

The Board meetings are held at least once in every quarter, inter-alia, to review business operations and performance, strategies, policies, annual operation plan and other business matters. The Board meetings are convened by giving appropriate notice as per the provisions of the Companies Act, 2013 and Secretarial Standards on Board Meeting (SS-1). Additional Board meetings are also held by the Company by giving appropriate notice in case of any business requirements. However, in case of business exigencies or urgent matters, approval of the Board of Directors is also sought by way of circulation or through conducting meetings on shorter notice, as permitted by law. The meetings are held as per the requirements of business and maximum interval between any two Board Meetings is within the permissible limits.

During the financial year under review, the Board of Directors met ten times during the financial year 2020-21 on 7th May, 2020, 17th June, 2020, 4th July, 2020, 3rd August, 2020, 6th August, 2020, 25th September, 2020, 28th October, 2020, 11th February, 2021, 26th March, 2021 and 31st March, 2021 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of the Director	Designation / Category	No. of Board Meetings (Attended/ Eligible)	Attendance at last AGM
Sanjay Purohit	Whole-time Director	9/10	Yes
Sumeet Narang	Non-Executive Director	9/10	Yes
Manish Mehta	Non-Executive Director	8/10	-

Name of the Director	Designation / Category	No. of Board Meetings (Attended/ Eligible)	Attendance at last AGM
Vikram Agarwal	Non-Executive Director	10/10	Yes
Girish Bhat	Non-Executive Director	9/10	Yes
Debobroto Das	Non-Executive Director	10/10	Yes
Amar Raj Singh	Non-Executive Director	7/10	Yes
Julien Kinic	Nominee Director	2/10	-
Niladri Mukhopadhyay	Nominee Director	2/10	-
Tarun Khanna	Nominee Director	10/10	Yes
Pranav Parikh	Nominee Director	9/10	-
Snehal Singhania	Additional (Nominee) Director	3/3	-
Ankur Gulati	Additional (Nominee) Director	2/3	-

The Company Secretary inform the head of the respective departments and functions of the ensuing Board Meeting and accordingly, business/agenda matters are sought from them for placing it before the Board of Directors and/or its Committees. The Company Secretary in consultation with the department and functional heads prepares the detailed agenda for the meetings and the same is circulated to the Directors in advance. In case of sensitive agenda matters or where it is not practicable to circulate requisite information or documents as part of the agenda papers, the same are tabled at the meeting. The Board periodically reviews compliance certificates received from respective department and functional heads including key managerial personnel.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company has constituted various Committees of the Board with appropriate delegation of powers and authorities in order to effectively carry out some of the diverse functions of the Board. The terms of reference of these Committees are defined by the Board setting their roles and responsibilities to ensure smooth functioning. The Board Committees closely review the specific areas which have been allocated and the findings and recommendations of such business matters are placed before the Board for its consideration or information, as the case may be. The Board has accepted the recommendations made by the Board Committees including Audit Committee at the meetings held during the financial year under review. The Board of Directors has constituted 4 (Four) Committees of the Board viz:

- Audit Committee
- Nomination and Remuneration Committee (known as ESOP Committee)
- Operations Committee
- Corporate Social Responsibility (CSR) Committee

AUDIT COMMITTEE

The Company has an adequately qualified Audit Committee constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder, to the extent applicable. As on 31st March, 2021, the Committee comprised of six Non-Executive Directors viz. Mr. Amar Raj Singh, Mr. Vikram Agarwal, Mr. Girish Bhat, Mr. Debobroto Das, Mr. Tarun Khanna and Mr. Niladri Mukhopadhyay and one Executive Director Mr. Sanjay Purohit. The Audit Committee is headed by Mr. Amar Raj Singh.

All members of the Committee are financially literate and have accounting or related financial management expertise. The Audit Committee, inter-alia, is primarily responsible for reviewing the adequacy of the internal control systems, financial disclosures, related party transactions and statutory compliances or any other responsibility in accordance with the Companies Act, 2013 or as delegated by the Board from time to time.

The Audit Committee has met five times during the financial year (FY) 2020-21 on 7th May, 2020, 6th August, 2020, 25th September, 2020, 28th October, 2020 and 11th February, 2021. The meetings

of the Audit Committee were held as per the requirements of business. The composition of the Audit Committee and attendance details is prescribed as under:

Name of the Member	Designation	Number of Meetings	
		Held	Attended
Amar Raj Singh	Chairman	5	5
Sanjay Purohit	Member	5	5
Vikram Agarwal	Member	5	5
Girish Bhat	Member	5	5
Debobroto Das	Member	5	5
Niladri Mukhopadhyay	Member	5	1
Tarun Khanna	Member	5	5

NOMINATION AND REMUNERATION COMMITTEE (EARLIER KNOWN AS ESOP COMMITTEE)

The ESOP Committee, which was renamed after the approval of the Board of Directors at their meeting held on 11th February, 2021 to "Nomination and Remuneration Committee" (hereinafter referred to "NRC") has been adequately constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder, to the extent applicable. As on 31st March, 2021, the NRC comprised of seven Directors viz. Mr. Manish Mehta, Mr. Vikram Agarwal, Mr. Girish Bhat, Mr. Debobroto Das, Mr. Tarun Khanna, Mr. Niladri Mukhopadhyay and Mr. Sanjay Purohit. The Committee is headed by Mr. Vikram Agarwal.

The NRC is entrusted with powers to assist the Board in the discharge of its responsibilities related to compensation and benefits provided by the Company to its executive officers and employees. The NRC further administers and supervises the Employees Stock Options Schemes, including review and grant of Stock Options to eligible employees.

The NRC has met four times during the financial year 2020-21 on 21st August, 2020, 28th October, 2020, 30th December, 2020 and 11th February, 2021. The composition of the NRC and attendance details is prescribed as under:

Name of the Member	Designation	Number of Meetings	
		Held	Attended
Vikram Agarwal	Chairman	4	4
Sanjay Purohit	Member	4	4
Manish Mehta	Member	4	4
Girish Bhat	Member	4	4
Debobroto Das	Member	4	4
Niladri Mukhopadhyay	Member	4	-
Tarun Khanna	Member	4	4

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has a duly constituted Corporate Social Responsibility (CSR) Committee, which is responsible for fulfilling the CSR objectives of the Company. As on 31st March, 2021, the Committee comprised of three Directors viz. Mr. Sanjay Purohit, Mr. Vikram Agarwal and Mr. Amar Raj Singh. Mr. Sanjay Purohit is the Chairman of the Committee.

The Board of Directors on recommendation of the CSR Committee has formulated the CSR policy of the Company. The Policy provides a broad framework with regards to implementation of CSR activities carried out by the Company in accordance with Schedule VII of the Act. The company's commitment towards this includes contributing to Institutions which are engaged in activities aligned to the activities forming part of its CSR policies. A report on CSR Activities as prescribed under the Act and Rules made thereunder is annexed to this Report.

The CSR Committee has met once during the financial year 2020-21 on 25th September, 2020. The composition of the CSR Committee and attendance details is prescribed as under:

Name of the Member	Designation	Number of Meetings	
		Held	Attended
Sanjay Purohit	Chairman	1	1
Amar Raj Singh	Member	1	1
Vikram Agarwal	Member	1	1

OPERATION COMMITTEE

The Operation Committee has been adequately constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder, to the extent applicable. As on 31st March, 2021, the Operation Committee comprised of seven Directors viz. Mr. Sanjay Purohit, Mr. Manish Mehta, Mr. Vikram Agarwal, Mr. Girish Bhat, Mr. Debobroto Das, Mr. Tarun Khanna and Mr. Niladri Mukhopadhyay. The Committee is headed by Mr. Sanjay Purohit.

The purpose of Operation Committee is to evaluate, consider and approve various actions required to be taken by the Company in relation to the implementation of the business plan / matters approved by the Board of the Company from time to time.

No meeting of the Operation Committee was convened during the financial year 2020-21.

REMUNERATION TO DIRECTORS

None of the Directors receive remuneration from the Company except Mr. Sanjay Purohit, Whole-time Director & Group CEO, the details of which are provided at MGT-9 - Extract of Annual Return.

CODE OF CONDUCT

The Company has formulated Code of Conduct Policy which applies to all employees including senior managerial personnel and Directors of the Company. The Code of Conduct spelt out the behavior expected from the employees and directors in case of conflict of interest, protection of confidential information, among others.

GENERAL BODY MEETINGS

The details of Shareholders meetings (Annual General Meeting / Extra-Ordinary General Meetings) held by the Company during previous three financial years are as under:

Financial Year	Date of AGM / EGM	Particulars of the Meeting
2020-21	30th December, 2020	Extra-Ordinary General Meeting
2020-21	15th October, 2020	11th Annual General Meeting
2020-21	21st August, 2020	Extra-Ordinary General Meeting
2019-20	26th September, 2019	10th Annual General Meeting
2018-19	18th March, 2019	Extra-Ordinary General Meeting
2018-19	18th December, 2018	Extra-Ordinary General Meeting
2018-19	7th December, 2018	Extra-Ordinary General Meeting
2018-19	29th September, 2018	9th Annual General Meeting
2018-19	30th May, 2018	Extra-Ordinary General Meeting

IDENTIFICATION / REGISTRATION NUMBER

Corporate Identification Number (CIN):	U55204MH2009PTC197005
International Securities Identification Number (ISIN):	INE806T01012

REGISTRAR AND TRANSFER AGENT

The Company has appointed Link Intime India Private Limited, as Registrar and Transfer Agent (RTA), for providing connectivity services and handling share registry. The contact details of RTA are as under:

Link Intime India Private Limited
C – 101, 247 Park, 1st Floor, LBS Marg,
Vikhroli (West), Mumbai – 400 083
Telephone No.: 022 – 49186270
Fax No.: 022 – 49186060
Email ID: rnt.helpdesk@linkintime.co.in

DEMATERIALISATION OF SHARES

The Company has an agreement with NSDL for providing depository services for holding the shares in dematerialized mode. As on 31st March, 2021, 100% of the equity share capital of the Company was held in dematerialized form. The Company has paid all the requisite fees to NSDL for the year 2020-21.

ADDRESS FOR CORRESPONDENCE

SAPPHIRE FOODS INDIA PRIVATE LIMITED
Company Secretary
702, A Wing, Prism Tower, Mindspace,
Link Road, Goregaon (West), Mumbai- 400062
Telephone No.: 022- 67522300
Email ID: secretarial@sapphirefoods.in

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects and programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs**

Sapphire Foods India Private Limited (SF IPL/Company) stands committed to the social and economic development of the communities in which it operates. The Company's commitment towards this includes contributing to Institutions which are engaged in activities aligned to the activities forming part of its CSR policies.

In this regard, the Company has promulgated CSR Policy and had laid down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

CSR Policy – Objectives & Initiatives

The objective of the CSR Policy ("Policy") is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the company relating to Corporate Social Responsibility ("CSR") within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014. ("Rules")

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

Focus Areas

For purposes of focusing its CSR efforts in a continued and effective manner, the following areas have been identified:

- i. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- ii. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of Art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- iii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- iv. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- v. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x. Rural Development Projects.

2. Composition of CSR Committee:

The composition of CSR Committee of the Board of Directors of Sapphire Foods India Private Limited is as under:

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sanjay Purohit	Chairman	1	1
2.	Mr. Vikram Agarwal	Member	1	1
3.	Mr. Amar Raj Singh	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: Not Applicable

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company for last 3 financial years: NIL

7. (a) Two percent of average net profit of the company as per section 135(5): NIL

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): NIL

8. (a) CSR amount spent or unspent for the financial year: Not applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable

(d) Amount spent in Administrative Overheads; Not Applicable

(e) Amount spent on Impact Assessment, if applicable; Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e); Not Applicable

(g) Excess amount for set off, if any; Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years; Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s); Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

The Company has not made any profits for the last 3 financial years and therefore the prescribed CSR expenditure was NIL.

GIRISH BHAT
Director
DIN: 01691290

SANJAY PUROHIT
Whole-time Director & Chairman of CSR Committee
DIN:00117676

DATE: 11th June, 2021
PLACE: Mumbai

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	U55204MH2009PTC197005
2	Registration Date	10/11/2019
3	Name of the Company	Sapphire Foods India Private Limited
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	702, Prism Tower, A-Wing, Mindspace, Link Road, Goregaon (W), Mumbai - 400 062 Tel. No. 022-67522300 Email: secretarial@sapphirefoods.in
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikroli (West), Mumbai - 400 083. Tel. No. 4918 6270 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Food and Beverage Service Activities	56	99.55%

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gamma Pizzakraft (Overseas) Private Limited	U51101DL2007PTC160063	Subsidiary	100%	2(87)
2	Gamma Pizzakraft Private Limited	U00060DL2005PTC138821	Subsidiary	100%	2(87)
3	Gamma Pizzakraft Lanka (Private) Limited	N.A.	Subsidiary	100%	2(87)
4	French Restaurants Private Limited	N.A.	Subsidiary	100%	2(87)
5	Gamma Island Foods Private Limited	N.A.	Subsidiary	51%	2(87)

* Companies at Sr. No. 2, 3, 4 and 5 are subsidiaries of Gamma Pizzakraft (Overseas) Private Limited

IV SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year As on 31-March-2020				No. of Shares held at the end of the year As on 31-March-2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Other (pls specify)	-	-	-	-	-	-	-	-	-
(i) Trust	-	3,517,459	3,517,459	7.00%	3,698,869	-	3,698,869	7.01%	0.01%
Sub Total (A) (1)	-	3,517,459	3,517,459	7.00%	3,698,869	-	3,698,869	7.01%	0.01%
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	8,771,411	32,380,289	41,151,700	81.90%	17,471,576	-	17,471,576	33.10%	-48.81%
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	8,771,411	32,380,289	41,151,700	81.90%	17,471,576	-	17,471,576	33.10%	-48.81%
TOTAL (A)	8,771,411	35,897,748	44,669,159	88.90%	21,170,445	-	21,170,445	40.10%	-48.80%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate Investment Funds (AIF)	177,216	5,397,593	5,574,809	11.10%	5,988,537	-	5,988,537	11.34%	0.25%
j) Others (pls specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	177,216	5,397,593	5,574,809	11.10%	5,988,537	-	5,988,537	11.34%	0.25%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	25,450,916	-	25,450,916	48.21%	48.21%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	180,511	-	180,511	0	0
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	25,631,427	-	25,631,427	0	0
Total Public (B)	177,216	5,397,593	5,574,809	11.10%	31,619,964	-	31,619,964	59.90%	48.80%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8,948,627	41,295,341	50,243,968	100.00%	52,790,409	-	52,790,409	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Sagistra Realty Advisors Private Limited, Trustee of QSR Management Trust	3,517,459	7.00%		3,698,869	7.01%		0.01%
2	Sapphire Foods Mauritius Limited	16,823,779	33.48%		17,471,576	33.10%		-0.39%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning / end of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sagistra Realty Advisors Private Limited, Trustee of QSR Management Trust						
	At the beginning of the year	1/4/2020		3,517,459	7.00%		
	Changes during the year	31/3/2021	Allot	181,410	0.00%	3,698,869	7.01%
	At the end of the year	31/3/2021		3,698,869	7.01%		
2	Sapphire Foods Mauritius Ltd.						
	At the beginning of the year	1/4/2020		16,823,779	33.48%		
	Changes during the year	3/8/2020	Allot	647,797	1.23%	17,471,576	33.10%
	At the end of the year	31/3/2021		17,471,576	33.10%		

(iv) Shareholding Pattern of top ten Shareholders**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning / end of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	WWD Ruby Limited						
	At the beginning of the year	1/4/2020		15,556,510	30.96%		
	Changes during the year#	3/8/2020	Allot	1,122,995	2.13%	16,679,505	31.60%
	At the end of the year	31/3/2021		16,679,505	31.60%		
2	Amethyst Private Limited						
	At the beginning of the year	1/4/2020		8,771,411	17.46%		
	Changes during the year	-		-	-		
	At the end of the year	31/3/2021		8,771,411	16.62%		
3	AAJV Investment Trust						
	At the beginning of the year	1/4/2020		177,216	0.35%		
	Changes during the year	-		-	-		
	At the end of the year	31/3/2021		177,216	0.34%		
4	Edelweiss Alternate Investment Opportunities Trust – Edelweiss Crossover Opportunities Fund						
	At the beginning of the year	1/4/2020		4,048,195	8.06%		
	Changes during the year	3/8/2020	Allot	200,535	0.38%	4,248,730	8.05%
	At the end of the year	31/3/2021		4,248,730	8.05%		
5	Edelweiss Alternate Investment Opportunities Trust – Edelweiss Crossover Opportunities Fund – Series II						
	At the beginning of the year	1/4/2020		1,349,398	2.69%		
	Changes during the year	3/8/2020	Allot	213,193	0.40%	1,562,591	2.96%
	At the end of the year	31/3/2021		1,562,591	2.96%		
6	Sanjay Purohit jointly with Apurva Purohit						
	At the beginning of the year	1/4/2020		-	0.00%		
	Changes during the year	11/2/2021	Allot	180,511	0.34%	180,511	0.34%
	At the end of the year	31/3/2021		180,511	0.34%		

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sanjay Purohit jointly with Apurva Purohit						
	At the beginning of the year	1/4/2020		-	0.00%	-	-
	Changes during the year	11/2/2021	Allot	180,511	0.34%	180,511	0.34%
	At the end of the year	31/3/2021		180,511	0.34%	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,096.30	-	-	5,096.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	45.30	-	-	45.30
Total (i+ii+iii)	5,141.60	-	-	5,141.60
Change in Indebtedness during the financial year				
* Addition (refer note given below)	7,143.31	-	-	7,143.31
* Reduction/Conversion (refer note given below)	6,091.54	-	-	6,091.54
Net Change	1,051.77	-	-	1,051.77
Indebtedness at the end of the financial year				
i) Principal Amount	6,169.42	-	-	6,169.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due*	23.95	-	-	23.95
Total (i+ii+iii)	6,193.37	-	-	6,193.37

Notes:

1) Change in indebtedness during the financial year includes adjustment for amortisation of processing fees as per IND AS.

2) Change in indebtedness includes interest accrued and paid during the period.

*Company has availed moratorium under RBI COVID-19 Regulatory Relief Package. Accordingly, the Principal repayments and interest repayments due from March 31 2020 to August 31 2020 have been deferred and the loan maturity date have been extended accordingly

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name & Designation of MD/WTD/ Manager		Total Amount (Rs.)
		Mr. Sanjay Purohit Whole Time Director & CEO		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,024,314.00		29,024,314.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	68,107,736.00		68,107,736.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
Total (A)		97,132,050.00		97,132,050.00
Ceiling as per the Act		-		-

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

SN.	Particulars of Remuneration	Name & Designation of Key Managerial Personnel		Total Amount (Rs.)
		Mr. Vijay Jain	Mr. Sachin Dudam*	
		Chief Financial Officer (CFO)	Company Secretary (CS)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,538,468.00	1,569,179.00	14,107,647.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400.00	-	32,400.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
Total		12,570,868.00	1,569,179.00	14,140,047.00

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Independent Auditor's Report

To the Members of Sapphire Foods India Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Sapphire Foods India Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Ind AS 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 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 audit opinion on the standalone Ind AS financial statements.

Other Information

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

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Ind AS Financial Statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 SAs 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 purposes of our audit;
 - (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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 30 to the Standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**

Partner

Membership Number: 105938

UDIN: 21105938AAAADP1257

Place of Signature: Mumbai

Date: June 11, 2021

Annexure 1

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying all assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii.
 - a) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest
 - b) The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and amount is not yet due.
 - c) There are no amounts of loans granted to a company listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to entities in which directors are interested and in respect of loans and advances given and investments made have been complied with by the company.
- v. 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. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii.
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities except for provident fund, employees' state insurance and professional tax where there have been serious delays in large number of cases.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except provident fund, employees state insurance, Labour Welfare and professional tax as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Employees Provident Fund Act	Provident Fund	2,634,478	FY 18-19	15th day of next month	Unpaid
Employees Provident Fund Act	Provident Fund	2,247,297	FY 19-20	15th day of next month	Unpaid
Employees Provident Fund Act	Provident Fund	96,806	April 2020 to September 2020	15th day of next month	Unpaid
Professional tax Act	Professional Tax	1,931,422	FY 18-19	10th day of next month	Unpaid
Professional tax Act	Professional Tax	10,450	April 2020 to September 2020	10th day of next month	Unpaid
Employees State Insurance Act	Employees State Insurance	15,391	FY 18-19	15th day of next month	Unpaid
Maharashtra Labour Welfare Fund Act	Labour Welfare Fund	12,410	FY 18-19	15th day after end of half year	Unpaid
Maharashtra Labour Welfare Fund Act	Labour Welfare Fund	8,198	FY 19-20	15th day after end of half year	Unpaid
Maharashtra Labour Welfare Fund Act	Labour Welfare Fund	4,043	April 2020 to September 2020	15th day after end of half year	Unpaid

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount in Rs. (net of amount paid under protest)	Period to which the amount relates	Forum where dispute is pending
CST Act, 1956	Sales Tax	3,64,94,345	2012-13 to 2014-15	Joint Commissioner of Sales Tax
Entry Tax	Sales Tax	2,47,882	2014-15 to 2016-17	Commercial Tax Officer
Income Tax Act, 1961	Income Tax	5,87,40,733	2011-12 to 2019-20	CIT (A)
Madhya Pradesh Entry Tax	Sales Tax	1,03,335	2015-16	Commercial Tax Officer
Madhya Pradesh VAT Act	Sales Tax	4,91,482	2016-17	Assistant Commissioner
Gujarat Vat Act	Sales Tax	6,23,387	2015-16	Deputy Commissioner
Maharashtra VAT Act	Sales Tax	2,07,02,330	2012-13 to 2014-15	Joint Commissioner of Sales Tax
Tamil Nadu VAT Act	Sales Tax	2,10,234	2015-16	Assistant Commissioner
Chhattisgarh Commercial tax 2005	Sales Tax	1,54,881	2015-16	Commercial Tax Officer
Employee Provident Fund and Miscellaneous Provident Fund Act	EPF Act	11,70,477	2014-15	Recovering officer, PF Department
Karnataka Value Added Tax	Sales Tax	10,52,583	2016-17	Commercial Tax Officer
Maharashtra VAT Act	Sales Tax	21,84,427	2015-16	Deputy Commissioner of State tax

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any loans or borrowing from debenture holders during the year.
- ix. In our opinion and according to the information and explanations given by the management, the term loans have been used for the purpose of which they were raised. The Company has not raised any money by way of initial public offer.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**

Partner

Membership Number: 105938

UDIN: 21105938AAAADP1257

Place of Signature: Mumbai

Date: June 11, 2021

Annexure 2

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF Sapphire Foods India Private LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sapphire Foods India Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

A company's internal financial control over financial reporting with reference to standalone 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 control over financial reporting with reference to standalone financial statements includes 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 Over Financial Reporting With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**

Partner

Membership Number: 105938

UDIN: 21105938AAAADP1257

Place of Signature: Mumbai

Date: June 11, 2021

Balance Sheet

as at March 31, 2021

		(Rs. in million)	
Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	3,192.17	3,503.75
Capital work-in-progress	3	160.21	157.20
Goodwill	4	1,058.61	1,058.61
Other Intangible assets	4	212.02	271.62
Right of use assets	43	4,247.23	4,352.34
Intangible assets under development	4	91.40	30.90
Financial assets			
Investment in subsidiary	5	1,605.95	1,563.41
Loans: Deposits	5	618.54	601.41
Other financial assets	5	85.42	0.12
Other non-current assets	6	139.46	156.58
Income tax assets (net)		29.34	23.65
Total non-current assets		11,440.35	11,719.59
Current assets			
Inventories	7	331.44	327.76
Financial assets			
Investments	5	267.41	155.21
Trade receivables	8	59.84	36.57
Cash and cash equivalents	9	311.85	168.02
Bank balances other than cash and cash equivalents	10	49.47	170.35
Loans: Deposits	5	21.65	7.23
Other financial assets	5	4.74	27.00
Other current assets	11	54.83	31.07
Total current assets		1,101.23	923.21
Total Assets		12,541.58	12,642.80
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	527.90	502.44
Other equity	13	4,621.26	5,042.39
Total equity		5,149.16	5,544.83
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	408.16	422.13
Lease Liabilities	16	4,400.35	4,437.99
Long term provisions	20	60.33	51.26
Total non-current liabilities		4,868.84	4,911.38
Current liabilities			
Financial liabilities			
Lease Liabilities	16	681.94	591.94
Trade payables	17		
(a) total outstanding dues of micro enterprises and small enterprises		15.07	79.70
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,114.17	944.86
Other financial liabilities	18	536.50	393.39
Other current liabilities	19	125.57	129.87
Short term provisions	20	50.33	46.83
Total current liabilities		2,523.58	2,186.59
Total Equity and Liabilities		12,541.58	12,642.80
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors
of Sapphire Foods India Private Limited

Girish Bhat

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2021

(Rs. in million)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	21	8,051.74	11,035.66
Other income	22	532.45	110.56
Total income		8,584.19	11,146.22
EXPENSES			
Cost of materials consumed	23	2,425.02	3,533.23
Employee benefits expense	24	1,483.90	1,798.40
Finance costs	25	657.12	602.15
Depreciation, impairment and amortization expense	26	1,744.53	1,555.68
Other expenses	27	3,240.64	4,243.13
Total expenses		9,551.21	11,732.59
Loss before exceptional items and tax		(967.02)	(586.37)
Exceptional Items	28	-	802.76
LOSS BEFORE TAX		(967.02)	(1,389.13)
Tax expense			
Current tax	15	-	-
Deferred tax	15	-	-
Loss for the year after tax		(967.02)	(1,389.13)
OTHER COMPREHENSIVE LOSS			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements losses of net defined benefit plan		(10.25)	(2.75)
Tax effect on remeasurements losses of net defined benefit plan	15	-	-
Other comprehensive loss for the year, net of tax		(10.25)	(2.75)
Total comprehensive loss for the year, net of tax		(977.27)	(1,391.88)
Earnings per equity share of Rs. 10 each:			
Basic and diluted earnings per share (Rs.)	29	(18.70)	(27.65)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
ICAI Registration No : 324982E/ E300003

per Vikram Mehta
Partner
Membership No. : 105938

Place: Mumbai
Date: June 11, 2021

For and on behalf of the Board of Directors
of Sapphire Foods India Private Limited

Girish Bhat
Director
DIN: 01691290

Sachin Dudam
Company Secretary
Membership No. : A31812

Place: Mumbai
Date: June 11, 2021

Sanjay Purohit
Whole time Director
DIN : 00117676

Vijay Jain
Chief Financial Officer

Statement of Cash Flows

for the year ended March 31, 2021

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before exceptional items and tax	(967.02)	(1,389.13)
Adjustments for:		
Depreciation, impairment and amortisation expense	1,744.53	1,555.68
Finance cost	657.12	602.15
Interest income	(56.67)	(101.55)
Rental waiver due to COVID	(412.47)	-
Impairment loss on goodwill	-	776.61
Expenses on employee stock option scheme	146.24	46.45
Fair valuation of financial liability	-	29.71
Provision for slow moving inventories	4.08	26.15
Allowance for credit losses/ provision for advances	-	29.07
Provision for doubtful deposits	19.04	2.27
Provision for doubtful debts written back (net of bad debts written off)	(3.58)	(1.05)
(Gain)/loss on fair value/sale of mutual funds	(9.83)	(7.83)
(Gain)/Loss on sale/ discard of property, plant and equipment	(0.41)	5.75
Gain on termination of lease contract	(49.50)	(0.12)
Operating profit before working capital changes	1,071.53	1,574.16
Changes in working capital		
Increase in trade payables	104.68	94.06
Increase/(Decrease) in other liabilities	20.50	(6.60)
Increase/ (Decrease) in provisions	2.32	(12.84)
Increase in inventories	(7.76)	(95.47)
(Increase)/Decrease in trade and other receivables	(16.77)	165.73
Increase in other assets	(18.14)	(45.48)
Cash from operations	1,156.36	1,673.56
Income tax paid (net of refund)	(5.33)	(6.83)
Net cash from operating activities (A)	1,151.03	1,666.73
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets	(617.48)	(1,216.86)
Acquisition of business	-	(1.80)
Sale of property, plant and equipment	3.02	13.14
Loan given to subsidiary	-	(11.00)
Investment in subsidiary	(42.53)	(571.08)
Purchase of Current Investments	(102.37)	(147.38)
Interest received	6.55	82.36
Fixed/restricted deposits with banks (placed)/ realised	47.73	1,460.27
Net cash used in investing activities (B)	(705.08)	(392.35)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital (including securities premium and net off of share issue expenses)	443.82	-
Proceeds from long-term borrowings	627.46	-
Repayment of long-term borrowings	(521.25)	(87.50)
Repayment of short-term borrowings	-	(125.00)
Payment of principal portion of lease liabilities	(193.99)	(500.10)
Interest paid on lease liabilities	(553.73)	(511.61)
Finance cost paid	(104.42)	(67.22)
Net cash used in financing activities (C)	(302.11)	(1,291.43)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	143.84	(17.05)
Cash and cash equivalents at the beginning of the year	168.01	185.07
Cash and cash equivalents at the end of the year	311.85	168.02
Cash and cash equivalents comprise (refer note 9)		
Balances with banks		
In current accounts	278.37	150.96
Term deposits with maturity of less than 3 months	0.12	0.12
Cash on hand	33.36	16.94
Total cash and cash equivalents at the end of the year	311.85	168.02

Note :

Significant non cash movement in financing activities includes lease liabilities arising due to implementation of Ind AS 116 amounting to Rs 886.23 million (March 31, 2020 Rs 931.62 million) (Refer Note 43).

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors

of Sapphire Foods India Private Limited

Girish Bhat

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity share capital

(Rs. in million)

Particulars	Note	No. of shares	Amount
Balance as at April 1, 2019		43,107,874	431.08
Add: Conversion of Compulsorily Convertible Preference Shares (CCPS) and Compulsorily Convertible Debentures (CCDs) during the year	12	7,136,094	71.36
Balance as at March 31, 2020		50,243,968	502.44
Balance as at April 1, 2020		50,243,968	502.44
Add: Shares issued during the year	12	2,546,441	25.46
Balance as at March 31, 2021		52,790,409	527.90

B. Other equity

For the year ended March 31, 2021

(Rs. in million)

Particulars	Reserves and surplus			Share options outstanding account	Total
	Capital reserve	Securities premium	Retained earnings		
Balance as at April 01, 2020	356.10	8,766.11	(4,190.87)	111.05	5,042.39
Shares allotted during the year	-	418.77	-	-	418.77
ESOP exercised	-	62.21	-	(62.21)	-
Share issue related expenses	-	(0.41)	-	-	(0.41)
Recognition of share based payment	-	-	-	137.78	137.78
Loss for the year	-	-	(967.02)	-	(967.02)
Other comprehensive loss for the year	-	-	(10.25)	-	(10.25)
Balance as at March 31, 2021	356.10	9,246.68	(5,168.14)	186.62	4,621.26

For the year ended March 31, 2020

(Rs. in million)

Particulars	Reserves and surplus			Share options outstanding account	Total
	Capital reserve	Securities premium	Retained earnings		
Balance as at April 01, 2019	356.10	6,388.36	(2,208.52)	66.83	4,602.77
Effect of adoption of Ind AS 116 Leases (Note 43)	-	-	(590.47)	-	(590.47)
Shares allotted during the year	-	2,377.75	-	-	2,377.75
Recognition of share based payment	-	-	-	44.22	44.22
Loss for the year	-	-	(1,389.13)	-	(1,389.13)
Other comprehensive loss for the year	-	-	(2.75)	-	(2.75)
Balance as at March 31, 2020	356.10	8,766.11	(4,190.87)	111.05	5,042.39

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors
of Sapphire Foods India Private Limited**Girish Bhat**

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Notes to the financial statements for the year ended March 31, 2021

1. Corporate information

Sapphire Foods India Private Limited ('the Company') is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company is principally engaged in the franchisee business of KFC and Pizza Hut restaurants in India. The registered office of the company is 702, Prism Tower, A Wing, Mindspace, Link Road, Goregaon (West), Mumbai – 400062.

The standalone financial statements were approved for issue in accordance with a resolution of the board of directors on 11 June 2021.

2. Significant accounting policies

2.1 Basis of preparation

The Standalone Financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The accounting policies are applied consistently to all the periods presented in the standalone financial statement except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

The standalone financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in standalone financial statements.

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Contingent consideration, and
- Defined Benefit Plans- Plan assets measured at fair value.

2.3 Summary of significant accounting policies

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at

the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, 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 recognised 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 recognised in 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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Current v/s non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Foreign currencies

Functional and presentation currency

Management has determined the currency of the primary economic environment in which the entity resides in and operates as the functional currency. The functional currency of the Company is Indian Rupees (INR). The financial statements have been presented in INR, as it best represents the operating business performance and underlying transactions.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

d. 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 include cash and cash equivalents, trade receivables, unbilled revenues, security deposits, employee advances, investments in equity and debt securities etc.
- Financial liabilities include long-term and short-term loans and borrowings, lease liabilities, derivative financial liabilities, bank overdrafts and trade payables

Financial assets:

Initial recognition and measurement

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Transactions costs of financial assets carried at fair value through profit or

loss are expensed in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Financial assets at amortised cost:

A financial asset is classified as "financial asset at amortised cost" (amortised cost) under IND AS 109 Financial Instruments if it meets both the following criteria:

(1) The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows, and

(2) The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified date (the 'SPPI' contractual cash flow characteristics test).

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Financial assets at fair value through other comprehensive income (FVTOCI):

All equity investment in scope of IND AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 Business Combinations applies are classified as fair value through profit or loss. For all other equity instruments, the Company may make irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-to-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument through fair value through other comprehensive income (FVTOCI), then all fair value changes in the instruments excluding dividends, are recognised in OCI and is never recycled to statement of profit and loss, even on sale of the instrument.

Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, e.g., derivative instruments, financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities and equity instruments:**a) Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c) Financial liabilities

Financial liabilities are classified as either financial liability 'at FVTPL' or 'other financial liabilities'.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

i) **Financial liabilities measured at amortized cost**

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

ii) **Financial liabilities at fair value through profit or loss (FVTPL)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the

Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the balance sheet only if there is a current enforceable legal right to offset the recognised amounts and there is an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, deposits and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

e. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, sales tax/ value added tax (VAT)/ Goods and Service (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

No element of financing is deemed present as the majority of sales are on cash basis and credit sales are made with normal credit period consistent with market practice.

The following specific recognition criteria must also be met before revenue is recognised:

Income from retail sales

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

Gift vouchers sales are recognised when the vouchers are redeemed and goods are sold to the customer.

Sale of goods

The Company recognises revenue from sale of food through Company's owned stores and are recognised when the items are delivered to or carried out by customers.

Income from trading sales

Revenue from sale of goods is recognised when the goods are delivered to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties. Gift vouchers sales are recognised when the vouchers are redeemed and goods are sold to the customer.

Income from sale of service

Revenue from sale of services is recognized in accordance with the terms of the relevant agreements and is net of goods and service tax (GST), where applicable as accepted and agreed with the customers.

The Company recognise revenue from alliance income (marketing support services) when the service is performed.

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 at amortised cost is recognised using the effective interest method. Effective interest is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established by the reporting date.

Contract balances-**Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in point (d) above.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available

against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

g. Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are initially measured at cost and subsequently it is measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price and all costs incurred to bring the assets to their current location and condition for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Any subsequent cost incurred is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work in progress comprises cost of property, plant and equipment (including related expenses),

that are not yet ready for their intended use at the reporting date and it is carried at cost less accumulated impairment losses.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and carrying amount of the assets and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to IND AS, the Company has elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on Property, plant and equipment

Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company has used the following life to provide depreciation on its property, plant and equipment.

The rates of depreciation are based on technical evaluation of the economic life of assets by the management, which are given below and are equal to the corresponding rates prescribed in Schedule II to the Companies Act, 2013:

Class of asset	Useful lives estimated by the management (years)
Plant and machinery	15 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	8 years
Vehicles	10 years
Leasehold improvements	Over the Lease term or estimated useful life whichever is shorter

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

On transition to IND AS, the Company has elected to continue with the carrying value of all its Intangible Assets measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

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

Amortisation of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful lives of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The company has used the following life to provide amortisation on its intangible assets.

Class of asset	Useful lives estimated by the management (years)
License fees	Over the period of license (upto 10 years)
Computer Software	3 years
Franchisee fees	10 years

There are no intangible assets with indefinite useful lives other than goodwill.

i. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings, Plant and Equipment and Computers. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

- Stores and Buildings - Over the shorter of the lease term and the estimated useful lives of the assets

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company has elected not to separate lease and non-lease components in a lease contract where lease payments are inclusive of non-lease component.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note k Impairment of non-financial assets.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an operating expense in the statement of profit and loss.

Transition to Ind AS 116

The following is the summary of practical expedients elected on initial application:

- a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- c. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- d. Not to separate lease and non-lease components in a lease contract where lease payments are inclusive of non-lease component.

Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The MCA issued amendments to Ind AS 116, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before June 30, 2021 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The Company has adopted this with effect from April 01, 2020, and the impact has been recognized in Other Income (Note 22) and corresponding impact has been recognized in Lease liabilities. This amendment does not have any effect in earlier periods.

j. Inventories**Basis of valuation**

Inventories other than scrap materials are valued at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

Method of valuation

Cost of raw materials and traded goods are determined by using weighted average method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Impairment of Non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the

asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

l. Compulsorily Convertible Debentures (CCDs) and Compulsorily Convertible Preference Shares (CCPSs)

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed-to-fixed classification.

Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

n. Retirement and other employee benefits

Defined benefit plan

In accordance with applicable laws in India, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") for every employee who has completed 5 years or more of service on departure at 15 days salary (last drawn salary) for each completed year of service. The Gratuity Plan provides for a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment based on last drawn salary and tenure of employment with the

Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date using projected unit credit method.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Defined contribution plan

The Company makes contributions to the Provident Fund scheme, a defined contribution benefit scheme. These contributions are deposited with Government administered fund and recognised as an expense in the period in which the related service is performed. There is no further obligation on the Company on this defined contribution plan.

Compensated absences

Accumulated leave is expected to be utilized within the next 12 months and are treated as short-term employee benefit. The Company treats the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. It is measured on the basis of an actuarial valuation done by an independent actuary on the projected unit credit method at the end of each financial year.

o. Share-based payments

Employees of the Company also receive remuneration in the form of share-based payments whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefit expenses, together with a corresponding increase in retained earnings in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. Service and non-market performance conditions are not taken

into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When an award is modified, at minimum the cost of the original award is recognised as if it had not been modified (i.e., at the original grant date fair value, spread over the original vesting period, and subject to the original vesting conditions). This applies unless the award does not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where a modification is made after the original vesting period has expired, and is subject to no further vesting conditions, any incremental fair value is recognised immediately.

If the modification decreases the fair value of the equity instruments granted (e.g., by increasing the exercise price or reducing the exercise period), the decrease in value is effectively ignored and the entity continues to recognise a cost for services as if the awards had not been modified. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee welfare expenses (see Note 24). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in Note 41. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

p. Investment in subsidiaries

Investment in Subsidiary entities is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary entity the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Contingencies

A contingent liability is:

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are recognised when virtually certain on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations arising from past events and which the fair values can be reliably determined.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

s. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the Company using the weighted-average number of equity shares considered for deriving basic earnings per share and weighted average number of dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive. Dilutive potential shares are deemed converted at the beginning of the period, unless issued at later date.

Ordinary shares that will be issued upon the conversion of mandatorily convertible instruments are included in the calculation of basic earnings per share from the date the contract is entered into.

t. Fair value measurement

The fair value of the financial instruments is included at 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. Management of the Company have assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables (not subject to provisional pricing), trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There have been no transfers between fair value levels during the reporting period.

u. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker being Managing Director of the company. The Managing Director assesses the financial performance and position of the company as a whole and makes strategic decisions.

v. Cash Flow

Ind AS 7 requires an entity to exclude non-cash transaction relating to investing and financing activities from the statement of cash flow. However, such transactions should be disclosed elsewhere in the financial statements. The investing and financing activities in cash flow statement do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The company has disclosed these transactions, to the extent material in relevant notes.

Cash and cash equivalents consist of cash on hand and balances with banks which are unrestricted for withdrawal and usage.

w. Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

3 Property, Plant and Equipment and Capital work-in-progress

Property, Plant and Equipment

(Rs. in million)

Particulars	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Computers	Leasehold improvements	Total
Cost							
Balance as at April 01, 2019	1,810.71	185.36	44.35	109.24	241.20	2,057.92	4,448.78
Additions	485.55	34.99	0.78	32.64	128.98	483.80	1,166.74
Disposals	(117.45)	(10.92)	(3.15)	(7.45)	(52.73)	(19.81)	(211.51)
Balance as at March 31, 2020	2,178.81	209.43	41.98	134.43	317.45	2,521.91	5,404.01
Additions	215.12	16.28	2.14	12.88	73.86	206.71	526.99
Disposals	(69.21)	(7.76)	(0.83)	(1.69)	(1.14)	(71.09)	(151.72)
Balance as at March 31, 2021	2,324.72	217.95	43.29	145.62	390.17	2,657.53	5,779.28
Accumulated depreciation							
Balance as at April 01, 2019	409.14	50.52	13.39	58.77	135.98	709.78	1,377.58
Depreciation for the year	279.01	36.80	10.46	21.58	70.10	302.78	720.73
Disposals	(108.43)	(7.87)	(3.00)	(6.63)	(52.39)	(19.72)	(198.04)
Balance as at March 31, 2020	579.72	79.45	20.85	73.72	153.69	992.84	1,900.27
Depreciation for the year	213.43	27.98	3.60	22.98	82.97	339.59	690.55
Disposals	(67.09)	(7.48)	(0.77)	(1.60)	(1.14)	(71.03)	(149.11)
Balance as at March 31, 2021	726.06	99.95	23.68	95.10	235.52	1,261.40	2,441.71
Accumulated impairment							
Balance as at April 01, 2019							
Impairment loss for the year	-	-	-	-	-	-	-
Balance as at March 31, 2020	-	-	-	-	-	-	-
Impairment loss for the year	133.92	1.01	0.48	0.46	1.43	8.10	145.40
Balance as at March 31, 2021	133.92	1.01	0.48	0.46	1.43	8.10	145.40
Net Book Value							
Balance as at March 31, 2021	1,464.74	116.99	19.13	50.06	153.22	1,388.03	3,192.17
Balance as at March 31, 2020	1,599.09	129.98	21.13	60.71	163.76	1,529.07	3,503.74
Capital work-in-progress*							
Balance as at March 31, 2021							160.21
Balance as at March 31, 2020							157.20

*Capital work-in-progress represents expenditure for stores under construction.

Note: The impairment for the year ended March 31, 2021 of INR 145.40 million has been included in "Depreciation, impairment and amortisation expenses" in the statement of profit and loss (Note 26).

4 Intangible assets and Intangible assets under development

Intangible assets

(Rs. in million)

Particulars	Computer Softwares	License fees	Franchisee fees	Total	Goodwill
Cost					
Balance as at April 01, 2019	99.37	16.25	341.21	456.83	1,835.22
Additions	24.43	16.02	24.46	64.91	-
Disposals	(0.47)	(0.34)	(7.16)	(7.97)	-
Balance as at March 31, 2020	123.33	31.93	358.51	513.77	1,835.22
Additions	1.53	6.16	4.28	11.97	-
Disposals	(1.52)	(1.14)	(5.42)	(8.08)	-
Balance as at March 31, 2021	123.34	36.95	357.37	517.66	1,835.22
Accumulated amortisation					
Balance as at April 01, 2019	75.15	3.07	93.37	171.59	-
Charge for the year	24.12	8.00	42.63	74.75	-
Disposals	(0.47)	(0.34)	(3.38)	(4.19)	-
Balance as at March 31, 2020	98.80	10.73	132.62	242.15	-
Charge for the year	20.20	10.95	40.42	71.57	-
Disposals	(1.52)	(1.14)	(5.42)	(8.08)	-
Balance as at March 31, 2021	117.48	20.54	167.62	305.64	-
Accumulated impairment					
Balance as at April 01, 2019					
Impairment loss for the year (Refer Note a below)	-	-	-	-	776.61
Balance as at March 31, 2020	-	-	-	-	776.61
Impairment loss for the year (Refer Note a below)	-	-	-	-	-
Balance as at March 31, 2021	-	-	-	-	776.61
Net Book Value					
Balance as at March 31, 2021	5.86	16.41	189.75	212.02	1,058.61
Balance as at March 31, 2020	24.53	21.20	225.89	271.62	1,058.61

Note :

- a) The recoverable amount as at March 31, 2021, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a four-year period. The projected cash flows have been updated to reflect the decreased demand for products and services in the current pandemic situation. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 17% (31 March 2020: 16%) and cash flows beyond the four-year period are extrapolated using a 4.0% growth rate (31 March 2020: 4.0%) that is the same as the long-term average growth rate for the quick service restaurant industry. It was concluded that the fair value less costs of disposal exceed the carrying value. As a result of this analysis, no impairment charge recorded as an exceptional item in the profit and loss statement in the current year (previous year INR 776.61 million).

Intangible assets under development

Balance as at March 31, 2021	91.40
Balance as at March 31, 2020	30.90

5 Financial assets

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
INVESTMENTS		
Investments in subsidiary measured at Cost		
Unquoted equity shares		
1,82,85,169 (March 31, 2020: 1,79,29,848) Equity shares of Rs. 10 each fully paid-up in Gamma Pizzakraft (Overseas) Private Limited (Refer Note (a))	1,605.95	1,563.41
Unquoted mutual fund		
Investment in Mutual Fund measured at fair value through profit or loss (FVTPL) (Refer Note (b))	267.41	155.21
Total investments	1,873.36	1,718.62
Current	267.41	155.21
Non-current	1,605.95	1,563.41

Note (a): Non-controlling interest in Gamma Pizzakraft (Overseas) Private Limited

Non-controlling shareholders of Gamma Pizzakraft (Overseas) Private Limited ('Gamma'), had the option to put their entire shareholding to the company at any time during the period commencing on the closing date (September 9, 2015) and expiring on the fourth anniversary of the closing date with a fixed return of 15% per annum calculated on the business valuation carried out at the closing date upto the end of 47 months.

If the option had been exercised during 48th month from the closing date, Company had the obligation to:

1. Purchase the entire shares at a price which gives non-controlling shareholders a fixed return of 15% per annum calculated on the basis of the business valuation carried out at the closing date OR
2. Purchase the entire shares based on the fair value as determined basis the multiples of revenue or EBITDA applied at the time of acquisition of this business by the Company OR
3. To deliver the shares of the company, as per ratio determined based on the relative fair value of the business determined on the basis of multiple of EBITDA of Gamma as compared to the Company including Gamma

If the above options are not exercised, Company had the option to buy all the shares from non-controlling shareholders at any time after the expiry of put option period at an aggregate price which gives the existing share holder a 15% per annum calculated on the business valuation carried out at the closing date.

During the year 2019-20, non controlling shareholders exercised the aforesaid right and as a result, the Company purchased 46,87,205 shares from these shareholders at Rs 119.71 per share. Also refer note 31 (e).

Note (b) Investment in unquoted mutual fund

The Company has 17,15,795.26 outstanding debt mutual fund units as at March 31,2021 consists of HDFC, ICICI overnight fund and ICICI liquid fund (March 31,2020 : 39,729.38 HDFC liquid fund)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans: Deposits (unsecured)		
Loan to related party		
-Subsidiary (refer Note 37)	19.00	19.00
Security Deposits		
Considered good	621.19	589.64
Credit impaired	22.83	3.80
	644.02	593.44
Less: Allowance for expected credit losses	(22.83)	(3.80)
Total Loans: deposits	640.19	608.64
Current	21.65	7.23
Non-current	618.54	601.41

Loan to subsidiary carries an interest rate of 12% p.a. and is given for a period of 3 years for business purposes and does not include interest receivable of Rs 0.19 million which is included below as "interest accrued on fixed deposits and loan" (Mar 2020 : Rs 0.17 million).

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Others financial assets (unsecured)		
Term deposits with maturity of more than 12 months	-	0.12
Interest accrued on fixed deposits and loan		
- Related party (Note 37)	0.19	0.17
- Others	1.43	2.27
Margin money/security deposits with banks (placed as security with government body and banks)*	85.42	12.14
Other receivables		
Considered good		
- Others	3.12	12.42
Considered doubtful	-	3.65
	3.12	16.07
Less: Provision for doubtful receivables	-	(3.65)
	3.12	12.42
Total other financial assets	90.16	27.12
Current	4.74	27.00
Non-current	85.42	0.12

* Amount includes Rs 50.27 million as at March 31, 2021 (March 31, 2020: Nil) is restricted balance in current account and hence, restricted from current use of the Company.

Movements in allowance for credit losses of receivables is as below:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	7.45	52.61
Charge during the year	19.04	2.27
Utilised during the year	(3.66)	(47.43)
Balance at the end of the year	22.83	7.45

For explanation on the credit risk management process, refer Note 40 (b)

6 Other non-current assets (unsecured)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
CAPITAL ADVANCES :		
Considered good	50.59	47.52
Considered doubtful	28.66	28.66
Less : Allowance for doubtful balances	(28.66)	(28.66)
	50.59	47.52
Balances with government authorities		
Considered good	88.87	109.06
Considered doubtful	26.90	28.65
	115.77	137.71
Less: Allowance for doubtful balances	(26.90)	(28.65)
	88.87	109.06
Total other non-current assets	139.46	156.58

7 Inventories

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
(At lower of cost or net realisable value)		
Raw materials	226.42	270.81
Packing materials	37.36	46.49
Small wares, cleaning, uniform and operating supplies	41.99	40.27
Less : Provision for slow moving inventories	(4.08)	(29.81)
Goods in transit of raw materials	29.75	-
Total inventories	331.44	327.76

8 Trade receivables

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	59.84	36.57
Unsecured, credit impaired	0.10	3.98
Less : Allowance for expected credit losses	(0.10)	(3.98)
Total trade receivables	59.84	36.57

Movements in allowance for credit losses of receivables is as below:

(Rs. in million)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	3.98	28.70
Charge/(release) during the year	(3.88)	(1.05)
Utilised during the year	-	(23.67)
Balance at the end of the year	0.10	3.98

Trade Receivables are non interest bearing and are generally on terms of 7 - 30 days

For explanation on the credit risk management process, refer Note 40 (b)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9 Cash and cash equivalents

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	278.37	150.96
Cash on hand	33.36	16.94
Term deposits with original maturity of less than three months	0.12	0.12
Total cash and cash equivalents	311.85	168.02

10 Bank balances other than cash and cash equivalents

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Term deposits with maturity more than 3 months but less than 12 months	49.47	169.85
Margin money deposit (placed as security with government body)	-	0.50
Total bank balances other than cash and cash equivalents	49.47	170.35

11 Other current assets (unsecured)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	29.75	14.30
Advances to suppliers:		
Considered good	22.14	15.47
Considered doubtful	0.77	0.77
Less : Allowance for doubtful balances	(0.77)	(0.77)
	22.14	15.47
Employee advances	2.94	1.30
Total other current assets	54.83	31.07

12 Share capital

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Authorised shares:		
18,30,90,000 (March 31, 2020: 18,30,90,000) Equity shares of Rs.10 each	1,830.90	1,830.90
250,000 (March 31, 2020: 2,50,000) 8% Compulsorily convertible preference Shares of Rs.100 each	25.00	25.00
68,00,000 (March 31, 2020: 68,00,000) 0.001% Compulsorily convertible preference Shares of Rs. 361.90 each	2,460.92	2,460.92
	4,316.82	4,316.82
b. Issued, subscribed and fully paid-up shares:		
5,27,90,409 (March 31, 2020: 5,02,43,968) Equity shares of Rs.10 each fully paid up	527.90	502.44
	527.90	502.44
c. Reconciliation of number of shares outstanding at the beginning and end of the year (in numbers):		
Equity shares		
Outstanding at the beginning of the year	50,243,968	43,107,874
Issued during the year (Note h)	2,546,441	7,136,094
Outstanding at the end of the year	52,790,409	50,243,968

d. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity share having par value of Rs. 10 each. Each holder of equity share is eligible to one vote per share. The dividend, if any, 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 receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e. Rights, preferences and restrictions attached to preference shares

Subject to applicable Law, the holders of CCPS shall be entitled to such voting rights as are exercisable by Persons holding equity shares in the Company, as if such CCPS have been fully converted into equity shares, and shall be treated pari passu with the equity shares on all voting matters. Upon conversion of the CCPS, the equity shares received shall rank pari passu to the existing Equity Shares of the Company and shall have full and complete rights of an equity shareholder including but not limited to the ability to designate and vote for directors to be elected by the holders of equity shares. Each equity share shall carry one vote.

The holders of CCPS shall be entitled to receive non-cumulative dividends on the CCPS in preference to any dividend on all other Securities at the rate of 0.001% (Zero point Zero Zero One Percent) of the original subscription price per annum for the CCPS, if, when and as declared by the Board. For any other dividends or distributions, the holders of the CCPS shall also be entitled to participate pro rata in any dividends paid on the equity shares on an as if converted basis adjusted for any par value changes, on a cumulative basis. (refer note h below).

f. Shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	% hold ing	No. of Shares	% holding	No. of Shares
Equity shares				
Sapphire Foods Mauritius Limited	33.10%	17,471,576	33.48%	16,823,779
WWD Ruby Limited	31.60%	16,679,505	30.96%	15,556,510
Amethyst Private Limited	16.62%	8,771,411	17.46%	8,771,411
QSR Management Trust through trustee Sagista Realty Advisors Private Limited	7.01%	3,698,869	7.00%	3,517,459
Edelweiss Crossover Opportunities Fund	8.05%	4,248,730	8.06%	4,048,195

As per the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

g. Shares reserved for issue under options

- (i) Shareholders of the Company have the right to make further subscription to the equity shares in the Company, exercisable at any time prior to June 30, 2019, whether in single tranche or multiple tranches, but, in the aggregate not exceeding INR equivalent of USD 50,000,000 at a price per share which would provide a 20% IRR to the issue price. Since, these options are exercisable at a fixed/ determinable Rs price i.e. issue price + 20% IRR with no variability in consideration per share, these options have been classified as Equity in accordance with Ind AS 32 - Financial Instruments: Presentation. These options have expired during the previous year ended March 31, 2020.
- (ii) Information relating to Sapphire Foods Employee Stock Option Plan 2017, including details of options granted, exercised and lapsed during the current year and options outstanding at the end of reporting period, is set out in note 41.

h. Issued and paid up component of shares issued during the year includes :-

- i) Right issue of 23,65,930 shares
- ii) Employee stock options exercised of 1,80,511 shares

i. Bonus shares issued during the period of five years immediately preceding the reporting date:

The Company had allotted 4,10,88,390 fully paid-up Equity Shares of face value Rs. 10/- each during the year ended 31st March, 2017, pursuant to bonus issue approved by the Shareholders in the meeting held on February 23, 2017. The book closure date fixed by the Board was February 23, 2017. The Bonus shares were issued in the proportion of 70 new fully paid-up equity shares for every 1 Equity Share.

13 Other equity

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
SECURITIES PREMIUM		
Balance as per last balance sheet	8,766.11	6,388.36
Add: Premium on issue of equity shares	418.77	2,377.75
Add: ESOP exercised	62.21	-
Less: Share issued related expenses	-0.41	-
Balance as at the end of the year	9,246.68	8,766.11
CAPITAL RESERVE		
Balance as per last balance sheet	356.10	356.10
Balance as at the end of the year	356.10	356.10
SHARE OPTIONS OUTSTANDING ACCOUNT		
Balance as per last balance sheet	111.05	66.83
Employee stock option expense (refer Note 24)	137.78	44.22
Exercise of stock options	-62.21	-
Balance as at the end of the year	186.62	111.05
RETAINED EARNINGS		
Balance as per last balance sheet	(4,190.87)	(2,208.52)
Effect of adoption of Ind AS 116 Leases (Note 43)	-	(590.47)
Loss for the year	(967.02)	(1,389.13)
Re-measurement gains/ (losses) on defined benefit plans [net of deferred tax]	(10.25)	(2.75)
Balance as at the end of the year	(5,168.14)	(4,190.87)
Total other equity	4,621.26	5,042.39

Note : Nature and purpose of reserves

- Retained earnings- Retained earnings are the profits/ losses that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.
- Share options outstanding account- The Company offers ESOP, under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.
- Capital reserve- Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.
- Securities premium- The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

14 Borrowings (measured at amortised cost)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
NON-CURRENT BORROWINGS (SECURED)		
Term loan from bank (refer Note below)	616.94	509.63
Less : Current maturities disclosed in other current financial liabilities (refer Note 18)	(208.78)	(87.50)
Total non-current borrowings	408.16	422.13

Term loan from Standard Chartered Bank was taken for a period of 5 years for the purpose of modernization and expansion. The interest rate ranged from 6.85% p.a to 10.70% p.a during the loan tenure. The loan has been repaid in current year by loan from HDFC Bank which is repayable in 35 quarterly instalments. The interest rate is 8.30% p.a. Pari passu charge on all tangibles and intangibles assets, current assets and receivables and all bank accounts.

Term loan from Vivriti Capital is taken for a period of 3 years for the purpose of modernization and expansion. The loan is to be repaid in 33 monthly principal instalments. The interest rate is 14% p.a. Pari passu charge on current and movable fixed assets and 10% of the loan amount as Fixed Deposits

Company had availed moratorium under RBI COVID-19 Regulatory Relief Package. Accordingly, the Principal repayments and interest repayments due from March 31 2020 to August 31 2020 got deferred and the loan maturity date got extended accordingly.

Loan maturity got extended only towards principal component, interest amount was immediately paid on completion of moratorium.

15 Income tax

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CURRENT INCOME TAX	-	-
Deferred tax		
Relating to originating and reversal of temporary differences	-	-
Income tax expense/(income) reported in the statement of total comprehensive income/ (loss)	-	-
- Income tax expense/(income) reported in the statement of profit/ (loss)	-	-
- Income tax expense/(income) reported in the statement of other comprehensive income/ (loss)	-	-

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss before taxes	(967.02)	(1,389.13)
Statutory income tax rate	31.20%	31.20%
Expected income tax expense*	(301.71)	(433.41)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense :-		
Deferred tax assets not recognised for unused tax losses to the extent of deferred tax liabilities	312.32	333.90
Expenses not deductible for tax purpose	(10.61)	(5.34)
Impairment of Goodwill	-	104.85
	301.71	433.41
Total income tax expense/ (income)	-	-

* The income tax liability is NIL being loss incurred during the year

Deferred tax

Deferred tax relates to the following:

(Rs. in million)

Particulars	Balance Sheet		Profit and Loss	
	As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax liabilities				
Goodwill	292.71	190.29	102.42	(8.66)
Mutual Funds	1.50	1.28	0.22	1.28
	294.21	191.57	102.64	(7.38)
Deferred tax assets				
Property, plant and equipment/ Intangible assets	373.00	308.10	64.90	25.45
Employee benefits payable	43.95	45.24	(1.29)	13.70
Long term/ Short term provisions	21.78	18.24	3.54	(2.80)
Provision for slow moving inventories	1.27	9.30	(8.03)	9.30
Lease Liabilities (net of ROU assets)	450.56	265.30	185.26	81.15
Provisions for doubtful advances	20.40	13.21	7.19	(16.91)
Disallowance under section 40(a)(i) of Income Tax Act, 1961	33.14	13.73	19.41	(2.83)
Unabsorbed business losses (income recognised in statement of profit or loss for the year to the extent of expenses recorded)	1,181.66	1,273.97	(168.34)	(114.44)
	2,125.76	1,947.09	102.64	(7.38)
Deferred tax expense/ (income)	-	-	-	-
Net deferred tax assets/ (liabilities) #	1,831.55	1,755.52	-	-

Deferred tax assets are recognised to the extent of deferred tax liabilities and hence, the value in the Balance Sheet is Nil.

The Company has carried forward tax losses of Rs. 974.90 million (March 31, 2020 Rs. 1,378.90 million), unabsorbed depreciation of Rs. 2,756.09 million (March 31, 2020 Rs. 2,647.97 million) and Short Term Capital Loss of Rs. 56.37 million (March 31, 2020 Rs. 56.37 million)

Expiry schedule of losses on which deferred tax assets is not recognised is as under :

(Rs. in million)

Expiry of losses financial year wise	Business losses	Unabsorbed depreciation	Short term capital loss
FY 2021 - 22	256.09	-	-
FY 2022 - 23	315.34	-	-
FY 2023 - 24	403.47	-	-
FY 2024 - 25	-	-	56.37
Indefinite	-	2,756.09	-
Total	974.90	2,756.09	56.37

Book Loss (Section 115JB) of Rs. 320.00 million to be expired on FY 2025-26.

16 Lease Liabilities

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (Refer Note 43)	5,082.29	5,029.93
Total Lease Liabilities	5,082.29	5,029.93
Current	681.94	591.94
Non-current	4,400.35	4,437.99

17 Trade payables

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (Note 35)	15.07	79.70
Total outstanding dues of creditors other than micro enterprises and small enterprises :		
- Related parties (Note 37)	0.07	-
- Others	1,114.10	944.87
Total trade payables	1,129.24	1,024.57

Terms and conditions of the above Trade payables:

- Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

18 Other current financial liabilities

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current borrowings (Note 14)	208.78	87.50
Interest accrued but not due on borrowings	2.40	4.53
Employees benefits payables	171.69	133.84
Capital creditors	139.64	151.56
Other payables :		
- Related party (Note 37)	11.46	9.45
- Others	2.53	6.51
Total other current financial liabilities	536.50	393.39

19 Other current liabilities

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	3.37	3.16
Statutory dues	122.20	126.71
Total other current liabilities	125.57	129.87

20 Provisions

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	Non- Current	Non- Current	Current	Current
Gratuity (Note 36)	60.33	51.26	3.02	2.19
Leave encashment	-	-	6.44	5.01
Others*	-	-	40.87	39.63
Total provisions	60.33	51.26	50.33	46.83

MOVEMENT FOR PROVISION OTHERS

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as per last balance sheet	39.63	40.74
Addition during the year	1.97	1.97
Deletion during the year	(0.73)	(3.08)
Balance as at the end of the year	40.87	39.63

* Others includes provision for certain litigation relating to service tax on rentals and other cases which is currently pending judgement in the Supreme Court/other authorities. The increase is on account of interest on service tax provided during the year. The company had applied for Service tax amnesty which was rejected pursuant to which company had filed a writ petition in the High Court of Mumbai.

21 Revenue from contracts with customers (refer Note 42)

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE FROM CONTRACT WITH CUSTOMERS		
Restaurants sales	8,015.31	10,915.68
OTHER OPERATING INCOME		
- Sale to Airport dealers	21.08	107.64
- Alliance Income	3.24	0.40
- Scrap sales and others	12.11	11.94
Total	8,051.74	11,035.66

22 Other income

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on fixed deposits and loan	5.73	57.76
Interest income from security deposit at amortised cost	50.28	42.70
Fair value gain on financial instruments at fair value through profit or loss	9.83	7.83
Rent waiver due to COVID (Refer note below)	412.47	-
Provision for doubtful debts written back (net of bad debts written off)	3.58	1.05
Profit on sale/ discard of property, plant and equipment	0.41	-
Gain on termination of lease contract (Note 43)	49.50	0.12
Miscellaneous income *	0.65	1.10
Total	532.45	110.56

* Represents interest on income tax refund.

Note: During the current period consequential to COVID 19 pandemic the Company has negotiated several rent concessions. In view of recent amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Company has elected, as a practical expedient, not to assess these rent concessions as lease modifications and has recognized impact of such rent concession in Statement of Profit and Loss. The election is made for all such rent concessions as these satisfy the conditions mentioned in Para 46A and Para 46B of Ind AS 116 (as amended). Accordingly an amount of Rs 412.47 million related to rent concessions has been recognised as other income.

23 Cost of materials consumed (raw material and packing material)

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory as at the beginning of the year	317.29	190.12
Add: Purchases	2,401.26	3,660.40
Less: Inventory at the end of the year	293.53	317.29
Total	2,425.02	3,533.23

24 Employee benefits expense

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,215.17	1,592.97
Contribution to provident fund and other funds (refer Note a below)	78.28	111.06
Gratuity (refer Note 36)	11.85	12.25
Employee stock option scheme (refer Note 41 and note b below)	146.24	46.45
Staff welfare expenses	32.36	35.67
Total	1,483.90	1,798.40

- (a) Netted off with refund claimed under Provident Fund scheme namely Pradhan Mantri Protsahan Rojgar Yojana ('PMPRY') of Rs 4.53 million (March 31, 2020: Rs 15.93 million)
- (b) Expenses on employee stock option scheme includes Rs 8.47 million (March 31, 2020 Rs 2.22 million) towards long term incentive plan for the specified employees as per the scheme.

25 Finance costs

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on loans from banks	84.52	61.36
Interest - others	11.94	18.56
Interest on lease liabilities (Note 43)	553.73	511.61
Other borrowing cost	6.93	10.62
Total	657.12	602.15

26 Depreciation, impairment and amortisation expense

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (Note 3)	690.55	720.73
Impairment on property, plant and equipment (Note 3)	145.40	-
Amortisation on intangible assets (Note 4)	71.57	74.75
Depreciation on right of use asset (Note 43)	837.01	760.20
Total	1,744.53	1,555.68

27 Other expenses

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent (Note 43)	228.01	434.75
Electricity and utilities charges	564.37	832.03
Royalty	526.09	713.03
Marketing and advertisement expenses	280.23	394.65
Commission on aggregators and meal coupons	620.37	491.12
Common area maintenance expenses	204.81	243.01
Distribution and warehousing charges	187.86	233.86
Repairs and maintenance:		
- Plant and machinery	53.66	82.97
- Others	141.77	165.81
Professional fees	103.47	119.24
Small wares, operating and other supplies	103.07	141.95
Home delivery charges	41.11	49.42
Changes in fair value of financial liability (Note 12 (g) (iii))	-	29.71
Travelling and conveyance	26.02	71.47
Payment to auditors		
Audit fee	6.45	5.78
Tax audit fee	0.29	0.38
Allowance for credit losses/ provision for advances	-	29.07
Provision for doubtful deposits	19.04	2.27
Sundry balances written off	4.00	5.23
Loss on sale/ discard of property, plant and equipment	-	5.75
Miscellaneous expenses	130.02	191.63
Total	3,240.64	4,243.13

28 Exceptional Items

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impairment loss on goodwill of Pizza Hut	-	776.61
Provision for obsolete inventories	-	26.15
Total	-	802.76

Note :-

Considering the QSR industry, COVID 19 has significant impact on business operations of the Company. Further, there was substantial impact on the Pizza Hut segment accompanied with unprecedented slow-down in demand. The Company based on its assessment has determined the impact of such exceptional circumstances on its financial statements and the same had been disclosed separately as 'Exceptional Items of Rs. Nil (March 31, 2020: 802.76 million), in the Statement of Profit and Loss for the year ended March 31, 2021. (also refer note 33(g) and note 34).

29 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders (after adjusting for cost of options) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the loss and share data used in the basic and diluted EPS computations:

(Rs. in million)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss attributable to the equity holders of the Company (Rs. in million)	(967.02)	(1,389.13)
Loss attributable to equity holders adjusted for the effect of dilution		
Weighted average number of Equity shares outstanding during the year*	51,711,080	50,243,968
Effect of dilution:		
Share options under ESOP	1,611,594	617,221
Basic and Diluted Earning Per Share (Face value of Rs. 10 per share) #	(18.70)	(27.65)

*Weighted average number of equity shares outstanding for the purpose of calculating basic earnings per share includes equity shares that will be issued upon the conversion of outstanding mandatory convertible instruments.

Share options have not been considered above being anti-dilutive in nature (Refer Note 41).

30 Contingent liabilities

(Rs. in million)		
Particulars	March 31, 2021	March 31, 2020
i) Claims against the Company not acknowledged as debts in respect of:		
- Sales Tax	75.86	91.50
- Income Tax	69.57	69.68
- Other matters	14.67	9.28
Total	160.10	170.46

- ii) The Company has entered into business transfer agreement with A. N. Traders Pvt Limited (ANTPL) in August 2016. The obligation of the parties was completed and the transaction of transferring the franchisee has been closed. One of the promoter of ANTPL has filed FIR against the company and various other parties. The Company has filed a quashing petition in the High Court of Delhi seeking an order to quash the FIR as the same had been filed on false and frivolous grounds. The petition is pending for hearing in the High Court of Delhi. The Company do not foresee any financial obligation against the FIR.
- iii) The Hon'ble Collector of Stamps, Mumbai, passed an order dated January 3, 2019, ("Order") against the Company for payment of stamp duty amounting to INR 194.60 million with respect to scheme of merger/amalgamation between Company and SHRPL, Hansazone, Pizzeria, KFCH. Aggrieved by this, Company filed an appeal before the Chief Controlling Revenue Authority, Pune, Maharashtra, challenging the Order on the grounds inter alia, that the amount of stamp duty has been calculated incorrectly and the current valuation of the stamp duty amounts to INR 2.74 million. Company had also filed application for granting interim stay on the effect and operation of the Order, during the pendency of the appeal. The matter is currently pending.

- iv) The Company has filed a writ petition before the High Court of Gujarat at Ahmedabad challenging the anti-profiteering investigation being conducted by the Directorate General of Anti-Profiteering ("Respondent"), on the grounds that the anti-profiteering investigation is ex-facie illegal and suffers from various infirmities including malice in law on the part of the Respondents including the National Anti-Profiteering Authority. The Respondents had initiated an anti-profiteering investigation under Section 171 of the Central Goods and Services Tax Act, 2017, basis a complaint against a singular Pizza Hut restaurant located in Ahmedabad, Gujarat. This investigation was initiated basis an reconsidered reference made by the Standing Committee on Anti-Profiteering in respect to a complaint filed with respect to supply of a product named 'veggie supreme' by our restaurant. Thereafter, the Company had responded and provided information to various summons and notices as demanded by the Respondent during the investigation. However, being aggrieved by the way the investigation was being conducted, the Company challenged the proceedings by the way of writ petition on the grounds that it was being conducted without any methodology or guidelines and was therefore manifestly arbitrary. By an order dated June 30, 2020, the High Court of Gujarat had directed the Respondent to not inquire about any other product of the Company other than the complained product. Subsequently the Company has filed its written submission dated March 30, 2021, before the High Court of Gujarat at Ahmedabad praying before the Court to allow the Writ Petition. The matter is currently pending for final orders and judgment.

Future cash outflows, if any, in respect of above are determinable only on receipt of judgement/decisions pending at various forums/ authorities or final outcome of matter.

The Company's pending litigations comprise of proceedings pending with tax authorities and government body. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have materially adverse impact on its financial statements.

31 Commitments

- (a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances)

Particulars	(Rs. in million)	
	March 31, 2021	March 31, 2020
Estimated amount of contracts to be executed on capital account and not provided for (net of advances)	258.13	177.29

- (b) The Company has entered into a Development Agreement with Yum Restaurants (India) Private Limited ('Yum') to build a minimum 201 Net New Stores of Pizza Hut between Jan 2019 to December, 2022, with certain incentives to be accrued on opening of such stores. In the event of company not meeting the build targets in any years, Yum will have the right to consider revocation of development (exclusivity) rights of the Company as specified in the Development Agreement. In view of the Covid19 pandemic Net new stores targets and timelines specified in the agreement have got revised basis the recovery relief agreement and it is highly probable that these targets will be met.
- (c) As per the agreement mentioned in (b) above, the Company is liable to make an upfront deposit of 500,000 USD at the beginning of each year towards Net New Build Target for that particular year starting from January 1, 2019 till the time agreement is in force. On meeting the targets mentioned therein, the Company will be eligible for full deposit refund at the end of each year or 3 months after the applicable cure period set out therein.

In view of the Covid19 pandemic Net new stores targets and timelines specified in the agreement have got revised basis the recovery relief agreement and it is highly probable that these targets will be met.

- (d) The Company has entered into a Development Agreement with Yum Restaurants (India) Private Limited ('Yum') to build a minimum 210 Net New Stores of KFC over the period of 5 years starting from the effective date of the agreement i.e. January 1, 2019, with certain incentives to be accrued on opening of such stores. In the event of company not meeting the build targets during the first two years, Yum will have the right to consider revocation of development (exclusivity) rights of the Company from third year onwards as specified in the Development Agreement. The Company has also issued an irrevocable and unconditional bank guarantee of the then applicable initial fee for the entire target number of outlets. In case of not meeting the annual target, Yum shall be entitled to encash the said bank guarantee.

In view of the Covid19 pandemic Net new stores targets and timelines specified in the agreement have got revised basis the recovery relief agreement and it is highly probable that these targets will be met.

- (e) During the year 2019-20, the Company has purchased all but 1% shares from non controlling shareholders as a result of exercise of put option. As per the Share Purchase Agreement dated 7 September 2019, the Company is liable to make the payment of Rs 21.53 million to one of the shareholder for balance 1% of the shareholding in the subsidiary on or before 25 July 2020 pursuant to transfer of balance 1% stake by the other party and same was subsequently paid on 04 August 2020.

32 Segment Reporting

Description of segments and principal activities and information about products and services

As the Company's business activity primarily falls within a single business and geographical segment i.e. Food and Beverages, thus there are no additional disclosures to be provided under Ind AS 108 – "Operating Segment". 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.

Geographical information

All revenue and non-current assets of the Company is situated in India, hence, disclosure pertaining to geographical areas has not been presented.

Information about major customers

Company is not dependent on any single customer for its revenue and none of the customers contribute to more than 10% of revenue individually.

33 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company based its judgement, assumptions and estimates on parameters available including the probable impact of COVID 19 when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of Non Financial Assets:

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are as under:

- Gross Margins
- Discount Rates
- Material Price inflation
- Growth rate
- Rent expense
- Salaries and wages
- Royalty and marketing fees

The management believes that no reasonably possible change in any of the key assumptions used in value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Gross Margins - Gross margins are based on average values achieved in the preceding years and is expected to remain constant during the budget period. These have not increased over the budget period for anticipated efficiency improvements as the increase, if any, is expected to be marginal.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC). The cost of equity is derived from the expected return on investment by the Company's investors.

Materials price inflation - Past actual material price movements are used as an indicator of future price movements.

Growth rate estimates - Rates are based on management's estimate through internal and published industry research.

Rent expense, Salaries and wages, Royalty and Marketing expenses - Past actual rate movements are used as an indicator of future rate movements.

Any increase/decrease in the above factors may result in impairment.

(b) Taxes

The Company has exposure to income taxes in Indian jurisdiction. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant managements judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Considering the history of losses and considering the loss for the year/ period, the Company has not recognised deferred tax assets on the losses in excess of deferred tax liabilities.

(c) Employee Benefit Plans

The cost of defined benefit gratuity plan as well as the present value of the gratuity obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, expected rates of return of assets, future salary increase and mortality rates. Due to the complexity of the valuation, the underlying assumptions, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligation has been mentioned in Note 36.

(d) Useful life and residual value of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 15 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipment at the end of the reporting period is disclosed in Note 3 to financial statements.

(e) Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Refer Note 29 for further details.

(f) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Company included the renewal period as part of the lease term for leases of stores with shorter period (i.e., upto 10 years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on the revenue. The renewal periods for leases of stores with longer non-cancellable periods (i.e. more than 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

Refer to Note 42 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

(g) Provision for inventories

The Company has calculated the provision for inventory basis the percentage as per historical experience for inventory lying from the last inventory count date to the reporting date.

Also considering the current pandemic situation, a reasonable sales estimate is made basis the current trend to arrive at the shelf life provision of inventory.

(h) COVID-19

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc.

In assessing the recoverability of Company's assets such as Investments, Loans, Intangible assets, Goodwill, Trade receivable and Inventories etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions, the Company expects to recover the carrying amount of the assets. (Refer note 34)

(i) Share based payments

The Group has taken the charge for share based payment after considering the attrition rate and achievement of the performance criteria as per the scheme (Refer note 41).

34 Impairment Testing of Goodwill

Goodwill acquired through business combinations is not amortized but is evaluated for impairment annually or whenever events or changes in circumstances indicate the carrying value may not be recoverable.

The Company performed its impairment test for the year ended March 31, 2021 on March 31, 2021.

The Company test for goodwill impairment at the CGU level. Company's detailed impairment testing involves comparing the recoverable amount of the CGU to its carrying value, including goodwill. The recoverable amount is basis the value in use which has been calculated using Cash Flow Projections from financial budgets approved by senior management covering a four year period. The projected cash flows have been updated to reflect the decreased demand for products and services in the current pandemic situation. The pre-tax discount rate is applied to cash flow projections. The Company has estimated cash flow upto the year 2025 and then have considered a perpetuity growth rate to arrive at perpetual value post 2025. As a result of this analysis as at March 21, there is no impairment charge.

As at March 31, 2020, on account of the impact of COVID 19, the company had provided for the impairment of the PH brand aggregating to Rs 776.61 million. Accordingly, as of 31 March 2021, goodwill for only one CGU i.e. KFC is assessed for impairment.

The key assumptions have been disclosed in Note 33(a)

Carrying amount of Goodwill as on March 31, 2021 is Rs. 1,058.61 million for KFC brand (March 31, 2020; Rs. 1,058.61 million)

Sensitivity to change in assumptions

Discount rate assumption

A change in discount rate by 100 basis points will result in change in the recoverable value by :-
(Rs. in million)

Particulars	
Increase in 100 basis points and impact on the recoverable value	(934.66)
Decrease in 100 basis points and impact on the recoverable value	1,098.56

Sales growth rate assumption

A change in discount rate by 100 basis points will result in change in the recoverable value by :-
(Rs. in million)

Particulars	
Increase in 100 basis points and impact on the recoverable value	863.50
Decrease in 100 basis points and impact on the recoverable value	(740.14)

35 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 :

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
a) The principal amount and the interest due thereon remaining unpaid to suppliers		
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the end of accounting year	5.19	76.95
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the end of accounting year	9.88	2.75
Total	15.07	79.70
b) The amount of interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	266.33	28.08
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of the accounting year	7.13	2.75
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	9.88	2.75

The above information and that given in Note 17 - Trade Payables regarding Micro and Small Enterprises has been determined based on the information available with the Company.

36 Disclosure as per IND-AS 19, "Employee Benefits"

I. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expenses recognised during the period towards defined contribution plan is Rs. 78.28 million (31 March 2020: Rs. 111.06 million) [refer Note 24].

II. Defined benefit plan: Gratuity

The Company operates a gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each year of service and to employee who has completed 5 years or more of service. The same is payable on termination of service or retirement whichever is earlier. The Gratuity paid is governed by The Payment of Gratuity Act, 1972. The Company contributes to the fund based on actuarial report details of which is available in the table of investment pattern of plan asset, based on which the company is not exposed to market risk. The following table summarises the component of net defined benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for respective period.

A. Balance Sheet

(Rs. in million)

Particulars	Defined benefit plans	
	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	64.11	54.16
Fair value of plan assets	0.76	0.71
Net plan liability / (asset)	63.35	53.45

B. Movements in plan assets and plan liabilities

(Rs. in million)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Plan Asset	Plan Liability	Total	Plan Asset	Plan Liability	Total
As at the beginning of the year	0.71	54.16	53.45	0.66	47.69	47.03
Current service cost	-	8.84	8.84	-	9.12	9.12
Interest cost	-	3.06	3.06	-	3.18	3.18
Return on plan assets less expected interest on plan assets	0.04	-	(0.04)	0.05	-	(0.05)
Actuarial (gain)/loss on plan assets	0.01	-	(0.01)	0.00	-	(0.00)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	(4.29)	(4.29)
Actuarial (gain)/loss arising from changes in financial assumptions	-	1.62	1.62	-	5.52	5.52
Actuarial (gain)/loss arising from experience adjustments	-	8.63	8.63	-	1.51	1.51
Benefit payments	-	(12.20)	(12.20)	-	(8.57)	(8.57)
As at the end of the year	0.76	64.11	63.35	0.71	54.16	53.45

C. Statement of Profit and Loss

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefit expenses:		
Current service cost	8.84	9.12
Finance cost/(income)	3.02	3.13
Net impact on the loss before tax (refer note 24)	11.86	12.25
Remeasurement of the net defined benefit liability:		
Actual return on plan assets less expected interest on plan assets	(0.01)	(0.00)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(4.29)
Actuarial (gain)/loss arising from changes in financial assumptions	1.62	5.52
Actuarial (gain)/loss arising from experience adjustments	8.63	1.51
Net impact on the Other Comprehensive Loss before tax	10.24	2.74

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind-AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Financial Assumptions		
Discount rate	5.60%	5.80%
Salary Escalation Rate	For Corporate : 8% For Stores : 5%	For Corporate : 8% For Stores : 5%
Expected Rate of Return on Assets (per annum)	NA	NA
Particulars	As at March 31, 2021	As at March 31, 2020
Demographic Assumptions		
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal rate	For Corporate : If service < 5 yrs, 18% If service > 5 yrs, 12% For Store : If service < 5 yrs, 80% for 2 years, 50% thereafter, If service > 5 yrs, 2%	For Corporate : If service < 5 yrs, 18% If service > 5 yrs, 12% For Store : If service < 5 yrs, 80% for 3 years, 50% thereafter, If service > 5 yrs, 2%
Retirement Age	60 years	60 years
Average expected future working life (years)/ Average duration of defined benefit obligation (years)	4.56	3.71

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(Rs. in million)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / (Decrease) Increase in DBO	Change in assumption	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / (Decrease) Increase in DBO
Discount rate	+/-1%	(6.71)	10.03	+/-1%	(5.54)	8.41
Salary Escalation Rate	+/-1%	9.56	(6.49)	+/-1%	8.21	(5.50)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

F. The defined benefit obligations shall mature after year end as follows:

	(Rs. in million)	
	Year ending March 31, 2021	Year ending March 31, 2020
1st following year	3.78	2.90
2nd following year	3.98	3.42
3rd following year	4.08	3.51
4th following year	4.08	3.54
5th following year	4.99	3.48
6th to 10th year	18.04	16.50

G. Risk exposure:

Through its defined benefits plan, the company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest rate risk

A decrease in the bond increase rate will increase the plan liability ; however, this will be partially offset by an increase in the return on the plan's debt investments.

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawal, disability and retirement. The effects of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.

37 Related Party Disclosures**Names of related parties and related party relationship****Related parties where control exists****Subsidiaries**

Gamma Pizzakraft (Overseas) Private Limited
 Gamma Pizzakraft Private Limited
 Gamma Pizzakraft Lanka Private Limited
 French Restaurants Private Limited
 Gamma Island Food Private Limited

Related parties with whom transactions have taken place during the year**Entities under common control:**

KFCH Restaurants Private Limited

Company having significant influence:

Sapphire Foods Mauritius Limited
 WWD Ruby Limited
 Amethyst Private Limited
 Sagista Realty Advisors Private Limited, Trustee of QSR Management Trust
 Edelweiss Crossover Opportunities Fund
 Edelweiss Crossover Opportunities Fund – Series II

Key Managerial Personnel/ Directors

Mr. Sumeet Narang, Director
 Mr. Vikram Agarwal, Director
 Mr. Manish Mehta, Director
 Mr. Amar Raj Singh, Director
 Mr. Sanjay Purohit, Whole time director
 Mr. Girish Bhat, Director
 Mr. Debobroto Das, Director
 Mr. Tarun Khanna, Nominee Director
 Mr. Niladri Mukhopadhyay, Nominee Director
 Mr. Julien Roland Kinic, Nominee Director
 Mr. Pranav Parikh, Nominee Director
 Mr. Punit Jhunhunwala, Company Secretary (w.e.f June 6, 2019 upto September 30, 2019)
 Mr. Sachin Dudam, Company Secretary (w.e.f October 1, 2019)
 Mr. Vijay Jain, Chief Financial Officer

Enterprises under significant influence of persons described above:

Samara India Advisors Private Limited

(Rs. in million)

Particulars	March 31, 2021				
	Subsidiaries	Entities under Common Control	Key Managerial personnel and their relatives	Company having Significant Influence	Enterprises under Significant Influence
Balance as at:					
Trade Payables					
Samara India Advisors Private Limited					0.07
					(-)
Other Payables					
KFCH Restaurants Private Limited		11.19			
		(8.43)			
Gamma Pizzakraft Lanka Private Limited	0.17				
	(0.79)				
Gamma Pizzakraft Private Limited	0.10				
	(0.23)				
Subscription to Equity Shares					
Gamma Pizzakraft (Overseas) Private Limited	21.00				
	(9.99)				
Issuance of Equity Shares (including securities premium)					
WWD Ruby Limited				210.00	
				(425.14)	
Edelweiss Crossover Opportunities Fund				37.50	
				(1,389.29)	
Edelweiss Crossover Opportunities Fund – Series II				39.87	
				(463.10)	
Sagista Realty Advisors Private Limited, Trustee of QSR Management Trust				33.92	
				(171.59)	
Sapphire Foods Mauritius Limited				121.14	
				(-)	
Sanjay Purohit				64.02	
				(-)	
Inter-Corporate Deposits as at (including accrued interest)					
Gamma Pizzakraft (Overseas) Private Limited	19.19				
	(19.17)				
Transactions for the year ended:					
Sale of material					
KFCH Restaurants Private Limited		14.41			
		(22.84)			
Call Centre Charges (inclusive of taxes)					
KFCH Restaurants Private Limited		4.67			
		(4.12)			

(Rs. in million)

Particulars	March 31, 2021				
	Subsidiaries	Entities under Common Control	Key Managerial personnel and their relatives	Company having Significant Influence	Enterprises under Significant Influence
Reimbursement of expenses					
KFCH Restaurants Private Limited		0.05			
		(0.06)			
Mr. Amar Raj Singh			-		
			(0.44)		
Gamma Pizzakraft Private Limited	0.10				
	(0.25)				
Samara India Advisors Private Limited					0.33
					(-)
Interest Income on Inter-Corporate Deposits					
Gamma Pizzakraft (Overseas) Private Limited	2.28				
	(1.64)				
Reimbursement of expenses incurred on behalf					
Samara India Advisors Private Limited					-
					(0.05)
Inter-Corporate Deposits given					
Gamma Pizzakraft (Overseas) Private Limited	-				
	(11.00)				
Purchase of Equity Shares of Gamma Pizzakraft (Overseas) Private Limited					
Mr. Amar Raj Singh			21.53		
			(172.67)		
Settlement of liabilities on behalf of the entity					
KFCH Restaurants Private Limited		1.65			
		(1.34)			
Remuneration to Key Managerial Personnel *					
Short Term Employee Benefits			111.27		
			(44.56)		
Share based payments			96.85		
			(44.56)		

* Excludes provision for compensated absence and gratuity for Key Managerial Personnel as separate actuarial valuation is not available.

(Previous year's figures have been shown within the brackets).

Note:

Pursuant to the scheme of arrangement under section 230 and 232 of the Companies Act 2013 between the Company and KFCH Restaurants Private Limited (KFCH) sanctioned by NCLT by virtue of order dated 25.01.2018, 13 stores of KFCH ('Demerged Undertaking') got demerged and merged with the Company on a going concern basis from the appointed date of the scheme i.e. 1 April 2016. While the demerger was being operationalized, customers of the Demerged Undertaking of KFCH continued to remit the payments to the KFCH on behalf of the Company and vice versa. During the year, collections amount to Rs. 5.68 million (previous year 51.14 million (net)) were received by KFCH on behalf of SFIPL from its customers and the same has been remitted back to the Company during the year. Management is of the view that these transaction do not fall within the purview of IND AS 24 and hence excluded from related party disclosures noted above.

38 Fair Values and Fair Value hierarchy

The fair value of all current financial assets and liabilities including cash and cash equivalent, bank balances other than cash and cash equivalents, trade receivable, other financial assets, trade payables, other financial liabilities and borrowings approximate their carrying amounts largely due to the short term maturities of these instruments.

The Company has investments in debt mutual funds which are not quoted in the active market. These debt mutual funds are subsequently measured at fair value through profit or loss (FVTPL) as per the closing net assets value (NAV) statement provided by the mutual fund house. The corresponding unrealized gain or loss on fair valuation is recorded in profit and loss account under other income. Accordingly, such debt mutual funds fall under fair value hierarchy level 2.

Fair value measurement hierarchy

Particulars	As at March 31, 2021					As at March 31, 2020				
	Carrying amount/ Amortised cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value	Carrying amount/ Amortised cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
Financial Assets										
At Amortised Cost										
Deposits (Note 5)	640.19	-	-	-	640.19	608.64	-	-	-	608.64
Trade receivables (Note 8)	59.84	-	-	-	59.84	36.57	-	-	-	36.57
Cash and cash equivalents (Note 9)	311.85	-	-	-	311.85	168.02	-	-	-	168.02
Bank balances other than cash and cash equivalents (Note 10)	49.47	-	-	-	49.47	170.35	-	-	-	170.35
Other financial assets (Note 5)	90.16	-	-	-	90.16	27.12	-	-	-	27.12
Loan to related party (Note 5)	19.00	-	-	-	19.00	19.00	-	-	-	19.00
At Fair value through profit or loss										
Investments (Note 5)	-	-	267.41	-	267.41	-	-	155.21	-	155.21
Financial Liabilities										
At Amortised Cost										
Borrowings (current and non-current) (Note 14)	408.16	-	-	-	408.16	422.13	-	-	-	422.13
Lease liabilities (Note 16)	5,082.29	-	-	-	5,082.29	5,029.93	-	-	-	5,029.93
Trade payables (Note 17)	1,129.24	-	-	-	1,129.24	1,024.57	-	-	-	1,024.57
Other current financial liabilities (Note 18)	536.50	-	-	-	536.50	393.39	-	-	-	393.39

The Company considers that the carrying amounts of these financial instruments recognised at amortised cost in the financial statements approximates its fair value.

Reconciliation of fair value measurement of liability categorised at level 3 :

At Fair value through profit or loss

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	-	2,419.40
Additions during the year	-	-
Sale/Reduction/Conversion during the year	-	(2,449.11)
Total (Gain)/Loss	-	29.71
Closing Balance	-	-

39 Capital Risk Management

For the purpose of the company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity infusions, internal accruals and borrowings. The Company raises long term loans mainly for its expansion requirements. As a part of its capital management policy the company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

The capital structure is governed by policies approved by the Board of Directors and is monitored by various matrices funding requirements are reviewed periodically.

40 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings, lease liabilities, trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents including bank balances other than cash and cash equivalents that derive directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business investments strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises of risks relating to interest rate risk and price risk. The impact of price risk is not material. The sensitivity analysis in the following sections relate to the position as at March 31, 2021. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity, pension obligation and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

i Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the outstanding financial liability.

The Company basis its assessment believes that the probability of the occurrence of their forecasted transactions are not materially impacted by COVID 19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the debt obligations.

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings bearing variable rate of interest	616.94	509.63

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on affected portion of loans and borrowings taken at floating rates. With all other variables held constant, the company's loss before tax is affected through the impact of floating rate borrowings as follows :

A change of 50 bps in interest rates would have following impact on loss before tax:

(Rs. in million)

Change	Year ended March 31, 2021	Year ended March 31, 2020
50 bps increase would increase the loss before tax by	(3.08)	(2.55)
50 bps decrease would decrease the loss before tax by	3.08	2.55

ii Foreign Currency risk

The Company has not entered into any derivative transaction during the year.

Unhedged Foreign currency exposure at the end of year is as below:

Particulars	Year ended March 31, 2021	Currency	Closing Exchange Rate	Year ended March 31, 2021	Year ended March 31, 2020	Currency	Closing Exchange Rate	Year ended March 31, 2020
	Foreign currency (in million)			Indian currency (in million)	Foreign currency (in million)			Indian currency (in million)
Other Payables	0.47	LKR	0.37	0.17	2.00	LKR	0.40	0.79

Foreign currency sensitivity

A change of 50 bps in exchange rate would have following impact on loss before tax:

(Rs. in million)

Change	Year ended March 31, 2021	Year ended March 31, 2020
50 bps increase would increase the loss before tax by	0.00	0.00
50 bps decrease would decrease the loss before tax by	(0.00)	(0.00)

b Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

i Trade Receivable

The trade receivable of the Company generally spread over limited numbers of parties. The Company evaluates the credit worthiness of the parties on an ongoing basis. Further, outstanding customer receivables are regularly monitored and followed up. Therefore, the Company does not expect any material risk on account of non-performance from these parties.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivable. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

ii Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company monitors its liquidity position and deploys a cash management system. It maintains adequate source of financing through the use of bank deposits and cash credit facilities. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Investment in banks and investment in mutual funds though carries counter party credit risk considering situation due to COVID-19, has been valued at amortised cost and fair value through profit and loss respectively and tenure for both invested is less than one year and impact expected is immaterial. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(Rs. in million)				
Particulars	Year	< 1 Year	1 - 3 Years	Total
Financial Liabilities				
Trade Payable	March 31, 2021	1,129.24	-	1,129.24
	March 31, 2020	1,024.57	-	1,024.57
Borrowings (including current maturities of long-term debt)	March 31, 2021	231.57	420.13	651.70
	March 31, 2020	87.50	422.13	509.63
Other Financial Liabilities				
Payable on Capital goods purchased	March 31, 2021	139.64	-	139.64
	March 31, 2020	151.56	-	151.56
Payable to employees	March 31, 2021	171.69	-	171.69
	March 31, 2020	133.84	-	133.84
Other payables	March 31, 2021	16.38	-	16.38
	March 31, 2020	20.48	-	20.48

Note : Refer Note 42 for maturity profile of lease liabilities

d Excessive risk concentration

Concentrations arise when a number of counter parties 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. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

41 Share-based payments

The Company had received approval of the Board and Shareholders for issuance of 20,31,249 Equity Shares of Rs.10 each for offering to eligible employees of the Company under Sapphire Foods Employee Stock Option Plan 2017 (the plan). There are 2 schemes of the plan implemented by the Company- Sapphire Foods Employee Stock Option Loyalty Scheme 2017- "Scheme I" (loyalty scheme) and Sapphire Foods Employee Stock Option Performance Scheme 2017- "Scheme II" (performance scheme).

The purpose of these schemes is to reward loyalty for past services with the Company, retention of critical employees, achieving company performance and aligning the shareholders interest.

During the year the Company has modified its existing schemes and implemented variation on 21 August 2020 by increasing the total number of options available for loyalty and performance options . It revised its target performance estimates and made it more favourable for its employees. These schemes were further modified on 30 December 2020 where Ruby options were introduced resulting in an increase in no of option granted and revised the terms of performance making it more favourable for its employees. The revised scheme hereinafter referred to as "Scheme III" for employees other than CEO and "Scheme IV" for CEO respectively.

The number of shares that will vest is conditional upon certain performance and market conditions that will be determined by the Board of Directors. The performance will be measured over vesting period of the options granted which range from 1-4 years and which will be exercised over a period of 1 year from date of vesting.

There are no cash settlement alternatives for the employees. The Company does not have a past practice of cash settlement for these awards.

Movement during the year, the Company has granted the following options:

	Performance										
	Loyalty				Scheme IV			Scheme III			
	Scheme IV	Scheme IV	Scheme III	Scheme III	Gold Options	Platinum	Ruby Options	Gold Options (A)	Gold Options (B)	Platinum	Ruby Options
No. of options	225,694	112,848	173,031	37,615	338,542	225,694	138,889	210,649	210,648	52,663	105,325
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting period (in years)	2.5	2.2	2.2	2.2	2.2	2.6	3.5	2.2	2.5	3.5	3.2
Grant Date	4-Jun-18	21-Aug-20	4-Jun-18	21-Aug-20	4-Jun-18	21-Aug-20	30-Dec-20	4-Jun-18	21-Aug-20	21-Aug-20	30-Dec-20
Exercise Date	5 years from the date of vesting or happening of a major liquidity event, whichever is later	Starting from end of vesting period and ending on 31 March 2024	5 years from the date of vesting or happening of a major liquidity event, whichever is later	Starting from end of vesting period and ending on 31 March 2024	31-03-2024	31-03-2024	31-03-2025	31-03-2024	31-03-2024 & 31-03-2025	31-03-2024 & 31-03-2025	31-03-2025
Exercise Price (Rs.)	10	10	10	10	10	10	10	178	178	178	178
Method of settlement	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled
Fair value per option (Rs.)	344.65	376.70	344.75	376.70	376.80	377.00	377.50	238.10	237.90	251.80	248.60

For the year ended March 31	Loyalty		Performance	
No. of Options	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Outstanding at the beginning of the year	398,728	504,052	218,493	277,479
Granted during the year	150,463	-	1,063,917	-
Exercised during the year	(180,511)	-	-	-
Lapsed/ Expired during the year	-	(105,324)	(39,496)	(58,986)
Outstanding at the end of the year	368,680	398,728	1,242,914	218,493
Exercisable at the end of the year	-	-	-	-

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

Date of grant	30 December 2020	21 August 2020	3 September 2018	4 June 2018
Risk free interest rate	4.00%	4.69%	8.10%	7.90%
Expected life (in years)	2.2-3.5	2.6	7.4	5.4
Expected volatility	55%	50%	45%	40%
Dividend yield	0%	0%	0%	0%
Price of the underlying share in the market at the time of option grant (Rs.)	386	291	351	351

Incremental fair value of options was based on the above factors

Weighted average remaining contractual life of the share option outstanding at the end of year is as below :

Particulars	31-Mar-21	31-Mar-20	31-Mar-19
Remaining contractual life Loyalty (years)	0.88	1.54	2.31
Remaining contractual life Performance (years)	1.75	1.45	2.90

Change in Fair value due to modification in scheme

Particulars	Loyalty		Performance	
	First	Final	First	Final
Scheme IV	31.85	-	-	258.13
Scheme III	10.62	-	16.27	77.51
Total	42.47	-	16.27	335.64

Effect of the employee option plan on the Statement of Profit or Loss and on its financial position

Particulars	March 31, 2021	March 31, 2020
Total employee compensation cost pertaining to stock option plan	137.77	44.22
Liability for employee stock option plan outstanding as at the year end	186.61	111.05

The weighted average share price for options exercised and lapsed during the year is Rs.344.65 per share.

42 Ind AS 115: Revenue from Contracts with Customers

1. Disaggregated revenue information:

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(Rs. in million)

Type of goods or service	Year ended March 31, 2021	Year ended March 31, 2020
Restaurant sales	8,015.31	10,915.68
Other operating income	36.43	119.98
Total revenue from contract with customers	8,051.74	11,035.66
India	8,051.74	11,035.66
Outside India	-	-
Total revenue from contract with customers	8,051.74	11,035.66
Timing of revenue recognition		
Goods transferred at a point in time	8,048.50	11,035.26
Services transferred over time (included in other operating income)	3.24	0.40
Total revenue from contract with customers	8,051.74	11,035.66

2. Contract balances:

(Rs. in million)

	31st March, 2021	31st March, 2020
Trade receivables	59.84	36.57
Contract liabilities	3.37	3.16

43 Leases – Ind AS 116

Leases where the Company is a Lessee

- Effective April 01, 2019 the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. The effect of such adoption resulted into cumulative impact recognised to retained earnings as at April 01, 2019 amounting to INR 590.47 million (net of tax).
- The Company incurred Rs.17.89 million for the the year ended 31 March 2021 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs.765.61 million for the year ended 31 March 2021, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 553.73 million for the year.
- The Company's leases mainly comprise of stores and buildings. The Company leases buildings for the purpose of business operations.

Leases are shown as follows in the Company's balance sheet and profit & loss account

(Rs. in million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Building	Building
Cost	5,112.54	4,123.00
Additions	909.81	989.54
Disposals	(177.91)	-
Accumulated Depreciation	(1,597.21)	(760.20)
As at	4,247.23	4,352.34

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the year :

(Rs. in million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
As at 1 April	5,029.93	4,598.99
Additions	886.23	931.62
Accretion of Interest	553.73	511.62
Termination	(227.41)	(0.59)
Rent waiver due to COVID	(412.47)	-
Payments	(747.72)	(1,011.71)
As at	5,082.29	5,029.93
Lease liabilities		
Current	681.94	591.94
Non-current	4,400.35	4,437.99
Total lease liabilities	5,082.29	5,029.93

As at 31st March, 2021

(Rs. in million)

Maturity analysis of contractual undiscounted cash flow	Less than 1 year	1 - 5 years	More than 5 years	Total
Lease of Buildings	1,142.45	3,597.84	3,492.33	8,232.62
Total undiscounted lease liabilities	1,142.45	3,597.84	3,492.33	8,232.62

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty.

(Rs. in million)

Amounts recognized in the Statement of Profit and Loss	For the year ended 31 March 2021	For the year ended 31 March 2020
Other income		
Gain on termination of lease contract	49.50	0.12
Rent waiver due to COVID	412.47	-
Other expenses		
Short-term lease rent expense	13.11	23.30
Low value asset lease rent expense	4.78	5.20
Variable lease rent expense	79.62	215.79
GST on rent	130.50	190.46
Depreciation and impairment losses		
Depreciation of right of use lease asset	837.01	760.20
Finance cost		
Interest expense on lease liability	553.73	511.61

The Company has lease contracts for stores that contains variable payments based on the revenue generated from a particular store. Management's objective is to align the lease expense with the revenue generated. The following provides information on the Company's variable lease payments, including the magnitude in relation to fixed payments for the similar contracts:

(Rs. in million)

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Fixed Payments	Variable Payments	Total	Fixed Payments	Variable Payments	Total
Fixed Rent	286.10	-	286.10	400.00	-	400.00
Variable rent with minimum payment	449.52	41.90	491.42	638.85	154.40	793.25
Variable rent only	-	37.72	37.72	-	61.39	61.39
	735.62	79.62	815.24	1,038.85	215.79	1,254.64

A 5% increase in revenue for the relevant stores would increase total lease payments by 4%.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

44 Impact of COVID-19

The global spread of Covid 19 impacted businesses across all sectors and geographies. As a result, operations of most restaurants 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 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 financial information 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 financial information 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 financial information will be continuously made and provided for as required.

- 45** a) As per the Regulation 14(6)(ii) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (as amended from time to time), an Indian company making the Downstream Investment (DI) is required to notify the Secretariat for Industrial Assistance (SIA), Department of Industrial Policy and Promotion (DIPP) and Foreign Investment Promotion Board (FIPB) of its downstream investment along with the modality of investment and file Form DI with RBI within 30 days of allotment of capital instruments (wherever applicable). However, the Company has not notified the downstream investment to SIA, DIPP, FIPB and RBI (wherever applicable) for the financial years ended 31 March 2016, 31 March 2017, 31 March 2018 and 31 March 2019 within such deadlines. Further, the Company has not obtained the Statutory Auditor's certificate in earlier years i.e. for year ended 31 March 2016, 31 March 2017, 31 March 2018 and 31 March 2019, nor has mentioned this non-compliance in its Directors Report for these periods.
- b) In order to regularize filings and make good the non-compliance, the Company is in process of undertaking compounding procedures with the RBI including but not limited to regularizing delays through late submission fees, in accordance with the relevant provisions of the applicable FEMA Regulations.

46 Code of Social Security

The Code of Social Security 2020 ('Code') relating to employee benefits during employment and post-employment 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 and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

47 Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through June 11, 2021, the date at which the financial statements were available to be issued and determined that there are no material items to disclose.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors
of Sapphire Foods India Private Limited

Girish Bhat

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Independent Auditor's Report

To the Members of Sapphire Foods India Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sapphire Foods India Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors 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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 system 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 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 consolidated 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not audit the financial statements and other financial information, in respect of five subsidiaries whose financial statements include total assets of Rs 1,770.87 million as at March 31, 2021, and total revenues of Rs 2,144.45 million and net cash inflows of Rs 85.66 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries incorporated in India for the year ended March 31, 2021;
- (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 as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 30 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2021.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**

Partner

Membership Number: 105938

UDIN: 21105938AAAADQ1002

Place of Signature: Mumbai

Date: June 11, 2021

Annexure

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAPPHIRE FOODS INDIA PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Sapphire Foods India Private Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Sapphire Foods India Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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.

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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 control over financial reporting with reference to these consolidated financial statements includes 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 Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**

Partner

Membership Number: 105938

UDIN: 21105938AAAADQ1002

Place of Signature: Mumbai

Date: June 11, 2021

Consolidated Balance Sheet

as at March 31, 2021

(Rs. in Million)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	3,931.65	4,346.12
Capital work-in-progress	3	213.04	183.77
Goodwill	4	1,621.59	1,621.59
Other Intangible assets	4	550.96	687.90
Right of use assets	43	4,739.45	4,952.92
Intangibles under development	4	91.40	30.90
Financial assets			
Leases: Deposits	5	629.99	614.23
Other financial assets	5	92.13	7.36
Other non-current assets	6	139.66	156.96
Income tax assets (net)		43.79	37.90
Total non-current assets		12,053.66	12,639.65
Current assets			
Inventories	7	473.91	443.84
Financial assets			
Investments	5	267.41	155.21
Leases: Deposits	5	31.38	19.16
Trade receivables	8	77.75	46.05
Cash and cash equivalents	9	450.50	221.00
Bank balances other than cash and cash equivalents	10	49.70	170.58
Other financial assets	5	13.97	35.07
Other current assets	11	71.09	76.08
Total current assets		1,435.71	1,166.99
Total Assets		13,489.37	13,806.64
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	527.90	502.44
Other equity	13	4,271.13	4,742.28
Non controlling interests		(11.71)	2.50
Total equity		4,787.32	5,247.22
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	489.91	540.02
Lease Liabilities	16	4,905.02	5,025.13
Deferred tax liabilities (net)	15	106.73	117.27
Provisions	20	98.84	88.14
Total non-current liabilities		5,600.50	5,770.56
Current liabilities			
Financial liabilities			
Borrowings	14	30.34	51.48
Lease Liabilities	16	787.19	718.56
Trade payables	17		
(a) total outstanding dues of micro enterprises and small enterprises		16.02	80.69
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,423.68	1,225.99
Other financial liabilities	18	622.07	490.49
Other current liabilities	19	157.87	159.18
Provisions	20	64.38	62.47
Total current liabilities		3,101.55	2,788.86
Total Equity and Liabilities		13,489.37	13,806.64
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors

of Sapphire Foods India Private Limited

Girish Bhat

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(Rs. in Million)			
Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	21	10,196.19	13,404.12
Other income	22	616.16	113.24
Total income		10,812.35	13,517.36
EXPENSES			
Cost of materials consumed	23	3,099.26	4,316.71
Employee benefits expense	24	1,956.00	2,288.11
Finance costs	25	755.65	721.93
Depreciation, impairment and amortization expense	26	2,091.45	1,913.11
Other expenses	27	3,896.93	4,943.42
Total expenses		11,799.29	14,183.28
Loss before exceptional items and tax		(986.94)	(665.92)
Exceptional Items	28	-	943.91
LOSS BEFORE TAX		(986.94)	(1,609.83)
Tax expense			
Current tax			
Current year	15	23.40	13.02
Adjustment of tax relating to earlier periods	15	0.44	(0.21)
Deferred tax			
Current year	15	(11.81)	(30.17)
Total tax expense		12.03	(17.36)
Loss for the year after tax		(998.97)	(1,592.47)
OTHER COMPREHENSIVE INCOME/ (LOSS)			
Items that will not be reclassified to profit or loss in subsequent years			
Remeasurements losses of net defined benefit plan		(5.57)	(9.69)
Tax effect on remeasurements losses of net defined benefit plan	15	(1.27)	1.87
Items that will be reclassified to profit or loss in subsequent years			
Exchange difference on translation of foreign operations		(35.69)	(41.34)
Other comprehensive loss for the year, net of tax		(42.53)	(49.16)
Total comprehensive loss for the year, net of tax		(1,041.50)	(1,641.63)
LOSS FOR THE YEAR			
Attributable to:			
Equity holders of the parent		(984.63)	(1,575.41)
Non-controlling interests		(14.34)	(17.06)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR			
Attributable to:			
Equity holders of the parent		(1,027.29)	(1,627.17)
Non-controlling interests		(14.21)	(14.46)
Earnings per equity share of Rs. 10 each:			
Basic and diluted earnings per share (Rs.)	29	(19.04)	(31.36)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors

of Sapphire Foods India Private Limited

Girish Bhat

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

Particulars	(Rs. in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(986.94)	(1,609.83)
Adjustments for:		
Depreciation, impairment and amortisation expenses	2,091.45	1,913.11
Finance cost	755.65	721.93
Interest income	(58.81)	(102.08)
Rental waiver due to COVID	(489.46)	-
Expenses on employee stock option scheme	146.24	46.45
Impairment loss on goodwill of Pizza Hut CGU for parent and few subsidiaries	-	917.76
Provision no longer required written back	(3.69)	(1.42)
Fair valuation of financial liabilities	-	29.71
Provision for doubtful advances	-	29.07
Provision for doubtful deposits	19.04	2.27
Provision for slow moving inventories	4.08	29.81
Gain on fair value/sale of mutual funds	(9.83)	(7.83)
Loss on sale/discard of property, plant and equipment	9.29	6.58
Gain on termination of lease contract	(53.94)	(0.12)
Operating profit before working capital changes	1,423.08	1,975.41
Changes in working capital		
Increase in trade payables	133.03	165.19
Increase/(Decrease) in other financial and non-financial liabilities	40.19	(2.11)
Increase/ (Decrease) in provisions (Current and non-current)	7.06	(6.14)
Increase in inventories	(34.14)	(92.85)
(Increase)/ Decrease in trade receivables	(28.01)	179.47
(Increase)/Decrease in financial and other assets (Current and non-current)	29.25	(61.08)
Cash generated from operations	1,570.46	2,157.89
Income tax paid (net of refunds)	(29.72)	(27.43)
Net cash from operating activities (A)	1,540.74	2,130.46
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets	(739.82)	(1,429.66)
Acquisition of business	-	(1.80)
Sale of property, plant and equipment	5.86	14.19
Purchase of Current Investments	(102.37)	(147.39)
Interest received	9.36	83.90
Fixed/restricted deposits with banks (placed)/realised	47.73	1,460.27
Net cash used in investing activities (B)	(779.24)	(20.49)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital(including securities premium) (net of share issue expenses)	443.82	-
Acquisition of non-controlling interests	(21.53)	(561.09)
Proceeds from long-term borrowings	627.46	5.67
Repayment of long-term borrowings	(561.71)	(102.86)
Repayment of short-term borrowings	(4.42)	(120.58)
Payment of principal portion of lease liabilities (refer Note 43)	(241.11)	(603.91)
Interest paid on lease liabilities (refer Note 43)	(635.63)	(605.25)
Finance cost paid	(122.16)	(93.33)
Net cash used in financing activities (C)	(515.28)	(2,081.35)
Net increase in cash and cash equivalents (A+B+C)	246.22	28.62
Cash and cash equivalents at the beginning of the year	173.94	145.32
Cash and cash equivalents at the end of the year	420.16	173.94
Cash and cash equivalents comprise		
Balances with banks (Note 9)		
In current accounts	400.99	180.80
Term deposits with maturity of less than 3 months (Note 9)	12.12	10.12
Cash on hand (Note 9)	37.39	30.08
Bank Overdraft (Note 14)	(30.34)	(47.06)
Total cash and cash equivalents at the end of the year	420.16	173.94

Note :

Significant non cash movement in financing activities includes lease liabilities arising due to implementation of Ind AS 116 amounting to Rs. 955.08 million (March 31, 2020: Rs. 969.97 million) (Refer Note 43).

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors

of Sapphire Foods India Private Limited

Girish Bhat

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity share capital

(Rs. in Million)

Particulars	Note	No. of shares	Amount
Balance as at April 01, 2019		43,107,874	431.08
Add: Conversion of Compulsorily Convertible Preference Shares (CCPS) and Compulsorily Convertible Debentures (CCDs) during the year (Refer Note 18)	12	7,136,094	71.36
Balance as at March 31, 2020		50,243,968	502.44
Balance as at April 01, 2020		50,243,968	502.44
Add: Equity shares issued during the year	12	2,546,441	25.46
Balance as at March 31, 2021		52,790,409	527.90

B. Other equity

For the year ended March 31, 2021

(Rs. in million)

Particulars	Attributable to the equity holders of the parent					Attributable to the equity holders of the parent	Non-controlling interests	Total Equity
	Capital reserve	Foreign currency translation reserve	Securities premium	Retained earnings	Share options outstanding account			
Balance as at April 01, 2020	356.10	(33.54)	8,766.11	(4,457.44)	111.05	4,742.28	2.50	4,744.78
Issue of equity shares during the year	-	-	418.77	-	-	418.77	-	418.77
Loss for the year	-	-	-	(984.63)	-	(984.63)	(14.34)	(998.97)
Other comprehensive income/(loss) for the year	-	(35.82)	-	(6.84)	-	(42.66)	0.13	(42.53)
Recognition of share based payment (Note 41)	-	-	-	-	137.78	137.78	-	137.78
Exercise of stock options	-	-	62.21	-	(62.21)	-	-	-
Share issue expenses	-	-	(0.41)	-	-	(0.41)	-	(0.41)
Balance as at March 31, 2021	356.10	(69.36)	9,246.68	(5,448.91)	186.62	4,271.13	(11.71)	4,259.42

For the year ended March 31, 2020

(Rs. in million)

Particulars	Attributable to the equity holders of the parent					Attributable to the equity holders of the parent	Non-controlling interests	Total Equity
	Capital reserve	Foreign currency translation reserve	Securities premium	Retained earnings	Share options outstanding account			
Balance as at April 01, 2019	356.10	10.40	6,388.36	(2,532.60)	66.83	4,289.09	24.75	4,313.84
Effect of adoption of Ind AS 116 Leases (net) (Note 43)	-	-	-	(671.99)	-	(671.99)	(7.79)	(679.78)
Issue of equity shares during the year	-	-	2,377.75	-	-	2,377.75	-	2,377.75
Loss for the year	-	-	-	(1,575.41)	-	(1,575.41)	(17.06)	(1,592.47)
Other comprehensive income/(loss) for the year	-	(43.94)	-	(7.82)	-	(51.76)	2.60	(49.16)
Recognition of share based payment (Note 41)	-	-	-	-	44.22	44.22	-	44.22
Non-controlling interest put option classified as financial liability : - Gain on settlement of NCI put options	-	-	-	330.38	-	330.38	-	330.38
Balance as at March 31, 2020	356.10	(33.54)	8,766.11	(4,457.44)	111.05	4,742.28	2.50	4,744.78

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors
of Sapphire Foods India Private Limited**Girish Bhat**

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

Notes to Consolidated financial statements for the year ended March 31, 2020

1. Corporate information

Sapphire Foods India Private Limited ('the Company') is a company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The consolidated financial statements comprise of Ind AS financial statements of Sapphire Foods India Limited ('the Company' 'the parent' or 'the Holding Company') and its subsidiaries (collectively, 'the Group').

The Group is principally engaged in the franchisee business of KFC, Pizza Hut and Taco Bell branded restaurants. The functional and presentation currency of the Company and the presentation currency of the Group is Indian Rupee ("Rs.").

The registered office of the Company is located at 702, Prism Tower, A Wing, Mindspace, Link Road, Goregaon (West), Mumbai – 400062.

The consolidated financial statements were approved for issue in accordance with a resolution of the board of directors on 11 June 2021.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial statements of the Group as at and for the year ended March 31, 2021 have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as 'IND AS'), as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the Consolidated financial statement except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated financial statements are presented in Indian Rupee (INR) and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

The Consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in consolidated financial statements.

2.2 Basis of measurement

The Consolidated financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Contingent consideration, and
- Defined Benefit Plans- Plan assets measured at fair value

2.3 Basis of consolidation

The list of subsidiaries considered for consolidation together with the proportion of shareholding held by the Group is as follows:

Sr no	Entity name	Country of Incorporation/ Place of business	Nature of relationship	% Holding as at March 31, 2021	% Holding as at March 31, 2020
01	Gamma Pizzakraft Overseas Private Limited	India	Subsidiary	100%	99%
02	Gamma Pizzakraft Private Limited	India	Sub-Subsidiary	100%	100%
03	Gamma Pizzakraft Lanka Private Limited	Sri Lanka	Sub-Subsidiary	100%	100%
04	French Restaurants Private Limited	Sri Lanka	Sub-Subsidiary	100%	100%
05	Gamma Island Food Private Limited	Maldives	Sub-Subsidiary	51%	51%

Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if and only if the group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31st. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Put options held by non-controlling interests in the Group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the Group at pre-determined values and on contracted dates. In such cases the Group consolidates the non-controlling interest's share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's put option, being the present value of the estimated future purchase price, as a financial liability in the statement of financial position. In raising this liability, the non-controlling interest is derecognised, and any excess or shortfall is charged or realised directly in retained earnings in the statement of changes in equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non—controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities

2.4 Summary of significant accounting policies

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

Business combinations under common control are accounted in accordance with Appendix C of IND AS 103 as per the pooling of interest method and the Ind AS Transition Facilitation Group Clarification Bulletin 9 (ITFG 9). ITFG 9 clarifies that, the carrying values of assets and liabilities as appearing in the standalone financial statements of the entities being combined shall be recognised by the combined entity.

As per Appendix C, Business Combinations of Entities under Common Control of Ind AS 103, Business Combinations, in case of common control business combinations, the assets and liabilities of the combining entities are reflected at their carrying amounts.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, 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 recognised 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 recognised in 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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Foreign currencies**Functional and presentation currency**

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR). The functional currency of the subsidiaries is Indian Rupees (INR), Sri Lankan Rupee (LKR) and Maldivian Rufiyaa (MVR).

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting, such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

d. 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 include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, security deposits, investments in equity and debt securities;
- Financial liabilities include long-term and short-term loans and borrowings, lease liabilities, derivative financial liabilities, bank overdrafts and trade payables

Financial assets:**Initial measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss and transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Financial assets at amortised cost:

A financial asset is classified as "financial asset at amortised cost" (amortised cost) under IND AS 109 Financial Instruments if it meets both the following criteria:

- (1) The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows, and
- (2) The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified date (the 'SPPI' contractual cash flow characteristics test).

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Financial assets at fair value through other comprehensive income (FVTOCI):

All equity investment in scope of IND AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 Business Combinations applies are classified as fair value through profit or loss. For all other equity instruments, the Group may make irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-to-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument through fair value through other comprehensive income (FVTOCI), then all fair value changes in the instruments excluding dividends, are recognised in OCI and is never recycled to statement of profit and loss, even on sale of the instrument.

Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, e.g., derivative instruments, financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities and equity instruments:

a) Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

c) Financial liabilities

Financial liabilities are classified as either financial liability at 'FVTPL' or 'other financial liabilities'.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

i) Financial liabilities measured at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

ii) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are

satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the balance sheet only if there is a current enforceable legal right to offset the recognised amounts and there is an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, deposits and contract assets, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

e. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, sales tax/ value added tax (VAT)/ Goods and Service (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

No element of financing is deemed present as the majority of sales are on cash basis and credit sales are made with normal credit period consistent with market practice.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

The Company recognises revenue from sale of food through Company's owned stores and are recognised when the items are delivered to or carried out by customers.

Income from trading sales

Revenue from sale of goods is recognised when the goods are delivered to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

Gift vouchers sales are recognised when the vouchers are redeemed and goods are sold to the customer.

Income from sale of service

Revenue from sale of services is recognized in accordance with the terms of the relevant agreements and is net of goods and service tax (GST), where applicable as accepted and agreed with the customers.

The group recognise revenue from alliance income (marketing support services) when the service is performed.

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 at amortised cost is recognised using the effective interest method. Effective interest is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established by the reporting date.

Contract balances-

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in point (d) above.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the group transfers the related goods or services. Contract liabilities are recognised as revenue when the group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. Taxes

Tax expense comprises of current tax and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g. Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment except freehold land are initially measured at cost and subsequently it is measured at cost less accumulated depreciation and impairment losses, if any. Freehold Land Cost is carried at cost, net of accumulated impairment loss, if any. Cost comprises of purchase price and all costs incurred to bring the assets to their current location and condition for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly Any subsequent cost incurred is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work in progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date and it is carried at cost less accumulated impairment losses.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and carrying amount of the assets and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to IND AS, the group has elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on Property, plant and equipment

Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has used the following life to provide depreciation on its property, plant and equipment.

The rates of depreciation are based on technical evaluation of the economic life of assets by the management, which are given below and are equal to the corresponding rates prescribed in Schedule II to the Companies Act, 2013:

Class of asset	Useful lives estimated by the management (years)
Plant and machinery	15 years
Building	4-20 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	8 years
Vehicles	10 years
Leasehold improvements	Over the lease term or estimated useful life whichever is shorter

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

On transition to IND AS, the group has elected to continue with the carrying value of all its Intangible Assets measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful lives of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has used the following life to provide amortisation on its intangible assets.

Class of asset	Useful lives estimated by the management (years)
License fees	Over the period of license (upto 10 years)
Software	3 years
Franchisee fees	10 years

There are no intangible assets with indefinite useful lives.

i. Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings, Plant and Equipment and Computers. The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings and motor vehicle- Over the shorter of the lease term and the estimated useful lives of the assets

Lease Liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of the future lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if

there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company has elected not to separate lease and non-lease components in a lease contract where lease payments are inclusive of non-lease component.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Notek Impairment of non-financial assets.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an operating expense in the statement of profit and loss.

Transition to Ind AS 116

The following is the summary of practical expedients elected on initial application:

- a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- c. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- d. Not to separate lease and non-lease components in a lease contract where lease payments are inclusive of non-lease component.

Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The MCA issued amendments to Ind AS 116, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before June 30, 2021 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. Group has adopted this w.e.f April 01, 2020 and the impact has been recognized in Other Income (Note 22) and corresponding impact has been recognized in Lease liabilities (Note 43). This amendment does not have any effect in earlier periods

j. Inventories

Basis of valuation

Inventories other than scrap materials are valued at lower of cost and net realizable value, if any. The comparison of cost and net realizable value is made on an item-by-item basis.

Method of valuation

Cost of raw materials and traded goods are determined by using weighted average method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Impairment of Non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

l. Compulsorily Convertible Debentures (CCDs) and Compulsorily Convertible Preference Shares (CCPSs)

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed-to-fixed classification.

Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

m. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

n. Retirement and other employee benefits

Defined benefit plan

In accordance with applicable laws in India, the Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") for every employee who has completed 5 years or more of service on departure at 15 days salary (last drawn salary) for each completed year of service. The Gratuity Plan provides for a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment based on last drawn salary and tenure of employment with the Group. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date using projected unit credit method.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Defined contribution plan

The Group makes contributions to the Provident Fund scheme, a defined contribution benefit scheme. These contributions are deposited with Government administered fund and recognised as an expense in the period in which the related service is performed. There is no further obligation on the Group on this defined contribution plan.

Compensated absences

Accumulated leave is expected to be utilized within the next 12 months and are treated as short-term employee benefit. The group treats the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. It is measured on the basis of an actuarial valuation done by an independent actuary on the projected unit credit method at the end of each financial year.

o. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefit expenses, together with a corresponding increase in retained earnings in equity, over the period in which the service conditions and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but

without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When an award is modified, at minimum the cost of the original award is recognised as if it had not been modified (i.e., at the original grant date fair value, spread over the original vesting period, and subject to the original vesting conditions). This applies unless the award does not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where a modification is made after the original vesting period has expired, and is subject to no further vesting conditions, any incremental fair value is recognised immediately.

If the modification decreases the fair value of the equity instruments granted (e.g., by increasing the exercise price or reducing the exercise period), the decrease in value is effectively ignored and the entity continues to recognise a cost for services as if the awards had not been modified. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee welfare expenses (see Note 24). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in Note 41. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

q. Contingencies**A contingent liability is:**

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are recognised when virtually certain on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations arising from past events and which the fair values can be reliably determined.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

r. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the parent using the weighted-average number of equity shares considered for deriving basic earnings per share and weighted average number of dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive. Dilutive potential shares are deemed converted at the beginning of the period, unless issued at later date.

Ordinary shares that will be issued upon the conversion of mandatorily convertible instruments are included in the calculation of basic earnings per share from the date the contract is entered into.

s. Fair value measurement

The fair value of the financial instruments is included at 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. Management of the Group have assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables (not subject to provisional pricing), trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There have been no transfers between fair value levels during the reporting period.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker being Managing Director of the Group. The Managing Director assesses the financial performance and position of the Group as a whole and makes strategic decisions.

u. Cash Flow

Ind AS 7 requires to exclude non-cash transaction relating to investing and financing activities from the statement of cash flow. However, such transactions should be disclosed elsewhere in the financial statements.

Cash and cash equivalents consist of cash on hand and balances with banks which are unrestricted for withdrawal and usage.

v. Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

3 Property, Plant and Equipment and Capital work-in-progress

Property, Plant and Equipment

(Rs. In Million)

Particulars	Freehold land	Building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Computers	Leasehold improvements	Total
Cost									
Balance as at April 01, 2019	12.04	228.55	2,234.28	241.76	48.90	159.99	300.02	2,247.24	5,472.78
Additions	-	91.92	552.04	44.19	7.48	48.25	146.31	483.80	1,373.99
Disposals	-	(0.80)	(124.89)	(11.81)	(3.67)	(8.27)	(54.31)	(19.81)	(223.56)
Translation Difference	(0.65)	(18.89)	(24.87)	(2.50)	0.23	(4.40)	(5.07)	-	(56.15)
Balance as at March 31, 2020	11.39	300.78	2,636.56	271.64	52.94	195.57	386.95	2,711.23	6,567.06
Additions	-	32.98	243.28	21.51	2.14	27.35	81.88	206.71	615.85
Disposals	-	(12.02)	(81.72)	(8.91)	(1.19)	(3.62)	(2.49)	(71.09)	(181.04)
Translation Difference	(0.47)	(37.26)	(39.01)	(4.24)	(0.17)	(7.73)	(7.64)	-	(96.52)
Balance as at March 31, 2021	10.92	284.48	2,759.11	280.00	53.72	211.57	458.70	2,846.85	6,905.35
Accumulated depreciation									
Balance as at April 01, 2019	-	45.62	480.44	59.09	13.87	77.96	163.76	746.25	1,586.99
Charge for the year	-	52.17	333.64	42.73	11.45	35.43	86.87	304.49	866.78
Disposals	-	(0.50)	(114.70)	(8.68)	(3.52)	(7.32)	(53.77)	(19.72)	(208.21)
Translation Difference	-	(7.95)	(8.72)	(1.45)	(0.04)	(2.57)	(3.89)	-	(24.62)
Balance as at March 31, 2020	-	89.34	690.66	91.69	21.76	103.50	192.97	1,031.02	2,220.94
Charge for the year	-	57.70	244.97	33.33	5.20	35.55	96.96	341.31	815.02
Disposals	-	(8.47)	(73.96)	(8.04)	(0.84)	(3.00)	(2.38)	(71.03)	(167.72)
Translation Difference	-	(14.18)	(14.25)	(1.08)	0.19	(4.21)	(6.41)	-	(39.94)
Balance as at March 31, 2021	-	124.39	847.42	115.90	26.31	131.84	281.14	1,301.30	2,828.30
Accumulated impairment									
Balance as at April 01, 2019	-	-	-	-	-	-	-	-	-
Impairment loss for the year	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	-	-	-	-	-	-	-	-	-
Impairment loss for the year	-	-	133.92	1.01	0.48	0.46	1.43	8.10	145.40
Balance as at March 31, 2021	-	-	133.92	1.01	0.48	0.46	1.43	8.10	145.40
Net Book Value									
Balance as at March 31, 2021	10.92	160.09	1,777.77	163.09	26.93	79.27	176.13	1,537.45	3,931.65
Balance as at March 31, 2020	11.39	211.44	1,945.90	179.95	31.18	92.07	193.98	1,680.21	4,346.12
Capital work-in-progress*									
Balance as at March 31, 2021									213.04
Balance as at March 31, 2020									183.77

*Capital work-in-progress represents expenditure for stores under construction.

Note: The impairment for the year ended March 31, 2021 of INR 145.40 million has been included in "Depreciation, impairment and amortisation expenses" in the statement of profit and loss (Note 26).

4 Intangible assets and Intangible assets under development

(Rs. In Million)

Particulars	Computer Softwares	License fees	Franchisee fees	Total	Goodwill
Cost					
Balance as at April 01, 2019	108.17	16.25	1,063.41	1,187.83	2,539.35
Additions	29.11	16.02	36.07	81.20	-
Disposals	(0.47)	(0.34)	(7.16)	(7.97)	-
Translation Difference	(1.09)	-	(6.22)	(7.31)	-
Balance as at March 31, 2020	135.72	31.93	1,086.10	1,253.75	2,539.35
Additions	3.10	6.16	9.95	19.21	-
Disposals	(1.92)	(1.14)	(8.44)	(11.50)	-
Translation Difference	(1.35)	-	(8.05)	(9.40)	-
Balance as at March 31, 2021	135.55	36.95	1,079.56	1,252.06	2,539.35
Accumulated amortisation					
Balance as at April 01, 2019	72.68	2.79	345.65	421.12	-
Charge for the year	26.29	8.00	117.51	151.80	-
Disposals	(0.47)	(0.34)	(3.38)	(4.19)	-
Translation Difference	(0.85)	-	(2.03)	(2.88)	-
Balance as at March 31, 2020	97.65	10.45	457.75	565.85	-
Charge for the year	22.50	10.95	116.27	149.72	-
Disposals	(1.91)	(1.14)	(6.62)	(9.67)	-
Translation Difference	(0.90)	-	(3.90)	(4.80)	-
Balance as at March 31, 2021	117.34	20.26	563.50	701.10	-
Accumulated impairment					
Balance as at April 01, 2019					
Impairment loss for the year (Refer Note a below)	-	-	-	-	917.76
Balance as at March 31, 2020	-	-	-	-	917.76
Impairment loss for the year (Refer Note a below)	-	-	-	-	-
Balance as at March 31, 2021	-	-	-	-	917.76
Net Book Value					
Balance as at March 31, 2021	18.21	16.69	516.06	550.96	1,621.59
Balance as at March 31, 2020	38.07	21.48	628.35	687.90	1,621.59

Note :

- a) The recoverable amount as at each balance sheet date has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a four-year period. The projected cash flows have been updated to reflect the decreased demand for products and services in the current pandemic situation for March 31, 2020 and 2021. The pre-tax discount rate applied to cash flow projections for impairment testing for respective years and cash flows beyond the four-year period are extrapolated using a growth rate that is the same as the long-term average growth rate for the quick service restaurant industry. It was concluded that the fair value less costs of disposal exceed the carrying value. As a result of this analysis, no impairment charge recorded in the year ended March 31, 2021 (March 2020: Rs 917.76 million). The impairment charge is recorded in the statement of profit and loss as an exceptional item (Refer Note 28 and 33).

Intangible assets under development (computer software)

Balance as at March 31, 2021	91.40
Balance as at March 31, 2020	30.90

5 Financial assets

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
INVESTMENTS		
Unquoted mutual fund		
Investment in Mutual Fund measured at fair value through profit or loss (FVTPL) (Refer Note (a))	267.41	155.21
Total investments	267.41	155.21
Current	267.41	155.21
Non-current	-	-

Note (a) Investment in unquoted mutual fund

The Group has 17,15,795.26 outstanding debt mutual fund units as at March 31, 2021 consists of HDFC, ICICI overnight fund and ICICI liquid fund (March 31, 2020 : 39,729.38 HDFC liquid fund)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Leases: Deposits (unsecured)		
Security Deposits		
Considered Good	661.37	633.39
Credit impaired	22.83	3.80
	684.20	637.19
Less: Allowance for expected credit losses	(22.83)	(3.80)
Total Leases: Deposits	661.37	633.39
Current	31.38	19.16
Non-current	629.99	614.23

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Others financial assets (unsecured)		
Term deposits with maturity of more than 12 months	-	0.12
Claims and other receivables	1.91	1.05
Margin money/security deposits with banks (placed as security with government body and banks)*	85.42	12.14
Interest accrued on fixed deposits	1.71	2.55
Loans to employees		
Unsecured, considered good	6.71	7.24
Other receivables		
Considered good		
- Others	10.35	19.33
Credit impaired	-	3.65
	10.35	22.97
Less: Allowance for expected credit losses	-	(3.65)
	10.35	19.33
Total other financial assets	106.10	42.43
Current	13.97	35.07
Non-current	92.13	7.36

* Amount includes Rs 50.27 million (March 31, 2020: Nil) is restricted balance in current account and hence, restricted from current use by the Group.

Movements in allowance for credit losses of receivables is as below:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	7.45	52.61
Charge during the year	19.04	2.27
Utilised during the year	(3.66)	(47.43)
Balance at the end of the year	22.83	7.45

For explanation on the credit risk management process, refer Note 40 (b)

6 Other non-current assets (unsecured)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
CAPITAL ADVANCES		
Considered good	50.59	47.52
Considered doubtful	28.66	28.66
Less: Allowance for expected credit losses	(28.66)	(28.66)
	50.59	47.52
Prepaid expenses	0.20	0.38
Balances with government authorities		
Considered good	88.87	109.06
Considered doubtful	26.90	28.65
Less: Allowance for expected credit losses	(26.90)	(28.65)
	88.87	109.06
Total other non-current assets	139.66	156.96

7 Inventories

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
(At lower of cost or net realisable value)		
Raw materials	307.69	336.47
Packing material	38.03	47.39
Small wares, cleaning, uniform and operating supplies	102.52	89.79
Less: Provision for slow moving inventories	(4.08)	(29.81)
Goods in transit of raw materials	29.75	-
Total inventories	473.91	443.84

Amount of write down of inventories in the statement of profit and loss as an expense in the year ended March 31, 2021 is Rs 4.08 million (March 31, 2020: Rs 29.81 million).

8 Trade receivables

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	77.75	46.05
Unsecured, credit impaired	0.10	3.98
Less : Allowance for expected credit losses	(0.10)	(3.98)
Total trade receivables	77.75	46.05

Movements in allowance for credit losses of receivables is as below:

(Rs. in million)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	3.98	28.70
Charge/(release) during the year	(0.39)	(1.05)
Utilised during the year	(3.49)	(23.67)
Balance at the end of the year	0.10	3.98

Trade Receivables are non interest bearing and are generally on terms of 7 - 30 days

For explanation on the credit risk management process, refer Note 40 (b)

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

9 Cash and cash equivalents

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	400.99	180.80
Cash on hand	37.39	30.08
Term deposits with original maturity of less than three months	12.12	10.12
Total cash and cash equivalents	450.50	221.00

10 Bank balances other than cash and cash equivalents

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Term deposits with maturity more than 3 months but less than 12 months	49.50	169.88
Margin money deposit (placed as security with government body and bank)	0.20	0.70
Total bank balances other than cash and cash equivalents	49.70	170.58

11 Other current assets (unsecured)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities	1.78	10.23
Employee advances	3.73	2.37
Advances to suppliers:		
Considered good	35.50	48.80
Credit impaired	0.77	0.77
Less : Allowance for expected credit losses	(0.77)	(0.77)
	35.50	48.80
Prepaid expenses	30.08	14.68
Total other current assets	71.09	76.08

12 Share capital

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Authorised shares:		
18,30,90,000 (March 31, 2020: 18,30,90,000) Equity shares of Rs.10 each	1,830.90	1,830.90
250,000 (March 31, 2020: 2,50,000) 8% Compulsorily Convertible Preference Shares of Rs.100 each	25.00	25.00
68,00,000 (March 31, 2020: 68,00,000) 0.001% Compulsorily convertible preference Shares of Rs. 361.90 each	2,460.92	2,460.92
	4,316.82	4,316.82
b. Issued, subscribed and fully paid-up shares:		
5,27,90,409 (March 31, 2020: 5,02,43,968) Equity shares of Rs.10 each fully paid up	527.90	502.44
	527.90	502.44
c. Reconciliation of number of shares outstanding at the beginning and end of the year : (in numbers)		
Outstanding at the beginning of the year	50,243,968	43,107,874
Shares issued/ converted during the year (Note h / g(iii))	2,546,441	7,136,094
Outstanding at the end of the year	52,790,409	50,243,968

d. Rights, preferences and restrictions attached to Equity shares

The Company has one class of equity share having par value of Rs. 10 each. Each holder of equity share is eligible to one vote per share. The dividend, if any, 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 receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e. Rights, preferences and restrictions attached to preference shares

Subject to applicable Law, the holders of CCPS shall be entitled to such voting rights as are exercisable by Persons holding equity shares in the Parent Company, as if such CCPS have been fully converted into equity shares, and shall be treated pari passu with the equity shares on all voting matters. Upon conversion of the CCPS, the equity shares received shall rank pari passu to the existing Equity Shares of the Parent Company and shall have full and complete rights of an equity shareholder including but not limited to the ability to designate and vote for directors to be elected by the holders of equity shares. Each equity share shall carry one vote.

The holders of CCPS shall be entitled to receive non-cumulative dividends on the CCPS in preference to any dividend on all other Securities at the rate of 0.001% (Zero point Zero Zero One Percent) of the original subscription price per annum for the CCPS, if, when and as declared by the Board. For any other dividends or distributions, the holders of the CCPS shall also be entitled to participate pro rata in any dividends paid on the equity shares on an as if converted basis adjusted for any par value changes, on a cumulative basis.

f. Shareholders holding more than 5% shares in the Parent Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	% hold ing	No. of Shares	% holding	No. of Shares
Equity shares				
Sapphire Foods Mauritius Limited	33.10%	17,471,576	33.48%	16,823,779
WWD Ruby Limited	31.60%	16,679,505	30.96%	15,556,510
Amethyst Private Limited	16.62%	8,771,411	17.46%	8,771,411
QSR Management Trust through trustee				
Sagista Realty Advisors Private Limited	7.01%	3,698,869	7.00%	3,517,459
Edelweiss Crossover Opportunities Fund	8.05%	4,248,730	8.06%	4,048,195

The Parent Company has not declared any dividend during the current or previous year.

g. Shares reserved for issue under options

- (i) Shareholders of the Company had the right to make further subscription to the equity shares in the Parent Company, exercisable at any time prior to June 30, 2019, whether in single tranche or multiple tranches, but, in the aggregate not exceeding Rs. equivalent of USD 50,000,000 at a price per share which would provide a 20% IRR to the issue price. Since, these options are exercisable at a fixed/ determinable Rs. price i.e. issue price + 20% IRR with no variability in consideration per share, these options have been classified as Equity in accordance with Ind AS 32 - Financial Instruments: Presentation. These options expired during the previous year ended March 31, 2020.
- (ii) Information relating to Sapphire Foods Employee Stock Option Plan 2017, including details of options granted, exercised and lapsed during the current year ending March 31, 2021 and March 31, 2020 and options outstanding at the end of reporting period, is set out in note 41.
- (iii) Compulsorily Convertible Debentures (CCDs) amounting to Rs. Nil (March 31, 2020: Rs. Nil) were convertible at par until the 2nd anniversary of the closing date September 9, 2015 which was extended upto November 29, 2019 pursuant to approval of shareholders of the company vide resolution dated December 7, 2018.

As per the terms of CCD, in event of shareholder's exercising their rights with respect to share option (Refer note above), CCD's would be converted such number of shares so that CCD holder's equity in the company is same as was there immediately prior to issue of shares to the other shareholders.

All the CCDs not converted as above, shall automatically be converted collectively into one equity share of the Parent Company.

Considering the variability in the number of share to be issued against the CCD's, company had classified the CCD's as financial liability in accordance with Ind AS 32. Changes in the fair value of financial liability was recorded in the Statement of Consolidated Profit and Loss (refer Note 27) in previous year ended March 31, 2020.

These CCD's have been converted into 4,99,959 equity shares on previous year January 21, 2020, at the fair value of Rs 343.20 per share and change in fair value is recorded in the previous year Statement of Consolidated Profit and Loss (Refer Note 27).

h. Issued and paid up component of shares issued during the year includes :-

- i) Right issue of 23,65,930 shares
- ii) Employee stock options exercised of 1,80,511 shares

i. Bonus shares issued during the year of five years immediately preceding the reporting date :

The Parent Company had allotted 4,10,88,390 fully paid-up Equity Shares of face value Rs. 10/- each during the year ended 31st March, 2017, pursuant to bonus issue approved by the Shareholders in the meeting held on February 23, 2017. The book closure date fixed by the Board was February 23, 2017. The Bonus shares were issued in the proportion of 70 new fully paid-up equity shares for every 1 Equity Share.

13 Other equity

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
SECURITIES PREMIUM		
Balance as per last balance sheet	8,766.11	6,388.36
Add: Issue of equity shares	418.77	2,377.75
Add: Exercise of stock options	62.21	-
Less: Share issued related expenses	(0.41)	-
Balance as at the end of the year	9,246.68	8,766.11
CAPITAL RESERVE		
Balance as per last balance sheet	356.10	356.10
Balance as at the end of the year	356.10	356.10
SHARE OPTIONS OUTSTANDING ACCOUNT		
Balance as per last balance sheet	111.05	66.83
Recognition of share based payment (Note 41)	137.78	44.22
Exercise of stock options	(62.21)	-
Balance as at the end of the year	186.62	111.05
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last balance sheet	(33.54)	10.40
Add: Additions during the year	(35.82)	(43.94)
Balance as at the end of the year	(69.36)	(33.54)

(Rs. in million)		
Particulars	As at March 31, 2021	As at March 31, 2020
RETAINED EARNINGS		
Balance as per last balance sheet	(4,457.44)	(2,532.60)
Effect of adoption of Ind AS 116 Leases (net) (Note 43)	-	(671.99)
Less: Loss for the year	(984.63)	(1,575.41)
Less: Non-controlling interests put option classified as financial liability :		
- Gain on settlement of NCI put options	-	330.38
Other comprehensive income/(loss) for the year	(6.84)	(7.82)
Balance as at the end of the year	(5,448.91)	(4,457.44)
Total other equity	4,271.13	4,742.28

Note : Nature and purpose of reserves

- Retained earnings- Retained earnings are the profits/loss that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.
- Share options outstanding account- The Parent Company offers ESOP, under which options to subscribe for the Parent Company's share have been granted to certain employees and senior management. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.
- Capital reserve- Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.
- Securities premium- The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.
- Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

14 Borrowings (measured at amortised cost)

(Rs. in million)		
Particulars	As at March 31, 2021	As at March 31, 2020
NON-CURRENT BORROWINGS		
Term Loan from Banks (Secured) (Refer Note (a) and (b))	726.22	660.47
Less : Current maturities disclosed in other current financial liabilities (Refer Note 18)	(236.31)	(120.45)
Total non-current borrowings	489.91	540.02

Term loan from Standard Chartered Bank was taken for a period of 5 years for the purpose of modernization and expansion. The interest rate ranged from 6.85% p.a to 10.70% p.a during the loan tenure. The loan has been repaid in current year by loan from HDFC Bank which is repayable in 35 quarterly instalments. The interest rate is 8.30% p.a. Pari passu charge on all tangibles and intangibles assets, current assets and receivables and all bank accounts.

Term loan from Vivriti Capital is taken for a period of 3 years for the purpose of modernization and expansion. The loan is to be repaid in 33 monthly principal instalments. The interest rate is 14% p.a. Pari passu charge on current and movable fixed assets and 10% of the loan amount as Fixed Deposits

Company had availed moratorium under RBI COVID-19 Regulatory Relief Package. Accordingly, the Principal repayments and interest repayments due from March 31 2020 to August 31 2020 got deferred and the loan maturity date got extended accordingly.

Loan maturity got extended only towards principal component, interest amount was immediately paid on completion of moratorium.

(a) Term Loan from HDFC Bank

Interest Rate	Repayment term	Security	As at March 31, 2021	As at March 31, 2020
The interest rate is 8.30% p.a.	Repayable in 35 quarterly instalments from the date of first disbursement.	Pari passu charge on all tangibles and intangibles assets, current assets and receivables and all bank accounts.	429.82	-

Term Loan from Vivriti Capital

Interest Rate	Repayment term	Security	As at March 31, 2021	As at March 31, 2020
The interest rate is 14% p.a.	Repayable in 33 monthly instalments after a grace period of three months from the date of first disbursement.	Pari passu charge on current and movable fixed assets and 10% of the loan amount as FD	187.12	-

Term Loan from SCB Bank

Interest Rate	Repayment term	Security	As at March 31, 2021	As at March 31, 2020
The interest rate ranges from 9.50% p.a to 10.60% p.a.	The Loan is repayable in 16 equal quarterly instalments with a moratorium of 12 months	Secured by first and exclusive charge on current assets (receivables, collections and inventory) and first and exclusive charge on movable fixed assets (including plant and machinery).	-	509.63

The Company had availed moratorium under RBI COVID-19 Regulatory Relief Package. Accordingly, the Principal repayments and interest repayments due from March 31 2020 to August 31 2020 got deferred and the loan maturity date got extended accordingly.

(a) Term Loan from Development Finance Corporation of Ceylon (DFCC) Bank

Interest Rate	Repayment term	Security	As at March 31, 2021	As at March 31, 2020
Term Loan-2				
Higher of the Average Weighted Prime Lending Rate (AWPR) or the average 90 day Treasury Bill Rate plus a Margin of 2.0% p.a	Repayable in 48 monthly installments (capital) after a grace period of twelve months from the date of first disbursement.	Primary mortgage bond No.295 over lots 192 situated at Dedigamuwa together with the right of way over lot 2 and lot 15 belonging to the company.	1.53	6.63
Term Loan-3				
Higher of the Average Weighted Prime Lending Rate (AWPR) or the average 90 day Treasury Bill Rate plus a Margin of 2.0% p.a	Repayable in 60 monthly installments (capital) after a grace period of twelve months from the date of first disbursement.	Land, building and plant and machinery at commissary at No.1/603, Mahawella Road, Dadigamuwa.	4.89	9.28
Term Loan-4				
The rate of interest applicable is subject to revision and will be revised every month until the settlement of loan in full and will be 1.5% per annum above the AWPR rounded onwards to the nearest 0.5% per annum	Repayable in 72 monthly installments (capital) after a grace period of twelve months from the date of first disbursement.	A primary Mortgage over movable machinery/equipments.	97.91	129.26
			104.33	145.17

(c) Term Loan from Daimler Financial Services India Pvt Ltd

Interest Rate	Repayment term	Security	As at March 31, 2021	As at March 31, 2020
The rate of interest is 10.75% p.a.	Repayable in 36 monthly installment, ending November 2022	Against vehicle Mercedes Benz E-220	4.95	5.67
Current borrowings				
Bank Overdraft (Unsecured) **			30.34	47.06
Borrowings from Bank (Unsecured) *			-	4.42
Total current borrowings			30.34	51.48

*The rate of interest will be revised every month and will be 1.5% per annum above the Average Weighted Prime Lending Rate (AWPLR) payable at maturity. Each sub-loan granted under the facility should be repaid in full within 90 days

** The rate of interest will be revised every month and will be 1.75% per annum above the Average Weighted Prime Lending Rate (AWPLR) payable at monthly intervals and is repayable on demand. The same is considered to be part of Cash and Cash Equivalents for the purpose of Cash Flow Statement in accordance with Ind AS 7.

15 Income tax

- a. The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

(Rs. in million)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
CURRENT INCOME TAX		
Current year	23.40	13.02
Earlier year	0.44	(0.21)
Deferred tax		
Relating to originating and reversal of temporary differences		
Current year	(11.81)	(30.17)
Income tax expense/ (income) reported in the consolidated statement of profit/(loss)	12.03	(17.36)
Relating to originating and reversal of temporary differences	1.27	(1.87)
Income tax expense/ (income) reported in the consolidated statement of total comprehensive income/(loss)	13.30	(19.23)
- Income tax expense/(income) reported in the consolidated statement of profit/ (loss)	12.03	(17.36)
- Income tax expense/(income) reported in the consolidated statement of other comprehensive income/ (loss)	1.27	(1.87)

- b. A reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows :

(Rs. in million)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss before taxes	(986.94)	(1,609.83)
Statutory income tax rate	31.86%	30.97%
Expected income tax expense (a)	(314.43)	(498.56)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense (b) :-		
Impact of change in provisional and actual tax liability at the time of filing of ITR	0.44	(0.21)
Deferred tax assets not recognised for unused tax losses to the extent of deferred tax liabilities	313.59	381.77
Expenses not deductible for tax purpose	12.43	(5.21)
Impairment of Goodwill	-	104.85
	326.46	481.20
Total income tax expense/ (income)	12.03	(17.36)

For the above disclosure, the Holding Company and its Indian subsidiaries have evaluated the recent amendments in the Income Tax Act, 1961, i.e. new section 115BAA which has been introduced with effect from FY 2019-20 (AY 2020 - 21) to provide an option for a concessional tax at the rate of 22% but the Company has opted to continue with the existing tax rate as Company have brought forward losses and unabsorbed depreciation. The Company might continue under the existing tax rate till Company does not have tax liability.

c. Deferred tax

Deferred tax relates to the following:

(Rs. in million)

Particulars	Balance Sheet		Profit and Loss	
	As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax liabilities				
Goodwill	292.71	190.37	102.34	(8.66)
Mutual Funds	1.50	1.28	0.22	1.28
	294.21	191.65	102.56	(7.38)
Deferred tax assets				
Property, plant and equipment/ Intangible assets	237.94	137.21	100.73	36.19
Employee benefits payable	43.95	45.24	(1.29)	13.70
Long term/ Short term provisions *	28.38	42.72	(13.07)	16.48
Provision for slow moving inventories	1.27	9.30	(8.03)	9.30
Lease Liabilities (net of ROU assets) **	463.19	285.31	177.88	44.72
Provisions for doubtful advances	20.40	13.21	7.19	(16.91)
Disallowance under section 40(a)(i) of Income Tax Act, 1961	42.23	13.00	29.23	(3.55)
Deferred tax asset not recognised on unabsorbed losses as it is less probable that the taxable profit will be available against which Deferred tax asset can be utilised ***	(649.88)	(471.61)	(178.27)	(77.14)
	187.48	74.38	114.37	22.79
Deferred tax expense/ (income)			(11.81)	(30.17)
Net deferred tax assets/ (liabilities)	(106.73)	(117.27)		

* Tax expense on long term/ short term provisions which is recognised as other comprehensive (income)/loss is INR 1.27 million for the year ended March 31, 2021 (March 2020: INR (1.87) million)

** ROU Assets adjustment amounting to INR 6.42 million recognised through reserves does not form part of P & L Impact.

*** Entity wise assessment has done and as a result deferred tax assets has recognised to the extent of deferred tax liabilities.

Group controls the dividend policy of its subsidiary. It is able to control the timing of the reversal of temporary differences associated with that investment (including the temporary differences arising not only from undistributed profits but also from any foreign exchange translation differences). Therefore, the Group has determined that those profits will not be distributed in the foreseeable future and company has not recognised a deferred tax liability.

d. Expiry schedule of losses on which deferred tax assets is not recognised is as under :

Expiry of losses financial year wise	Business losses	Unabsorbed depreciation	Short term capital loss
FY 2021 - 22	256.09	-	-
FY 2022 - 23	315.34	-	-
FY 2023 - 24	508.08	-	-
FY 2024 - 25	18.14	-	56.37
FY 2025 - 26	11.24	-	-
FY 2026 - 27	8.26	-	11.07
FY 2027 - 28	7.71	-	-
FY 2028 - 29	10.49	-	-
Indefinite	-	2,837.64	-
Total	1,135.35	2,837.64	67.44

Book Loss (Section 115JB) of Rs. 320.00 million to be expired on FY 2025-26.

16 Lease Liabilities

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (Refer Note 43)	5,692.21	5,743.69
Total Lease Liabilities	5,692.21	5,743.69
Current	787.19	718.56
Non-current	4,905.02	5,025.13

17 Trade payables

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of vendors :		
- Related Parties (Note 35)	0.07	-
- Micro enterprises and small enterprises	16.02	80.69
- Others	1,423.61	1,225.99
Total Trade payables	1,439.70	1,306.68

Terms and conditions of the above Trade Payables

- Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

18 Other current financial liabilities

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Put Option Liability allocated to Non Controlling Interests (Note a)	-	21.53
Current maturities of non-current borrowings (Note 14)	236.31	120.45
Interest accrued but not due on borrowings	2.41	4.55
Employees benefits payables	196.87	149.83
Capital creditors	139.64	151.56
Other payables :		
- Related party (Note 35)	39.60	31.54
- Others	7.24	11.03
Total other current financial liabilities	622.07	490.49

The Company has purchased all but 1% shares from non controlling shareholders as a result of exercise of put option. As per the Share Purchase Agreement dated 7 September 2019, the Company is liable to make the payment of Rs 21.53 million to one of the shareholder for balance 1% of the shareholding in the subsidiary on or before 25 July 2020 pursuant to transfer of balance 1% stake by the other party and same was subsequently paid on 04 August 2020.

Particulars	(Rs. in million)
Cash consideration to non-controlling shareholders	582.62
Carrying value of the additional interest	913.00
Difference recognised in retained earnings	330.38

19 Other current liabilities

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers (contract liabilities under Ind AS 115)	3.42	3.19
Statutory dues	154.45	155.99
Total other current liabilities	157.87	159.18

20 Provisions

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	Non- Current	Non- Current	Current	Current
Gratuity (Note 36)	98.84	88.14	17.07	17.83
Leave encashment	-	-	6.44	5.01
Others *	-	-	40.87	39.63
Total provisions	98.84	88.14	64.38	62.47

MOVEMENT FOR PROVISION OTHERS

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as per last balance sheet	39.63	40.74
Addition during the year	1.97	1.97
Deletion during the year	(0.73)	(3.08)
Balance as at the end of the year	40.87	39.63

*Others includes provision for certain litigation relating to service tax on rentals and other cases which is currently pending judgement in the Supreme Court/other authorities. The increase is on account of interest on service tax provided during the year and additional provision made for certain cases basis management probability.

21 Revenue from operations (refer Note 42)

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE FROM CONTRACT WITH CUSTOMERS		
Restaurants sales	10,159.76	13,284.14
OTHER OPERATING INCOME		
- Sale to Airport dealers	21.08	107.64
- Alliance Income	3.24	0.40
- Scrap sales & others	12.11	11.94
Total	10,196.19	13,404.12

22 Other income

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on fixed deposits and loan	6.08	58.01
Interest income from security deposit at amortised cost	52.08	42.97
Fair value gain on financial instruments at fair value through profit or loss	9.83	7.83
Rent waiver due to COVID (Refer note below)	489.46	-
Provision for doubtful debts written back (net of bad debts written off)	3.69	1.42
Exchange fluctuation gain (net)	-	0.09
Net gain on termination of lease contract (Note 43)	53.94	0.12
Miscellaneous income	1.08	2.80
Total	616.16	113.24

Note: During the current period consequential to COVID 19 pandemic the Group has negotiated several rent concessions. In view of recent amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Group has elected, as a practical expedient, not to assess these rent concessions as lease modifications and has recognized impact of such rent concession in Statement of Profit and Loss. The election is made for all such rent concessions as these satisfy the conditions mentioned in Para 46A and Para 46B of Ind AS 116 (as amended). Accordingly an amount of Rs. 489.46 million related to rent concessions has been recognised as other income.

23 Cost of materials consumed (raw material and packing material)

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory as at the beginning of the year	383.86	275.44
Add: Purchases	3,090.87	4,425.13
Less: Inventory at the end of the year	(375.47)	(383.86)
Total	3,099.26	4,316.71

24 Employee benefits expense

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,577.58	1,960.11
Contribution to provident fund and other funds (refer Note a below)	105.50	140.95
Gratuity (refer Note 36)	22.32	21.01
Employee stock option scheme (refer Note 41 and note b below)	146.24	46.45
Staff welfare expenses	104.36	119.59
Total	1,956.00	2,288.11

- (a) Netted off with refund claimed under Provident Fund scheme namely Pradhan Mantri Protsahan Rojgar Yojana ('PMPRY') of Rs 4.55 million (March 31, 2020: Rs 16.26 million)
- (b) Expenses on employee stock option scheme includes Rs 8.46 million (March 31, 2020 Rs 2.23 million) towards long term incentive plan for the specified employees as per the scheme.

25 Finance costs

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on loans	99.11	85.17
Interest - others	13.98	20.89
Interest on lease liabilities (Note 43)	635.63	605.25
Other financing cost	6.93	10.62
Total	755.65	721.93

26 Depreciation, impairment and amortisation expense

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (Note 3)	815.02	866.78
Impairment on property, plant and equipment (Note 3)	145.40	-
Depreciation on right of use asset (Note 43)	981.31	894.53
Amortisation on intangible assets (Note 4)	149.72	151.80
Total	2,091.45	1,913.11

27 Other expenses

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent (refer Note 43)	237.22	441.31
Electricity expenses	676.49	981.71
Royalty	655.66	857.38
Marketing and advertisement expenses	389.38	519.38
Commission on aggregators and meal coupons	644.24	509.64
Common area maintenance expenses	207.26	247.82
Distribution and warehousing charges	208.13	254.29
Repairs and maintenance :		
- Plant and machinery	88.91	113.83
- Others	155.59	177.29
Legal and professional charges	120.18	133.20
Small wares, cleaning, uniform and operating supplies	127.25	145.45
Miscellaneous expenses	388.62	562.12
Total	3,896.93	4,943.42

28 Exceptional Items

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impairment loss on goodwill of Pizza Hut CGU (refer Note below)	-	917.76
Provision for obsolete inventories (refer Note below)	-	26.15
Total	-	943.91

Note :-

Considering the Quick Service Restaurants (QSR) industry, COVID 19 has significant impact on business operations of the Group. Further, there was substantial impact on the Pizza Hut segment and a few subsidiaries accompanied with unprecedented slow-down in demand. The Group based on its assessment had determined the impact of such exceptional circumstances on its financial statements and the same has been disclosed separately as 'Exceptional Items of Rs. Nil (March 31, 2020: 943.91 million), in the Statement of Profit and Loss for the year ended March 31, 2021. (also refer note 32(g) and note 33).

29 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the parent (after adjusting for cost of options) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the loss and share data used in the basic and diluted EPS computations:

(Rs. in million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss attributable to the equity holders of the Group (Rs. in million)	(984.63)	(1,575.41)
<u>Loss attributable to equity holders adjusted for the effect of dilution</u>		
Weighted average number of Equity shares outstanding during the year*	51,711,080	50,243,968
Effect of dilution:		
Share options under ESOP	1,611,594	617,221
Basic and Diluted Earning Per Share (Face value of Rs. 10 per share) #	(19.04)	(31.36)

*Weighted average number of equity shares outstanding for the purpose of calculating basic earnings per share includes equity shares that will be issued upon the conversion of outstanding mandatory convertible instruments.

Share options under ESOP have not been considered above being anti-dilutive in nature (refer Note 41).

30 Contingent liabilities

(Rs. in million)

a)	Particulars	March 31, 2021	March 31, 2020
i)	Claims against the Group not acknowledged as debts in respect of:		
	- Sales Tax	75.86	91.50
	- Income Tax	152.01	152.12
	- Other matters	14.82	21.52
	Total	242.70	265.15

- b) One of the Company's subsidiary namely Gamma Pizzakraft Lanka Private Limited has facilitated the contracted delivery riders to purchase motor bikes on leases from financial institutions. Leased motor bikes have been recognised as Right of use assets (ROU) with effect from April 1, 2019 under Ind AS 116 net of the amount recoverable from employees. Aggregated amount so recoverable from employees on future lease rentals of such operating lease agreements amounting to Rs 4 million as at March 31, 2021 (March 31, 2020 Rs 11.33 million) (March 31, 2021 - 10.9 million LKR; March 31, 2020 - 28.5 million LKR). However, company has not experienced any loss or damage relating to such facilitation

- c) Sri Lanka Customs ("SLC") conducted an inquiry against the Company's subsidiary namely Gamma Pizzakraft Lanka Private Limited ("the Co."). Pursuant to section 8 of the Customs Ordinance No.17 of 1869 as amended on the alleged basis that by failing to declare the continuing fee and advertising contribution as set out in the International Franchisee Agreement between Yum! Asia Franchise Pte Ltd. and the Co. in computing the taxes and levies on the imported goods, the Co. has acted in violation of section 51 and 52 read with Scheule E of the Ordinance. SLC concluded the inquiry on November 28, 2018 by imposing a penalty of Rs 27.63 million (LKR 69.5 million) on the Co. The Co. disagreed with the said order of SLC and filed a writ application before the Court of Appeal on January 18, 2019 challenging the order. Writ application was taken up at the Court of Appeal and the Management is confident that the Co.'s position on the matter is strong and there will not be any negative impact on the operations or financial position of the Co., thus no adjustment is required in the financial statements.
- d) The Parent Company has entered into business transfer agreement with A. N. Traders Pvt Limited (ANTPL) in August 2016. The obligation of the parties was completed and the transaction of transferring the franchisee has been closed. One of the promoter of ANTPL has filed FIR against the company and various other parties. The Company has filed a quashing petition in the High Court of Delhi seeking an order to quash the FIR as the same had been filed on false and frivolous grounds. The petition is pending for hearing in the High Court of Delhi. The Company do not foresee any financial obligation against the FIR.
- e) The Hon'ble Collector of Stamps, Mumbai, passed an order dated January 3, 2019, ("Order") against the Parent Company for payment of stamp duty amounting to INR 194.60 million with respect to scheme of merger/amalgamation between Company and SHRPL, Hansazone, Pizzeria, KFC. Aggrieved by this, Parent Company filed an appeal before the Chief Controlling Revenue Authority, Pune, Maharashtra, challenging the Order on the grounds inter alia, that the amount of stamp duty has been calculated incorrectly and the current valuation of the stamp duty amounts to INR 2.74 million. Parent Company had also filed application for granting interim stay on the effect and operation of the Order, during the pendency of the appeal. The matter is currently pending.
- f) The Parent Company has filed a writ petition before the High Court of Gujarat at Ahmedabad challenging the anti-profiteering investigation being conducted by the Directorate General of Anti-Profiteering ("Respondent"), on the grounds that the anti-profiteering investigation is ex-facie illegal and suffers from various infirmities including malice in law on the part of the Respondents including the National Anti-Profiteering Authority. The Respondents had initiated an anti-profiteering investigation under Section 171 of the Central Goods and Services Tax Act, 2017, basis a complaint against a singular Pizza Hut restaurant located in Ahmedabad, Gujarat. This investigation was initiated basis an reconsidered reference made by the Standing Committee on Anti-Profiteering in respect to a complaint filed with respect to supply of a product named 'veggie supreme' by our restaurant. Thereafter, the Parent Company had responded and provided information to various summons and notices as demanded by the Respondent during the investigation. However, being aggrieved by the way the investigation was being conducted, the Parent Company challenged the proceedings by the way of writ petition on the grounds that it was being conducted without any methodology or guidelines and was therefore manifestly arbitrary. By an order dated June 30, 2020, the High Court of Gujarat had directed the Respondent to not inquire about any other product of the Parent Company other than the complained product. Subsequently the Parent Company has filed its written submission dated March 30, 2021, before the High Court of Gujarat at Ahmedabad praying before the Court to allow the Writ Petition. The matter is currently pending for final orders and judgment.

Future cash outflows, if any, in respect of above are determinable only on receipt of judgement/decisions pending at various forums/ authorities or final outcome of matter.

The Group's pending litigations comprise of proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have materially adverse impact on its financial statements.

31 Commitments

- (a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances)

(Rs. in million)

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts to be executed on capital account and not provided for (net of advances)	258.13	177.29

- (b) The Parent Company has entered into a Development Agreement with Yum Restaurants (India) Private Limited ('Yum') to build a minimum 201 Net New Stores of Pizza Hut between Jan 2019 to December, 2022, with certain incentives to be accrued on opening of such stores. In the event of company not meeting the build targets in any years, Yum will have the right to consider revocation of development (exclusivity) rights of the Company as specified in the Development Agreement. In view of the Covid19 pandemic Net new stores targets and timelines specified in the agreement have got revised basis the recovery relief agreement and it is highly probable that these targets will be met.
- (c) As per the agreement mentioned in (b) above, the Parent Company is liable to make an upfront deposit of 500,000 USD at the beginning of each year towards Net New Build Target for that particular year starting from January 1, 2019 till the time agreement is in force. On meeting the targets mentioned therein, the Company will be eligible for full deposit refund at the end of each year or 3 months after the applicable cure period set out therein.

In view of the Covid19 pandemic Net new stores targets and timelines specified in the agreement have got revised basis the recovery relief agreement and it is highly probable that these targets will be met.

- (d) The Parent Company has entered into a Development Agreement with Yum Restaurants (India) Private Limited ('Yum') to build a minimum 210 Net New Stores of KFC over the period of 5 years starting from the effective date of the agreement i.e. January 1, 2019, with certain incentives to be accrued on opening of such stores. In the event of company not meeting the build targets during the first two years, Yum will have the right to consider revocation of development (exclusivity) rights of the Company from third year onwards as specified in the Development Agreement. The Company has also issued an irrevocable and unconditional bank guarantee of the then applicable initial fee for the entire target number of outlets. In case of not meeting the annual target, Yum shall be entitled to encash the said bank guarantee.

In view of the Covid19 pandemic Net new stores targets and timelines specified in the agreement have got revised basis the recovery relief agreement and it is highly probable that these targets will be met.

32 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group based its judgement, assumptions and estimates on parameters available including the probable impact of COVID 19 when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of Non Financial Assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are as under:

- Gross Margins
- Discount Rates
- Material Price inflation
- Growth rate
- Rent expense
- Salaries and wages
- Royalty and marketing fees

The management believes that no reasonably possible change in any of the key assumptions used in value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Gross Margins - Gross margins are based on average values achieved in the preceding years and is expected to remain constant during the budget period. These have not increased over the budget period for anticipated efficiency improvements as the increase, if any, is expected to be marginal.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The cost of equity is derived from the expected return on investment by the Group's investors.

Materials price inflation - Past actual material price movements are used as an indicator of future price movements.

Growth rate estimates - Rates are based on management's estimate through internal and published industry research.

Rent expense, Salaries and wages, Royalty and Marketing expenses - Past actual rate movements are used as an indicator of future rate movements.

Any increase/decrease in the above factors may result in change in value in use.

(b) Taxes

The Group has exposure to income taxes in Indian, Sri Lankan and Maldives jurisdiction. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Considering the history of losses and considering the loss for the year, the Group has not recognised deferred tax assets on the losses in excess of deferred tax liabilities. Further details about component on taxes refer note 15.

(c) Employee Benefit Plans

The cost of defined benefit gratuity plan as well as the present value of the gratuity obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, expected rates of return of assets, future salary increase and mortality rates. Due to the complexity of the valuation, the underlying assumptions, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligation has been mentioned in Note 36.

(d) Useful life and residual value of property, plant and equipment and intangible assets

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 20 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipment at the end of the reporting period is disclosed in Note 2 to financial statements.

The cost of intangible assets is depreciated on a straight-line basis over the useful lives of the assets. The Management estimates the useful lives of these assets to be within 1 to 10 years, which Management believes are realistic and reflect fair approximation of the period over which assets are likely to be used. There are no intangible assets with indefinite useful life, other than goodwill.

(e) Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the group. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Refer Note 30 for further details.

(f) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group included the renewal period as part of the lease term for leases of stores with shorter period (i.e., upto 10 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on the revenue. The renewal periods for leases of stores with longer non-cancellable periods (i.e. more than 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

Refer to Note 43 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

(g) Provision for inventories

The Group has calculated the provision for inventory basis the percentage as per historical experience for inventory lying from the last inventory count date to the reporting date.

Also considering the current pandemic situation, a reasonable sales estimate is made basis the current trend to arrive at the shelf life provision of inventory.

(h) COVID-19

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc.

In assessing the recoverability of Group's assets such as Investments, Loans, Intangible assets, Goodwill, Trade receivable and Inventories etc. the Group has considered internal and external information. The Group has performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions, the Group expects to recover the carrying amount of the assets. (Refer note 33)

(i) **Share based payments**

The Group has taken the charge for share based payment after considering the attrition rate and achievement of the performance criteria as per the scheme (Refer note 41).

33 Impairment Testing of Goodwill

(Rs. in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Cost	1,621.59	2,539.35
Less : Impairment	-	917.76
Net Carrying Value	1,621.59	1,621.59

Carrying value of goodwill :-

(Rs. in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
KFC	1,058.61	1,058.61
PH	562.98	562.98
Total	1,621.59	1,621.59

Goodwill acquired through business combinations is not amortized but is evaluated for impairment annually or whenever events or changes in circumstances indicate the carrying value may not be recoverable.

The Group performed its annual impairment test on the respective Balance Sheet date.

The Group test for goodwill impairment at the CGU level. The Group has determined that they have 2 CGUs being KFC & Pizza Hut("PH") basis business operation. Group's detailed impairment testing involves comparing the recoverable amount of the CGU to its carrying value, including goodwill. The recoverable amount is basis the value in use which has been calculated using Cash Flow Projections from financial budgets approved by senior management covering a four year period. The projected cash flows have been updated to reflect the decreased demand for products and services in the current pandemic situation. The pre-tax discount rate is applied to cash flow projections. The Group has estimated cash flow for upto 2025 and then have considered a perpetuity growth rate to arrive at perpetual value post 2025. The outcome of the Group's goodwill impairment test has resulted no impairment for year ended March 31, 2021 (March 31, 2020 INR 917.76 million (for PH CGUs), which is recognised within exceptional items in the statement of profit and loss considering increased uncertainty on account of COVID 19 outbreak. Refer Note 4 a.

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.

Sensitivity to change in assumptions

Key assumptions	Mar-21	Mar-20
Discount rate	17%-18%	15%
Sales growth rate	8%-17%	8%-15%

Discount rate assumption

A change in discount rate by 100 basis points will result in change in the recoverable value by :-

(Rs. in Millions)

Particulars	Mar-21	Mar-20
Increase in 100 basis points and impact on the recoverable value	(1,228.01)	(1,319.38)
- KFC	(934.66)	(762.05)
- PH	(293.35)	(557.33)
Decrease in 100 basis points and impact on the recoverable value	1,438.30	1,596.05
- KFC	1,098.56	914.06
- PH	339.74	681.99

Sales growth rate assumption

A change in discount rate by 100 basis points will result in change in the recoverable value by :-

(Rs. in Millions)

Particulars	Mar-21	Mar-20
Increase in 100 basis points and impact on the recoverable value	1,088.42	2,070.62
- KFC	863.50	875.68
- PH	224.92	1,194.94
Decrease in 100 basis points and impact on the recoverable value	(935.07)	(1,746.08)
- KFC	(740.14)	(729.74)
- PH	(194.93)	(1,016.34)

34 Segment Reporting

Group's business activity falls within a single business segment i.e. Food and Beverages in terms of Ind AS 108 on Segment Reporting primarily with operations in India and outside India and regularly reviewed by the Chief Operating Decision Maker (CODM) for assessment of Group's performance and resource allocation. 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 geographical segments considered for disclosure are as follows :

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed below :

(Rs. in million)

Particulars	As at March 31, 2021			As at March 31, 2020		
	India	Outside India	Consolidated	India	Outside India	Consolidated
1. Revenue						
External	8,684.75	2,127.61	10,812.35	11,314.70	2,202.66	13,517.36
Total Revenue	8,684.75	2,127.61	10,812.35	11,314.70	2,202.66	13,517.36

(Rs. in million)

Particulars	As at March 31, 2021			As at March 31, 2020		
	India	Outside India	Consolidated	India	Outside India	Consolidated
2. Non- Current Assets *	10,794.54	1,259.12	12,053.66	11,204.28	1,435.37	12,639.65

*Non-current assets other than financial instruments and income tax assets (net)/deferred tax asset (net), primarily comprises property, plant and equipment.

Note: No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2021, March 31, 2020 and March 31, 2019. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

35 Related Party Disclosures

Names of related parties and related party relationship

Entities under common control:

KFCH Restaurants Private Limited

Company having significant influence:

Sapphire Foods Mauritius Limited

WWD Ruby Limited

Amethyst Private Limited

Sagista Realty Advisors Private Limited, Trustee of QSR Management Trust

Edelweiss Crossover Opportunities Fund

Edelweiss Crossover Opportunities Fund – Series II

Key Managerial Personnel/Directors

Mr. Sumeet Narang, Director

Mr. Vikram Agarwal, Director

Mr. Manish Mehta, Director

Mr. Amar Raj Singh, Director

Mr. Sanjay Purohit, Whole time director

Mr. Girish Bhat, Director

Mr. Debobroto Das, Director

Mr. Tarun Khanna, Nominee Director

Mr. Niladri Mukhopadhyay, Additional Director

Mr. Julien Roland Kinic, Nominee Director

Mr. Pranav Parikh, Nominee Director

Mr. Punit Jhunjunwala, Company Secretary (w.e.f June 6, 2019 upto September 30, 2019)

Mr. Sachin Dudam, Company Secretary (w.e.f October 1, 2019)

Mr. Vijay Jain, Chief Financial Officer

Enterprises under significant influence of persons described above:

Gamma Life Line

Samara India Advisors Private Limited

(Rs. in million)

Particulars	Entities under Common Control	Key Managerial personnel and their relatives	Company having Significant Influence	Enterprises under Significant Influence
Balance as at:				
Trade Payables				
Samara India Advisors Private Limited				0.07
				(-)
Other Payables				
KFCH Restaurants Private Limited	11.19			
	(8.42)			
Gamma Life Line				28.41
				(23.12)

(Rs. in million)

Particulars	Entities under Common Control	Key Managerial personnel and their relatives	Company having Significant Influence	Enterprises under Significant Influence
Issuance of Equity Shares (including securities premium)				
WWD Ruby Limited			210.00	
			(425.14)	
Edelweiss Crossover Opportunities Fund			37.50	
			(1,389.29)	
Edelweiss Crossover Opportunities Fund – Series II			39.87	
			(463.10)	
"Sagista Realty Advisors Private Limited, Trustee of QSR Management Trust"			33.92	
			(171.59)	
Sapphire Foods Mauritius Limited			121.14	
			(-)	
Sanjay Purohit			64.02	
			(-)	
Transactions for the year ended:				
Sale of material				
KFCH Restaurants Private Limited	14.41			
	(22.84)			
Call Centre Charges (inclusive of taxes)				
KFCH Restaurants Private Limited	4.67			
	(4.12)			
Reimbursement of expenses				
Amar Raj Singh		-		
		(0.44)		
KFCH Restaurants Private Limited	0.05			
	(0.06)			
Samara India Advisors Private Limited				0.33
				(0.05)
Contribution to employee fund				
Gamma Life Line				6.98
				(6.66)
Purchase of Equity Shares of Gamma Pizzakraft (Overseas) Private Limited				
Mr. Amar Raj Singh		21.53		
		(172.67)		

(Rs. in million)

Particulars	Entities under Common Control	Key Managerial personnel and their relatives	Company having Significant Influence	Enterprises under Significant Influence
Settlement of liabilities on behalf of the entity				
KFCH Restaurants Private Limited	1.65			
	(1.34)			
Remuneration to Key Managerial Personnel *				
Short Term Employee Benefits		131.39		
		(68.84)		
Share based payments		96.85		
		(44.56)		

* Excludes provision for compensated absence and gratuity for Key Managerial Personnel as separate actuarial valuation is not available.

(Previous year's figures have been shown within the brackets)

Note:

Pursuant to the scheme of arrangement under section 230 and 232 of the Companies Act 2013 between the Company and KFCH Restaurants Private Limited (KFCH) sanctioned by NCLT by virtue of order dated 25.01.2018, 13 stores of KFCH ('Demerged Undertaking') got demerged and merged with the Company on a going concern basis from the appointed date of the scheme i.e. 1 April 2016. While the demerger was being operationalized, customers of the Demerged Undertaking of KFCH continued to remit the payments to the KFCH on behalf of the Company and vice versa. During the year, collections amount to Rs. 5.68 million (previous year 51.14 million (net)) were received by KFCH on behalf of SFIPL from its customers and the same has been remitted back to the Company during the year. Management is of the view that these transaction do not fall within the purview of IND AS 24 and hence excluded from related party disclosures noted above.

36 Disclosure as per IND-AS 19, "Employee Benefits"

I. Defined contribution plan:

The Group has defined contribution plan. Contributions are made to provident fund for employees at the rate of 12% of basic salary in India and towards employee trust fund at the rate of 3% of basic salary as per regulations applicable to the group. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 105.5 million (March 31, 2020: Rs. 140.95 million) [refer Note 24].

II. Defined benefit plan: Gratuity

The Group operates a gratuity plan wherein every employees entitled to the benefit equivalent to fifteen days salary last drawn for each year of service. The same is payable on termination of service or retirement whichever is earlier. The Gratuity paid is governed by The Payment of Gratuity Act, 1972 for the Holding Company and its Indian Subsidiaries. The Group contributes to the fund based on actuarial report details of which is available in the table of investment pattern of plan asset, based on which the group is not exposed to market risk. The following table summarises the component of net defined benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for respective year.

A. Balance Sheet

(Rs. in million)

Particulars	Defined benefit plans			
	India		Outside India	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	68.44	58.37	48.23	48.31
Fair value of plan assets	0.76	0.71	-	-
Net plan liability / (asset)	67.68	57.66	48.23	48.31

B. Movements in plan assets and plan liabilities

Year ended March 31, 2021

(Rs. in million)

	India			Outside India		
	Plan Asset	Plan Liability	Net Asset / (Liability)	Plan Asset	Plan Liability	Net Asset / (Liability)
As at the beginning of the year	0.71	58.37	(57.66)	-	48.31	(48.31)
Current service cost	-	9.05	(9.05)	-	5.60	(5.60)
Interest cost	-	3.53	(3.53)	-	4.18	(4.18)
Return on plan assets less expected interest on plan assets	0.04	-	0.04	-	-	-
Actuarial (gain)/loss on plan assets	0.01	-	0.01	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	1.76	(1.76)	-	(3.93)	3.93
Actuarial (gain)/loss arising from experience adjustments	-	8.35	(8.35)	-	(0.60)	0.60
Translation benefit	-	-	-	-	(3.94)	3.94
Benefit payments	-	(12.62)	12.62	-	(1.39)	1.39
As at the end of the year	0.76	68.44	(67.68)	-	48.23	(48.23)

Year ended March 31, 2020

(Rs. in million)

	India			Outside India		
	Plan Asset	Plan Liability	Net Asset / (Liability)	Plan Asset	Plan Liability	Net Asset / (Liability)
As at the beginning of the year	0.66	51.04	(50.38)	-	35.52	(35.52)
Current service cost	-	9.65	(9.65)	-	4.29	(4.29)
Interest cost	-	3.38	(3.38)	-	3.74	(3.74)
Return on plan assets less expected interest on plan assets	0.05	-	0.05	-	-	-
Actuarial (gain)/loss on plan assets	0.00	-	0.00	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	0.00	(4.29)	4.29	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	5.62	(5.62)	-	3.20	(3.20)
Actuarial (gain)/loss arising from experience adjustments	-	1.68	(1.68)	-	3.48	(3.48)
Translation benefit	-	-	-	-	0.29	(0.29)
Benefit payments	-	(8.71)	8.71	-	(2.21)	2.21
As at the end of the year	0.71	58.37	(57.66)	-	48.31	(48.31)

C. Statement of Profit and Loss

(Rs. in million)

Particulars	India		Outside India	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Employee benefit expenses:				
Current service cost	9.05	9.65	5.60	4.29
Finance cost/(income)	3.49	3.33	4.18	3.74
Net impact on the loss before tax (Refer note 24)	12.54	12.98	9.78	8.03
Remeasurement of the net defined benefit liability:				
Actual return on plan assets less expected interest on plan assets	(0.01)	(0.00)	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(4.29)	-	-
Actuarial gains/(loss) arising from changes in financial assumptions	1.76	5.62	(3.93)	3.20
Actuarial (gain)/loss arising from experience adjustments	8.35	1.68	(0.60)	3.48
Net impact on the Other Comprehensive (Income)/ Loss before tax	10.10	3.01	(4.53)	6.68

D. Assets

(Rs. in million)

Particulars	India		Outside India	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unquoted				
Insurer Manager Fund	0.76	0.71	-	-
Total	0.76	0.71	-	-

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind-AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Financial Assumptions		
Discount rate	5% - 9%	5.8% - 12%
Salary Escalation Rate	For Corporate : 8% - 10% For Stores : 5% - 10%	For Corporate : 8% - 10% For Stores : 5% - 10%
Expected Rate of Return on Assets (per annum)	NA	NA

Particulars	As at March 31, 2021	As at March 31, 2020
Demographic Assumptions		
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal rate	For Corporate :If service < 5 yrs, 18% If service > 5 yrs, 12% For Store : If service < 5 yrs, 80% for 3 years, 50% thereafter, If service > 5 yrs, 2%	For Corporate :If service < 5 yrs, 18% If service > 5 yrs, 12% For Store : If service < 5 yrs, 80% for 3 years, 50% thereafter, If service > 5 yrs, 2%
Retirement Age	55 - 60 years	55 - 60 years
Average expected future working life (years)/ Average duration of defined benefit obligation (years)	12.36	12.58

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Year ended March 31, 2021

(Rs. in million)

Particulars	Change in assumption	India		Outside India	
		Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / (Decrease) Increase in DBO	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / (Decrease) Increase in DBO
Discount rate	+/-1%	(6.81)	10.14	(3.20)	3.70
Salary Escalation Rate	+/-1%	9.67	(6.59)	3.92	(3.45)

Year ended March 31, 2020

(Rs. in million)

Particulars	Change in assumption	India		Outside India	
		Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / (Decrease) Increase in DBO	Increase in Rate / Increase (Decrease) in DBO	Decrease in Rate / (Decrease) Increase in DBO
Discount rate	+/-1%	(5.64)	8.52	(2.20)	2.48
Salary Escalation Rate	+/-1%	8.31	(5.60)	2.68	(2.42)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

F. The defined benefit obligations shall mature after year end as follows:

(Rs. in million)

Year ending March 31	Year ended March 31, 2021		Year ended March 31, 2020	
	India	Outside India	India	Outside India
1st following year	5.28	12.53	4.36	14.17
2nd following year	4.29	2.26	3.69	9.26
3rd following year	4.39	2.26	3.78	2.06
4th following year	4.35	2.26	3.78	2.06
5th following year	5.23	2.26	3.68	2.06
6th to 10th year	19.74	26.64	18.26	18.68

H. Risk exposure:

Through its defined benefits plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting year on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest rate risk

A decrease in the bond increase rate will increase the plan liability ; however, this will be partially offset by an increase in the return on the plan's debt investments.

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawal, disability and retirement. The effects of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

37 Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

(Rs. in Millions)

Name of the Entity in the Group	Net Assets, i.e. Total Assets minus Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Country of Incorporation	% of Voting Power
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total other comprehensive income	Amount		
Parent										
Sapphire Foods India Private Limited	108%	5,149.16	97%	(967.02)	24%	(10.25)	94%	(977.27)	India	100%
Subsidiaries (held directly)										
Indian										
Gamma Pizzakraft (Overseas) Private Limited	8%	360.01	1%	(9.05)	0%	-	1%	(9.05)	India	100%
Subsidiaries (held indirectly)										
Indian										
Gamma Pizzakraft Private Limited	0%	9.58	2%	(22.87)	0%	0.14	2%	(22.73)	India	100%
Foreign										
Gamma Pizzakraft Lanka Private Limited	10%	477.97	-10%	96.27	77%	(32.67)	-6%	63.61	Sri Lanka	100%
French Restaurants Private Limited	0%	0.69	0%	(0.06)	0%	(0.06)	0%	(0.12)	Sri Lanka	100%
Gamma Island Food Private Limited	-1%	(25.16)	1%	(14.92)	0%	0.15	1%	(14.78)	Maldives	51%
Non Controlling Interest	0%	(11.71)	1%	(14.34)	0%	0.14	1%	(14.20)	Maldives	49%
Adjustments on account of Consolidation	-25%	(1,173.22)	7%	(66.98)	0%	0.02	6%	(66.96)		
Balance as at March 31, 2021	100%	4,787.32	100%	(998.97)	100%	(42.53)	100%	(1,041.50)		

Year ended March 31, 2020

(Rs. in Millions)

Name of the Entity in the Group	Net Assets, i.e. Total Assets minus Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		Country of Incorporation	% of Voting Power
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total other comprehensive income	Amount		
Parent										
Sapphire Foods India Private Limited	106%	5,544.83	87%	(1,389.13)	6%	(2.75)	85%	(1,391.88)	India	100%
Subsidiaries (held directly)										
Indian										
Gamma Pizzakraft (Overseas) Private Limited	7%	348.06	8%	(133.25)	0%	-	8%	(133.25)	India	100%
Subsidiaries (held indirectly)										
Indian										
Gamma Pizzakraft Private Limited	0%	22.31	1%	(11.56)	1%	(0.26)	1%	(11.82)	India	100%
Foreign										
Gamma Pizzakraft Lanka Private Limited	8%	414.37	-2%	28.84	118%	(58.06)	2%	(29.22)	Sri Lanka	100%
French Restaurants Private Limited	0%	0.81	0%	(0.19)	0%	0.01	0%	(0.18)	Sri Lanka	100%
Gamma Island Food Private Limited	0%	3.81	1%	(17.75)	-5%	2.70	1%	(15.05)	Maldives	51%
Non Controlling Interest	0%	2.50	1%	(17.06)	-5%	2.60	1%	(14.46)	Maldives	49%
Adjustments on account of Consolidation	-21%	(1,089.47)	3%	(52.37)	-13%	6.60	3%	(45.77)		
Balance as at March 31, 2020	100%	5,247.22	100%	(1,592.47)	100%	(49.16)	100%	(1,641.63)		

38 Fair Values and Fair Value hierarchy

The fair value of all current financial assets and liabilities including cash and cash equivalent, bank balances other than cash and cash equivalents, trade receivable, other financial assets, trade payables, other financial liabilities, lease liabilities and borrowings approximate their carrying amounts largely due to the short term maturities of these instruments. For Put Option valuation, refer Note (a) given under Note 18. The same is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Group has investments in debt mutual funds which are not quoted in the active market. These debt mutual funds are subsequently measured at fair value through profit or loss (FVTPL) as per the closing net assets value (NAV) statement provided by the mutual fund house. The corresponding unrealized gain or loss on fair valuation is recorded in profit and loss account under other income. Accordingly, such debt mutual funds fall under fair value hierarchy level 2.

Fair value measurement hierarchy

(Rs. in million)

Particulars	As at March 31, 2021				Total Fair Value
	Carrying amount/ Amortised cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
At Amortised Cost					
Deposits (Note 5)	661.37	-	-	-	661.37
Trade receivables (Note 8)	77.75	-	-	-	77.75
Cash and cash equivalents (Note 9)	450.50	-	-	-	450.50
Bank balances other than cash and cash equivalents (Note 10)	49.70	-	-	-	49.70
Other financial assets (Note 5)	106.10	-	-	-	106.10
At Fair value through profit or loss					
Investments (Note 5)	-	-	267.41	-	267.41
Financial Liabilities					
At Amortised Cost					
Borrowings (current and non-current) (Note 14)	520.25	-	-	-	520.25
Lease liabilities (Note 16)	5,692.21	-	-	-	5,692.21
Trade payables (Note 17)	1,439.70	-	-	-	1,439.70
Other current financial liabilities (Note 18)	622.07	-	-	-	622.07

The Group considers that the carrying amounts of these financial instruments recognised at amortised cost in the financial statements approximates its fair value.

(Rs. in million)

Particulars	As at March 31, 2020				
	Carrying amount/ Amortised cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value
Financial Assets					
At Amortised Cost					
Deposits (Note 5)	633.39	-	-	-	633.39
Trade receivables (Note 8)	46.05	-	-	-	46.05
Cash and cash equivalents (Note 9)	221.00	-	-	-	221.00
Bank balances other than cash and cash equivalents (Note 10)	170.58	-	-	-	170.58
Other financial assets (Note 5)	42.43	-	-	-	42.43
At Fair value through profit or loss					
Investments (Note 5)	-	-	155.21	-	155.21
Financial Liabilities					
At Amortised Cost					
Borrowings (current and non-current) (Note 14)	591.50	-	-	-	591.50
Lease liabilities (Note 16)	5,743.69	-	-	-	5,743.69
Trade payables (Note 17)	1,306.68	-	-	-	1,306.68
Other current financial liabilities (Note 18)	468.96	-	-	-	468.96
At Fair value through equity					
Other current financial liabilities (Note 18)	-	-	-	21.53	21.53

The Group considers that the carrying amounts of these financial instruments recognised at amortised cost in the financial statements approximates its fair value.

Reconciliation of fair value measurement of liability categorised at level 3 :

At Fair value	(Rs. in million)	
Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	21.53	3,332.40
Conversion during the year	(21.53)	(3,010.20)
Total (Gain)/Loss	-	(300.66)
Closing Balance	-	21.53

39 Capital Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity infusions, internal accruals and borrowings. The Group raises long term loans mainly for its expansion requirements. As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations.

The capital structure is governed by policies approved by the Board of Directors and is monitored by various matrices funding requirements are reviewed periodically.

40 Financial risk management objectives and policies

The Group's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents including bank balances other than cash and cash equivalents that derive directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business investments strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises of risks relating to interest rate risk and price risk. The impact of price risk is not material. The sensitivity analysis in the following sections relate to the position as at March 31, 2021. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity, pension obligation and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

i Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency and the Group's net investment in foreign subsidiaries). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies.

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the outstanding financial liability.

The Group basis its assessment believes that the probability of the occurrence of their forecasted transactions are not materially impacted by COVID 19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the debt obligations.

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings bearing variable rate of interest	726.22	660.47

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on affected portion of loans and borrowings taken at floating rates. With all other variables held constant, the Group's loss before tax is affected through the impact of floating rate borrowings as follows :

A change of 50 bps in interest rates would have following impact on loss before tax:

(Rs. in million)

Change	As at March 31, 2021	As at March 31, 2020
50 bps increase would increase the loss before tax by	(3.63)	(3.30)
50 bps decrease would decrease the loss before tax by	3.63	3.30

b Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

i Trade Receivable

The trade receivable of the Group generally spread over limited numbers of parties. The Group evaluates the credit worthiness of the parties on an ongoing basis. Further, outstanding customer receivables are regularly monitored and followed up. Therefore, the Group does not expect any material risk on account of non-performance from these parties.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivable. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

ii Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of bank deposits and cash credit facilities. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

Investment in banks and investment in mutual funds though carries counter party credit risk considering situation due to COVID-19, has been valued at amortised cost and fair value through profit and loss respectively and tenure for both invested is less than one year and impact expected is immaterial. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

(Rs. in million)				
Particulars	Year	< 1 Year	1 - 3 Years	Total
Financial Liabilities				
Trade Payable	March 31, 2021	1,439.71	-	1,439.71
	March 31, 2020	1,306.68	-	1,306.68
Borrowings (including current maturities of long-term debt)	March 31, 2021	289.44	501.88	791.32
	March 31, 2020	171.93	540.02	711.95
Other Financial Liabilities				
Payable on Capital goods purchased	March 31, 2021	139.64	-	139.64
	March 31, 2020	151.56	-	151.56
Payable to employees	March 31, 2021	196.87	-	196.87
	March 31, 2020	149.83	-	149.83
Other payables	March 31, 2021	49.25	-	49.25
	March 31, 2020	47.12	-	47.12
Put Option Liability allocated to Non Controlling Interests	March 31, 2021	-	-	-
	March 31, 2020	21.53	-	21.53

Note : Refer Note 42 for maturity profile of lease liabilities

d Excessive risk concentration

Concentrations when a number of counter parties 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 Group's performance to developments affecting a particular industry. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio.

41 Share-based payments

The Parent Company had received approval of the Board and Shareholders for issuance of 20,31,249 Equity Shares of Rs.10 each for offering to eligible employees of the Parent Company under Sapphire Foods Employee Stock Option Plan 2017 (the plan). There are 2 schemes of the plan implemented by the Parent Company- Sapphire Foods Employee Stock Option Loyalty Scheme 2017- "Scheme I" (loyalty scheme) and Sapphire Foods Employee Stock Option Performance Scheme 2017- "Scheme II" (performance scheme).

The purpose of these schemes is to reward loyalty for past services with the Parent Company, retention of critical employees, achieving Parent Company performance and aligning the shareholders interest.

In March 31, 2021 the Parent Company has modified its existing schemes and implemented variation on 21 August 2020 by increasing the total number of options available for loyalty and performance options. It revised its target performance estimates and made it more favourable for its employees. These schemes were further modified on 30 December 2020 where Ruby options were introduced resulting in an increase in no of option granted and revised the terms of performance making it more favourable for its employees. The revised scheme hereinafter referred to as "Scheme III" for employees other than CEO and "Scheme IV" for CEO respectively.

The number of shares that will vest is conditional upon certain performance and market conditions that will be determined by the Board of Directors. The performance will be measured over vesting period of the options granted which range from 1-4 years and which will be exercised over a period of 1 year from date of vesting.

There are no cash settlement alternatives for the employees. The Parent Company does not have a past practice of cash settlement for these awards.

Movement during the year, the Parent Company has granted the following options:

	Loyalty			
	Scheme IV	Scheme IV	Scheme III	Scheme III
No. of options	225,694	112,848	173,031	37,615
Method of accounting	Fair value	Fair value	Fair value	Fair value
Vesting period (in years)	2.5	2.2	2.2	2.2
Grant Date	4-Jun-18	21-Aug-20	4-Jun-18	21-Aug-20
Exercise Date	5 years from the date of vesting or happening of a major liquidity event, whichever is later	Starting from end of vesting period and ending on 31 March 2024	5 years from the date of vesting or happening of a major liquidity event, whichever is later	Starting from end of vesting period and ending on 31 March 2024
Exercise Price (Rs.)	10	10	10	10
Method of settlement	Equity- settled	Equity- settled	Equity- settled	Equity- settled
Fair value per option (Rs.)	344.65	376.70	344.75	376.70

Movement during the year, the Parent Company has granted the following options:

	Performance						
	Scheme IV			Scheme III			
	Gold Options	Platinum	Ruby Options	Gold Options (A)	Gold Options (B)	Platinum	Ruby Options
No. of options	338,542	225,694	138,889	210,649	210,648	52,663	105,325
Method of accounting	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Vesting period (in years)	2.2	2.6	3.5	2.2	2.5	3.5	3.2
Grant Date	4-Jun-18	21-Aug-20	30-Dec-20	4-Jun-18	21-Aug-20	21-Aug-20	30-Dec-20
Exercise Date	3/31/2024	3/31/2024	3/31/2025	3/31/2024	31-03-2024 & 31-03-2025	31-03-2024 & 31-03-2025	3/31/2025
Exercise Price (Rs.)	10	10	10	178	178	178	178
Method of settlement	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled	Equity-settled
Fair value per option (Rs.)	376.80	377.00	377.50	238.10	237.90	251.80	248.60

No. of Options	Loyalty		Performance	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Outstanding at the beginning of the year/ period	398,728	504,052	218,493	277,479
Granted during the year	150,463	-	1,063,917	-
Exercised during the year	(180,511)	-	-	-
Lapsed/ Expired during the year	-	(105,324)	(39,496)	(58,986)
Outstanding at the end of the year	368,680	398,728	1,242,914	218,493
Exercisable at the end of the year	-	-	-	-

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

Date of grant	30 December 2020	21 August 2020	3 September 2018	4 June 2018
Risk free interest rate	4.00%	4.69%	8.10%	7.90%
Expected life (in years)	2.2-3.5	2.6	7.4	5.4
Expected volatility	55%	50%	45%	40%
Dividend yield	0%	0%	0%	0%
Price of the underlying share in the market at the time of option grant (Rs.)	386	291	351	351

Incremental fair value of options was based on the above factors

Weighted average remaining contractual life of the share option outstanding at the end of year is as below :

Particulars	31-Mar-21	31-Mar-20	31-Mar-19
Remaining contractual life Loyalty (years)	0.88	1.54	2.31
Remaining contractual life Performance (years)	1.75	1.45	2.90

Change in Fair value due to modification in scheme

Particulars	Loyalty		Performance	
	First	Final	First	Final
Scheme IV	31.85	-	-	258.13
Scheme III	10.62	-	16.27	77.51
Total	42.47	-	16.27	335.64

Effect of the employee option plan on the Statement of Profit or Loss and on its financial position

Particulars	March 31, 2021	March 31, 2020
Total employee compensation cost pertaining to stock option plan	137.78	44.22
Liability for employee stock option plan outstanding as at the year end	186.62	111.05

The weighted average share price for options exercised and lapsed during the year is Rs.344.65 per share.

42 Ind AS 115: Revenue from Contracts with Customers

1. Disaggregated revenue information:

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(Rs. in million)

	Year ended March 31, 2021	Year ended March 31, 2020
Type of goods or service		
Restaurant sales	10,159.76	13,284.14
Other operating income	36.43	119.98
Total revenue from contract with customers	10,196.19	13,404.12
India	8,140.28	11,204.09
Outside India	2,055.91	2,200.03
Total revenue from contract with customers	10,196.19	13,404.12
Timing of revenue recognition		
Goods transferred at a point in time	10,192.95	13,403.72
Services transferred over time (included in other operating income)	3.24	0.40
Total revenue from contract with customers	10,196.19	13,404.12

2. Contract balances:

(Rs. in million)

	31st March, 2021	31st March, 2020
Trade receivables	77.75	46.05
Contract liabilities	3.42	3.19

43 Leases – Ind AS 116

Leases where the Company is a Lessee

- (a) Effective April 01, 2019 the Group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. The effect of such adoption resulted into cumulative impact recognised to retained earnings as at April 01, 2019 amounting to INR 679.78 million (net of tax).
- (b) In the statement of profit and loss for the respective years, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability.

The incremental borrowing rate of 10.50 % - 13.00% as been applied to lease liabilities recognised in the balance sheet at the date of initial application.

Impact of Ind AS 116 on the restated consolidated financial statement is as follows:

(Rs. in million)

Particulars	Year ended 31 March, 2021 (Pre IND AS 116)	Year ended 31 March, 2021 (Ind AS 116)	Change in loss before tax (Ind AS 116) Increase/(Decrease)
Rent expense (Net)	1,142.89	237.22	(905.67)
Other miscellaneous expenses	314.05	305.46	(8.59)
Finance cost	120.02	755.65	635.63
Depreciation, impairment and amortisation expense	1,110.14	2,091.45	981.31
Other Income - rent waiver due to COVID	-	(489.46)	(489.46)
Other income - gain on termination of lease contract	-	(53.94)	(53.94)
Impact on loss before tax	827.66	986.94	159.28

(Rs. in million)

Particulars	Year ended 31 March, 2020 (Pre IND AS 116)	Year ended 31 March, 2020 (Ind AS 116)	Change in loss before tax (Ind AS 116) Increase/(Decrease)
Rent expense (Net)	1,668.84	441.31	(1,227.53)
Other miscellaneous expenses	401.19	391.75	(9.44)
Finance cost	116.68	721.93	605.25
Depreciation, impairment and amortisation	1,018.57	1,913.10	894.53
Other income - gain on termination of lease contract	-	(0.12)	(0.12)
Impact on loss before tax	1,347.14	1,609.83	262.69

- (c) The Group incurred Rs. 24.87 million for the year ended March 31, 2021 (March 31, 2020: 35.17 million) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs.901.61 million for the year ended March 31, 2021 (March 31, 2020: 1,244.33 million), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs.635.63 million for the year (March 31, 2020: 605.25 million).
- (d) The Group's leases mainly comprise of store buildings and vehicles. The Group takes on leases for the purpose of business operations.
- (e) The Group also had non-cash additions to right of use assets and lease liabilities of Rs 955.08 million during the year ended March 31, 2021 (March 31, 2020: 969.97 million).

Leases are shown as follows in the Group's balance sheet and profit & loss account

(Rs. in million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cost	5,847.45	5,848.71
Additions	983.73	-
Disposals	(184.29)	(0.46)
Accumulated Depreciation	(1,875.84)	(894.53)
Translation difference	(31.60)	(0.80)
Closing Balance	4,739.45	4,952.92

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the year :

(Rs. in million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	5,743.69	5,378.77
Additions	955.08	969.97
Accretion of Interest	635.63	605.25
Termination	(238.22)	(0.59)
Rent waiver due to COVID	(489.46)	-
Payments	(876.74)	(1,209.16)
Translation difference	(37.77)	(0.55)
Closing Balance	5,692.21	5,743.69
Lease liabilities		
Current	787.19	718.56
Non-current	4,905.02	5,025.13
Total lease liabilities	5,692.21	5,743.69

Maturity analysis of contractual undiscounted cash flow:

(Rs. in million)

	Less than 1 year	1 - 5 years	More than 5 years	Total
Lease of Buildings and Motor vehicle				
As at 31st March, 2021	1,247.69	3,907.21	3,687.64	8,842.54
As at 31st March, 2020	1,218.88	3,890.24	3,875.25	8,984.37

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty.

Amounts recognized in the Statement of Profit and Loss

(Rs. in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Other income		
Gain on termination of lease contract	53.94	0.12
Rent waiver due to COVID	489.46	-
Other expenses		
Short-term lease rent expense	20.09	29.97
Low value asset lease rent expense	4.78	5.20
Variable lease rent expense	81.85	228.25
GST on rent	130.50	177.89
Depreciation and impairment losses		
Depreciation of right of use lease asset	981.31	894.53
Finance cost		
Interest expense on lease liability	635.63	605.25

The Group has lease contracts for stores that contains variable payments based on the revenue generated from a particular store. Management's objective is to align the lease expense with the revenue generated. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments for the similar contracts:

(Rs. in million)

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Fixed Payments	Variable Payments	Total	Fixed Payments	Variable Payments	Total
Fixed Rent	412.09	-	412.09	547.25	-	547.25
Variable rent with minimum payment	453.31	44.13	497.44	678.17	154.40	832.57
Variable rent only	-	37.72	37.72	-	61.39	61.39
	865.40	81.85	947.25	1,225.41	215.79	1,441.21

5% increase in revenue for the relevant stores would increase total lease payments by 4% for the year ended March 2021 (March 2020: 2.28%)

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

44 Impact of COVID-19

The global spread of Covid 19 impacted businesses across all sectors and geographies. As a result, operations of most restaurants 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 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 financial information 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 financial information 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 financial information will be continuously made and provided for as required.

- 45 a) As per the Regulation 14(6)(ii) of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (as amended from time to time), an Indian company making the Downstream Investment (DI) is required to notify the Secretariat for Industrial Assistance (SIA), Department of Industrial Policy and Promotion (DIPP) and Foreign Investment Promotion Board (FIPB) of its downstream investment along with the modality of investment and file Form DI with RBI within 30 days of allotment of capital instruments (wherever applicable). However, the Company has not notified the downstream investment to SIA, DIPP, FIPB and RBI (wherever applicable) for the financial years ended 31 March 2016, 31 March 2017, 31 March 2018 and 31 March 2019 within such deadlines. Further, the Company has not obtained the Statutory Auditor's certificate in earlier years i.e. for year ended 31 March 2016, 31 March 2017, 31 March 2018 and 31 March 2019, nor has mentioned this non-compliance in its Directors Report for these periods.
- b) In order to regularize filings and make good the non-compliance, the Company is in process of undertaking compounding procedures with the RBI including but not limited to regularizing delays through late submission fees, in accordance with the relevant provisions of the applicable FEMA Regulations.

46 Code of Social Security

The Code of Social Security 2020 ('Code') relating to employee benefits during employment and post-employment 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 and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

47 Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through June 11, 2021, the date at which the financial statements were available to be issued and determined that there are no material items to disclose.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Registration No : 324982E/ E300003

per Vikram Mehta

Partner

Membership No. : 105938

Place: Mumbai

Date: June 11, 2021

For and on behalf of the Board of Directors
of Sapphire Foods India Private Limited

Girish Bhat

Director

DIN: 01691290

Sachin Dudam

Company Secretary

Membership No. : A31812

Place: Mumbai

Date: June 11, 2021

Sanjay Purohit

Whole time Director

DIN : 00117676

Vijay Jain

Chief Financial Officer

