June 6, 2022

To,

National Stock Exchange of India Ltd. Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Email: cmlist@nse.co.in **Symbol: DEVYANI**	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Email: corp.relations@bseindia.com **Security Code: 543330**

Sub: **Notice of 31st Annual General Meeting and Annual Report of the Company for the Financial Year ended March 31, 2022**

Dear Sir/Madam,

In continuation to our letter dated May 2, 2022, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the following:

1. Notice of the 31st Annual General Meeting of the Company scheduled to be held on Tuesday, June 28, 2022 at 11:00 A.M. (IST) through Video Conferencing / Other Audio Visual Means facility, without the physical presence of Members at a common venue, in compliance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 respectively, issued by the Ministry of Corporate Affairs; and

2. Annual Report of the Company for the Financial Year ended March 31, 2022.

You are requested to take the above on record.

Yours faithfully,
For Devyani International Limited

Varun Kumar Prabhakar
Company Secretary & Compliance Officer

Encl: *As above*

DEVYANI
INTERNATIONAL LIMITED

Devyani International Limited

Registered Office: F-2/7, Okhla Industrial Area, Phase I, New Delhi-110 020; Tel: +91 11 41706720
Corporate Office: Plot No-18, Sector-35, Gurugram - 122004, Haryana
Tel: +91-124-4566300, 4786000
E-mail: companysecretary@dil-rjcorp.com; **Website**: www.dil-rjcorp.com
Corporate Identity Number: L15135DL1991PLC046758

NOTICE

Notice is hereby given that 31st (Thirty First) Annual General Meeting ('AGM') of Devyani International Limited ('the Company') will be held on Tuesday, June 28, 2022 at 11:00 A.M. IST through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') facility, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company together with the report of Board of Directors and Auditors' thereon and the Audited Consolidated Financial Statements of the Company including Auditors' Report thereon for the Financial Year ended March 31, 2022.

2. To appoint Mr. Varun Jaipuria (DIN: 02465412), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

3. To appoint Mr. Raj Gandhi (DIN: 00003649), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

4. To appoint M/s. O P Bagla & Co. LLP, Chartered Accountants, as Joint Statutory Auditors for a term of upto 5 (five) years, fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. O P Bagla & Co. LLP, Chartered Accountants (Firm Registration Number 000018N/N500091) be and are hereby appointed as Joint Statutory Auditors of the Company for a term of upto 5 (five) consecutive years to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of 36th (Thirty Sixth) AGM of the Company to be held in the year 2027, at such remuneration as shall be fixed by the Board of Directors of the Company or any Committee of the Board ('the Board').

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

SPECIAL BUSINESS:

5. To appoint Mr. Prashant Purker (DIN: 00082481) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('Act'), if any and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16, 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the enabling provisions of Articles of Association of the Company, Mr. Prashant Purker (DIN: 00082481), who was appointed as an Additional Director (in the category of Non-Executive Independent Director) by the Board of Directors with effect from May 2, 2022 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a

Member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria of independence as provided under the Act and SEBI LODR Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of upto 5 (Five) consecutive years with effect from May 2, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee of the Board, be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

6. To appoint Mr. Rahul Suresh Shinde (DIN: 07166035) as a Whole-time Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 ('Act'), if any and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the enabling provisions of Articles of Association of the Company, Mr. Rahul Suresh Shinde (DIN: 07166035) who was appointed as an Additional Director (designated as a Whole-time Director) by the Board of Directors with effect from May 2, 2022 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Act, if any, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the enabling provisions of Articles of Association of the Company, approval of the Members be and is hereby accorded to appoint Mr. Rahul Suresh Shinde (DIN: 07166035) as a Whole-time Director of the Company for a period of upto 5 (Five) years with effect from May 2, 2022, liable to retire by rotation, on such terms and conditions (including remuneration by way of salary, perquisites and other allowances & benefits to be paid in the event of loss or inadequacy of profits in any financial year during the period of upto 3 (Three) years from the date of his appointment) as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee of the Board ('the Board') be and is hereby authorized to increase, alter, vary and modify the said terms of remuneration payable as per the provisions of the Act.

RESOLVED FURTHER THAT the total managerial remuneration paid and/or payable to the Executive Director(s) of the Company taken together in any financial year exceeded or may exceed the limit of 10% of net profit and overall managerial remuneration paid and/or payable to all Director(s) exceeded or may exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

7. To approve payment of profit related commission to Mr. Ravi Jaipuria, Non-executive Chairman of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 ('Act'), if any and Rules made thereunder and Regulation 17(6)(ca) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the enabling provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded for payment of profit related commission to Mr. Ravi Jaipuria, Non-executive Chairman of the Company for the Financial Year ending March 31, 2023, to be determined by the Board of Directors of the Company or any Committee of the Board ('the Board') which may exceed 50% of the total annual profit related commission payable to all Non-executive Directors, up to the limit of 1% of the Net Profit of the Company for the Financial Year ending March 31, 2023, as computed in the manner laid down in Section 198 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

8. To approve ratification and amendments in the 'Employees Stock Option Scheme 2021' of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 ('Act'), if any and Rules made thereunder, Regulation 12 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI ESOP Regulations'), applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the enabling provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory guidelines/circulars in that behalf and subject to such other approvals, consents, permissions and/or sanctions as may be necessary, approval of the Members be and is hereby accorded for ratification of the Employees Stock Option Scheme 2021 ('ESOP Scheme') originally approved prior to the Initial Public Offer by Members of the Company at their Extra-Ordinary General Meeting held on March 17, 2021 in respect to exercise of its powers, including the powers to create, offer, issue, reissue, grant and allot from time to time, in one or more tranches, employee stock options ('Options') under the ESOP Scheme within the overall ceiling of upto 5,57,37,500 (Five Crore Fifty Seven Lakh Thirty Seven Thousand Five Hundred) Options, to the eligible Employees as defined under the ESOP Scheme and such other employees as may be permitted under the applicable laws and further approval is accorded to the amendments in the ESOP Scheme inter-alia to align with the regulatory requirements specified under the SEBI ESOP Regulations as set out in the Explanatory Statement annexed to this Notice.

   RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under the ESOP Scheme shall rank pari-passu in all respects with the existing Equity Shares of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee of the Board, be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

9. To approve ratification and grant of stock options to the employees of holding, subsidiary, group or associate company(ies) of the Company under the 'Employees Stock Option Scheme 2021' and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 ('Act'), if any and Rules made thereunder, Regulation 12 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI ESOP Regulations'), applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the enabling provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory guidelines/circulars in that behalf and subject to such other approvals, consents, permissions and/or sanctions as may be necessary, approval of the Members be and is hereby accorded for ratification of the Employees Stock Option Scheme 2021 ('ESOP Scheme') originally approved prior to the Initial Public Offer by Members of the Company at their Extra-Ordinary General Meeting held on March 17, 2021 in respect of the benefits extended to the employees of holding and subsidiary company and further approval is accorded to create, offer, issue, reissue, grant and allot from time to time, in one or more tranches, employee stock options ('Options') under the ESOP Scheme within the overall ceiling of upto 5,57,37,500 (Five Crore Fifty Seven Lakh Thirty Seven Thousand Five Hundred) Options, to the eligible Employees as defined under the ESOP Scheme and such other employees as may be permitted under the applicable laws, of the present and future holding, subsidiary, group or associate company(ies) of the Company, on such terms and conditions, as contained in the ESOP Scheme and set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under the ESOP Scheme shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee of the Board, be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board
For Devyani International Limited

Varun Kumar Prabhakar
Company Secretary and Compliance Officer
Membership No. ACS-30496
Address: F-2/7, Okhla Industrial Area,
Phase – I, New Delhi - 110 020

Place: Gurugram
Date: May 2, 2022

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, June 21, 2022 to Tuesday, June 28, 2022 (both days inclusive) for the purpose of 31st Annual General Meeting ('AGM').

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), which sets out details relating to Special Business (being considered unavoidable by the Board of Directors) at the meeting, is attached with this Notice of AGM.

3. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 and 21/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 14, 2021 respectively ('MCA Circulars'), permitted the holding of AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and MCA Circulars, the 31st AGM of the Company is being held through VC/OAVM facility.

   The Deemed Venue for the 31st AGM shall be the Registered office of the Company.

4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

   However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board resolution in the manner prescribed in Note No. 21.

5. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In terms of Section 152 of the Act, Mr. Varun Jaipuria and Mr. Raj Gandhi, Directors, retire by rotation at the AGM and being eligible, offer themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company recommended their re-appointment.

7. Details of Directors seeking appointment / re-appointment in AGM pursuant to Secretarial Standard on General Meetings (SS-2) and Regulation 36(3) of the SEBI LODR Regulations are Annexed to this Notice of AGM.

8. All documents referred in the accompanying Notice and the Explanatory Statement are available on website of the Company for inspection by the Members up to the date of AGM and during the meeting.

9. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Act and Certificate from Secretarial Auditors of the Company certifying that Employees Stock Option Scheme 2011, Employees Stock Option Scheme 2018 and Employees Stock Option Scheme 2021 of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and as substituted by Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution of the Members of the Company which will be available on website of the Company.

10. Pursuant to Sections 101 and 136 of the Act read with relevant Rules made thereunder and Regulation 36 of SEBI LODR Regulations, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participants ('DP'). Members holding shares in physical form and who have not registered their e-mail address with the Company can now register the same by sending an email to Compliance Officer of the Company at companysecretary@dil-rjcorp.com and/or by sending a request to Link Intime India Private Limited, Registrar and Share Transfer Agent ('RTA') through email at delhi@linkintime.co.in or contact at 011-49411000. Members holding Shares in demat form are requested to register their e-mail address with their DP only. The registered e-mail address will be used for sending future communications.

11. In compliance with the aforesaid MCA Circulars and SEBI Circulars issued from time to time, the Notice of AGM and Annual Report are being sent only through electronic mode to those Members whose e-mail address are registered with the Company or DP or RTA, unless the Members have registered their request for physical copy of the same. Members may note that this Notice of AGM and Annual Report will also be available on Company's website (www.dil-rjcorp.com), Stock Exchange's website (www.bseindia.com and www.nseindia.com) and National Securities Depository Limited ('NSDL') website (www.evoting.nsdl.com).

12. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of beneficiaries received from the Depositories as on Friday, May 27, 2022.

13. Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at companysecretary@dil-rjcorp.com at least seven days before AGM from their registered email address mentioning their name, DPID Client ID / folio no. and mobile number to enable the management to keep information ready at the AGM. Members desiring to seek information/clarification during the AGM on the accounts or any matter to be placed at the AGM may ask through the chat box facility provided by NSDL.

14. Members are requested to note that Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH 2, LSC C-1 Block, Near Savitri Market, Janakpuri New Delhi-110058, is the Registrar and Share Transfer Agent to manage the work related to shares held in physical and dematerialized form.

15. To prevent fraudulent transactions, Members are requested to exercise due diligence and immediately notify the RTA any change in their address and/or bank mandate in respect of shares held in physical form and to their DPs in respect of shares held in dematerialized form. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

16. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has directed all the listed companies to update Bank Account details and PAN of the Members holding shares in physical form. It has been observed that few of the Members holding physical shares have not updated the said information. Therefore, such Members are requested to send the following documents to the Company's RTA:

    i. Self-attested copy of PAN card including that of joint Members; and

ii. An original cancelled cheque of 1st Member (Name of 1st Member should be printed on cheque leaf). If name of 1st Member is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker along with cancelled cheque (Photocopy of cheque will not be accepted/ entertained).

17. SEBI vide its notifications dated June 8, 2018 and November 30, 2018, mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialization, Members are requested to dematerialize the shares held by them in physical form.

18. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-13 in terms of Section 72 of the Act to the RTA. Members holding shares in electronic form may submit the same to their respective DP. The nomination form can be downloaded from the Company's website www.dil-rjcorp.com under the investor relations section. Members who require communication in physical form in addition to e-communication or have any other queries, may write to the RTA or Company at its Registered Office address.

19. Non-Resident Indian Members are requested to inform RTA, immediately of:

    a. Change in their residential status on return to India for permanent settlement.

    b. Particulars of their bank account maintained in India with complete name, branch, account number, account type and address of the Bank with pin code number.

20. To comply with the provisions of Section 108 of the Act and Rules framed thereunder, Regulation 44 of the SEBI LODR Regulations, Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and MCA Circulars, the Members are provided with the facility to cast their vote electronically through remote e-voting (prior to AGM) and e-voting (during the AGM) services provided by NSDL on all resolutions set forth in this Notice.

    Only those Members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

    The instructions for joining the AGM through VC / OAVM, remote e-voting and e-voting during the AGM are provided in the Notice of AGM under Note No. 21.

21. **INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:**

A. INSTRUCTIONS FOR REMOTE E-VOTING PRIOR TO THE AGM

i. The remote e-voting period begins on Saturday, June 25, 2022 at (9:00 A.M. IST) and ends on Monday, June 27, 2022 at (5:00 P.M. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

ii. The Members, whose name appears in the Register of Members / Beneficial Owners as on Tuesday, June 21, 2022 (i.e. cut-off date), may cast their vote electronically.

iii. The voting right of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

iv. The details of the process and manner for remote e-voting are explained herein below:

    Step 1: Access to NSDL e-voting system

    Step 2: Cast your vote electronically on NSDL e-voting system

Details on Step 1 are mentioned below:

I. Login method for e-voting and joining AGM for individual shareholders holding securities in demat mode

    Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ Depository Participants to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Users already registered for **IDeAS** facility: (i) Visit e-services website of NSDL viz. https://eservices.nsdl.com (ii) Click on the "Beneficial Owner" icon under "Login" available under "IDeAS' section. (iii) Enter User ID and Password. After successful authentication, click on "Access to e-Voting" appearing on the left-hand side under e-voting services and you will be able to see e-voting page (iv) Click on Company name or e-voting service provider i.e. NSDL. You will be re-directed to e-voting website of NSDL to cast your vote during the remote e-voting period or joining AGM & vote during the AGM. 2. User not registered for IDeAS facility: (i) Click on link: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" OR Click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp (ii) Proceed with completing the required fields. (iii) Follow steps mentioned in point no. 1 above 3. Alternatively, by directly accessing the e-voting website of NSDL: (i) Visit e-voting website of NSDL viz. https://www.evoting.nsdl.com (ii) Click on the icon "Login" available under 'Shareholder/Member' section. (iii) On the Login page, enter your User ID (i.e. your 16 characters demat account number held with NSDL), Password/ OTP and a verification code as shown on the screen. (iv) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider i.e. NSDL. You will be re-directed to e-voting website of NSDL to cast your vote during the remote e-Voting period or joining AGM & vote during the AGM. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. User already registered for Easi/ Easiest: (i) Visit URL: https://web.cdslindia.com/myeasi/home/login OR www.cdslindia.com and click on "Login" and select "New System Myeasi" (ii) Enter your User ID and Password. (iii) After successful authentication, the user will be able to see the e-voting menu having link of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. 2. User not registered for Easi/Easiest: (i) Click on link: https://web.cdslindia.com/myeasi/Registration/EasiRegistration (ii) Proceed with completing the required fields. (iii) Follow steps mentioned in point no. 1 above

Type of shareholders	Login Method
	3. Alternatively, by directly accessing the e-Voting website of CDSL: (i) Visit www.cdslindia.com and select "E Voting" (ii) Provide your demat account number and PAN (iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat account. (iv) After successful authentication, user will be provided link for the e-voting service provider i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their Depository Participant (DP)	(i) You can login using the credentials of your demat account through the website of your DP registered with NSDL/CDSL, for remote e-Voting. (ii) Once logged-in, you will be able to see "e-Voting" option. Once you click on "e-Voting" option and after successful authentication, you will be re-directed to e-voting module of NSDL/CDSL wherein you can see e-Voting feature. (iii) Click on options available against Company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL to cast your vote during the remote e-voting period or join AGM & vote during the AGM.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at respective website.

Helpdesk details for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

II. Login Method for e-voting and joining AGM for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by clicking the URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in "Process for those Shareholders whose email address are not registered".

7. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

   a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of the Company to cast your vote during the remote e-voting period or to cast your vote during the AGM. For joining AGM, you need

to click on "VC/OAVM" link placed under **"Join General Meeting"**.

3. Now you are ready for e-voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also **"Confirm"** when prompted.

5. Upon confirmation, the message **"Vote cast successfully"** will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjaygrover7@gmail.com with a copy marked to evoting@nsdl.co.in. Further, they can also upload their Board Resolution/ Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

3. In case of any query, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in or at 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

Process for those shareholders whose email address are not registered with the Depositories for procuring user id and password and registration of email address for e-voting on the resolutions set out in this Notice:

1. **Physical Holding:** Send a request to Link Intime India Private Limited, Registrar and Share Transfer Agent at delhi@linkintime.co.in providing your name, folio no., scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card and self-attested scanned copy of Aadhar Card, for registering e-mail address.

2. **Demat Holding:** Please provide your name, DPID Client ID (16 digit DPID + Client ID or 16 digit Beneficiary ID), Name, client master or copy of consolidated account statement, self-attested scanned copy of PAN and Aadhar card to complianceofficer@rjcorp.in.

   If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. Login method for e-voting and joining AGM for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

B. INSTRUCTIONS FOR E-VOTING DURING THE AGM

1. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM, however, they will not be eligible to vote during the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting during the AGM shall be the same as mentioned for remote e-voting.

C. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM

1. Members will be able to attend the AGM through VC/OAVM facility provided by NSDL by following the steps mentioned above at Step 1. After successful login, click on the link of "VC/OAVM" placed under "Join General meeting" menu against Company name available in Shareholder/Member login where EVEN of Company will be displayed.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.

2. Facility of joining the AGM through VC / OAVM shall be available 30 minutes before and after the scheduled time of the commencement of AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 3,000 Members on first come first served basis (except Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit, Risk Management and Ethics Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis).

3. Members joining through Laptops / Mobile devices are recommended to use stable Wi-Fi or LAN connection for better experience.

4. Members who need assistance before or during the AGM, can contact NSDL at 1800 1020 990 / 1800 224 430 or contact Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in.

Other Instructions

1. The Board of Directors has appointed Mr. Devesh Kumar Vasisht (CP No. 13700), Partner or failing him Ms. Priyanka (CP No. 16187), Partner of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

2. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 working days from the conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

3. The results of voting will be declared within 2 working days from the conclusion of AGM and the result declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. www.dil-rjcorp.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

4. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. June 28, 2022.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

M/s. APAS & Co., Chartered Accountants (Firm Registration No. 000340C) [converted to "APAS & Co. LLP" (Firm Registration Number 000340C/C400308)] were appointed as Joint Statutory Auditors of the Company at the 26th Annual General Meeting ('AGM') held on August 10, 2017 for a term of 5 (five) consecutive years and they hold office upto the conclusion of ensuing AGM.

Due to retirement of M/s. APAS & Co. LLP, Chartered Accountants at the conclusion of ensuing AGM upon completion of their 1st term of 5 (five) years, the Audit, Risk Management and Ethics Committee and the Board of Directors have recommended the appointment of M/s. O P Bagla & Co. LLP, Chartered Accountants (Firm Registration Number 000018N/N500091) as Joint Statutory Auditors of the Company for a term of upto 5 (five) consecutive years to hold office from the conclusion of this AGM till the conclusion of 36th (Thirty Sixth) AGM of the Company to be held in the year 2027, taking into account the below terms and conditions including proposed fee and credentials:

a. Term of appointment: 5 (five) consecutive years from the conclusion of this AGM till the conclusion of 36th AGM.

b. Proposed Fees: Upto ₹ 45,10,000/- (Rupees Forty Five Lakh Ten Thousand only) plus applicable taxes, travelling and other out-of-pocket expenses incurred in connection with the statutory audit. There is no material change in the fee payable to M/s. O P Bagla & Co. LLP from that paid to M/s. APAS & Co. LLP.

   The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit, Risk Management and Ethics Committee.

c. Basis of recommendation: The recommendations are based on the fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and Rules made thereunder with regard to the fulltime partners, statutory audit, experience of the firm, capability, independence assessment, audit experience and also based on the evaluation of the quality of audit work done by the them in the past.

d. Credentials: M/s. O P Bagla & Co. LLP (Firm Registration Number 000018N/N500091) ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 1967 and converted to Limited Liability Partnership in 2018. Its office is situated at B-255, 5th Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020, India. The Audit Firm has a valid Peer Review certificate. It is primarily engaged in providing assurance, taxation and consultancy services to its clients.

M/s. O P Bagla & Co. LLP, Chartered Accountants, have consented to act as Joint Statutory Auditors of the Company and confirmed that their aforesaid appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have also confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of provisions of Section 139(1) and Section 141(3) of the Companies Act, 2013 and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the resolution set out at Item No. 4 for approval of the Members as an Ordinary Resolution.

ITEM NO. 5

The Board of Directors at their meeting held on May 2, 2022 have appointed Mr. Prashant Purker (DIN: 00082481) as an Additional Director (in the category of Non-Executive Independent Director) of the Company for a term of upto 5 (five) consecutive years with effect from May 2, 2022 pursuant to the provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and who shall hold office upto the date of this Annual General Meeting, as recommended by the Nomination and Remuneration Committee ('NRC').

It is proposed to seek approval of the Members for the appointment of Mr. Prashant Purker as an Independent

Director of the Company for a term of upto 5 (five) consecutive years in terms of Section 149 and other applicable provisions of the Act read with Rules made thereunder and Regulations 16 and 25 of the SEBI LODR Regulations.

The Company has received a notice in writing from a Member proposing the candidature of Mr. Prashant Purker for the office of Director of the Company. Further, Mr. Prashant Purker confirmed that he is not disqualified to act as a Director in terms of Section 164 of the Act and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and he is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company has also received consent from Mr. Prashant Purker to act as a Director and a declaration that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI LODR Regulations. In the opinion of NRC and Board of Directors, Mr. Prashant Purker is a person of integrity and fulfils the conditions specified under the Act read with Rules made thereunder and SEBI LODR Regulations for his appointment as Independent Director of the Company and is independent of the Management.

Given his expertise, knowledge and experience, the Board is of the opinion that it would be in the interest of the Company to avail his services as an Independent Director of the Company.

Copy of the draft letter of appointment of Mr. Prashant Purker as an Independent Director setting out the terms and conditions is available on website of the Company for inspection by the Members upto the date of AGM.

Details of Mr. Prashant Purker pursuant to the provisions of (i) SEBI LODR Regulations and (ii) Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in the 'Annexure' to the Notice.

Mr. Prashant Purker is interested in resolution set out at Item No. 5 of the Notice with regard to his appointment. The relatives of Mr. Prashant Purker may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Mr. Prashant Purker is not related to any Director of the Company

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out at Item No. 5 for approval of the Members as a Special Resolution.

ITEM NO. 6

The Board of Directors at their meeting held on May 2, 2022 have appointed Mr. Rahul Suresh Shinde (DIN: 07166035) as an Additional Director (designated as a Whole-time Director) of the Company with effect from May 2, 2022 pursuant to the provisions of the Companies Act, 2013 ('Act'), who shall hold office upto the date of this Annual General Meeting ('AGM') as recommended by the Nomination and Remuneration Committee ('NRC').

Further, the Board of Directors at their meeting held on May 2, 2022 appointed Mr. Rahul Suresh Shinde (DIN: 07166035) as a Whole-time Director of the Company for a period of upto 5 (Five) years with effect from May 2, 2022, subject to the approval of Members at this AGM, on such terms and conditions including remuneration as recommended by the NRC.

It is proposed to seek approval of the Members for the appointment of and remuneration payable to Mr. Rahul Suresh Shinde, as a Whole-time Director of the Company, in terms of the applicable provisions of the Act. Broad particulars of the terms of appointment of and remuneration payable to Mr. Rahul Suresh Shinde are as under:

a. **Salary, Perquisites and Allowances:**

(₹ per month)

Particulars	Amount
Basic Salary	10,80,648
HRA	5,40,324
Supplementary Allowance	13,27,049
Provident Fund (Employer's Contribution)	1,800
Gratuity	51,979
Total CTC	**30,01,800**

b. The Company's contribution to superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.

c. Increment in salary, perquisites and allowances and remuneration based on net profit or by way of bonus / performance linked incentive payable to Mr. Rahul Suresh Shinde, as recommended by NRC and approved by the Board, shall be in addition to the remuneration under (a) above. The said perquisites shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules or any statutory modification(s) or re-enactment(s) thereof.

d. Employee stock options granted / to be granted to Mr. Rahul Suresh Shinde, from time to time, shall not be considered as a part of perquisites under (a) above and that the perquisite value of stock options exercised/ to be exercised shall be in addition to the remuneration under (a) above.

e. Reimbursement of Expenses: Expenses incurred for travelling, boarding and lodging during business trips and provision of car(s) for use on Company's business and communication expenses shall be reimbursed at actuals and not considered as perquisites.

f. **General:**

i. The Whole-time Director shall perform his duties in the interest of the Company.

ii. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in the Act including related Rules and the provisions contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'].

iii. The Whole-time Director shall adhere to the Code of Conduct of the Company and shall also comply with the other policies and laws applicable on the Company.

Pursuant to the provisions of the Section 197 read with Section II of Part II of Schedule V of the Act, in the event of loss or inadequacy of profits in any financial year, the Company may pay the above-mentioned remuneration to Mr. Rahul Suresh Shinde for a period of upto 3 (Three) years with effect from May 2, 2022.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Rahul Suresh Shinde pursuant to the provisions of Section 190 of the Act.

Mr. Rahul Suresh Shinde satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment.

The Company has received a notice in writing from a Member proposing the candidature of Mr. Rahul Suresh Shinde for the office of Director of the Company. Further, Mr. Rahul Suresh Shinde confirmed that he is not disqualified to act as a Director in terms of Section 164 of the Act and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Given his expertise, knowledge and experience, the Board is of the opinion that it would be in the interest of the Company to avail his services as a Whole-time Director of the Company.

Details of Mr. Rahul Suresh Shinde pursuant to the provisions of (i) SEBI (LODR) Regulations and (ii) Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in the 'Annexure' to the Notice.

Further, by virtue of exercise of employee stock options, the total managerial remuneration has exceeded / may exceed during the previous / succeeding financial years beyond the prescribed limits of 10% and 11% of net profits of the Company to the Executive Director(s) and all Director(s) respectively as prescribed under Section 197 of the Act read with Rules made thereunder or other applicable provisions or any statutory modifications thereof. Hence, the approval of the shareholders is sought by way of special resolution pursuant to the provisions of Section 197 of the Act read with Rules made thereunder.

Statement of information/details for the members pursuant to Section II of Part II of Schedule V of the Companies Act 2013:

I. General Information

(i) **Nature of industry -** Company is the one of the largest franchisee for Pizza Hut, KFC and Costa Coffee in India. It is primarily engaged in the business of developing, managing and operation of Quick Service Restaurants for above Brands and its own non-franchised brand Vaango.

(ii) **Date or expected date of commencement of commercial production -** Business Commenced on December 13, 1991.

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus –** Not Applicable

(iv) **Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2022:**

(₹ in Millions except EPS)

Particulars	2021-22	2020-21
Profit/Loss before Tax	1123.05	(700.28)
Profit/Loss after Tax	1533.83	(653.05)
Earnings per share (EPS) (₹)	1.29	(0.64)
Turnover	18532.72	9987.64

(v) Foreign investments or collaborations, if any:

The Company has two Foreign Subsidiaries plus one Step down Subsidiary as below:

1. Devyani International (Nepal) Private Limited [100% Subsidiary]
2. RV Enterprises Pte. Ltd [87% held by the Company]
3. Devyani International (Nigeria) Limited

   (Step down Subsidiary: [78.75% held by RV Enterprises Pte. Ltd]

Further, 15.03% Shares of the Company are held by Foreign Body Corporates.

II. Information about the appointee

(i) Date of Birth: February 22, 1978

(ii) Experience and Background details: Mr. Rahul Suresh Shinde have done Masters & PhD in Industrial Engineering from University of Wisconsin-Madison and BE Mechanical Engineering from University of Pune, Maharashtra.

Mr. Rahul Suresh Shinde has two decades of experience leading various roles & projects. Earlier, he has been responsible to steward KFC brand in Asia's largest markets (Japan, Indonesia Korea) and emerging ones (Myanmar and Mongolia) about 2000 restaurants including YUM restaurants. A Global leader with solid track of delivering results. He has an experience of setting up successful emerging & developed market experiences of operating P&JLs, developing strategy followed by execution and managing large teams.

(iii) Past remuneration: Not Applicable

(iv) Recognition or awards: Nil

(v) Job profile and suitability: Whole-time Director

(vi) Terms and Conditions of Appointment including remuneration proposed: As given in explanatory statement.

(vii) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: As a normal industry trend, the proposed remuneration to Mr. Rahul Suresh Shinde, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

(viii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Except proposed remuneration as stated above, Mr. Rahul Suresh Shinde does not have any other pecuniary relationship with the Company and its managerial personnel.

III. Other information:

(i) Reasons for loss or inadequate profits: Reasons for Inadequate profits includes Subdued market demand due to lower discretionary spends by the consumers and tough competitions due to low product pricing of similar products by other market players of the same kind of business.

(ii) Steps taken or proposed to be taken for improvement: Cost Optimization, introduction of new products and aggressive marketing efforts.

(iii) Expected increase in productivity and profits in measurable terms: The productivity will increase with the pickup in sales and Company will attain reasonable profits in near future.

Mr. Rahul Suresh Shinde is interested in resolution set out at Item No. 6 of the Notice with regard to his appointment. The relatives of Mr. Rahul Suresh Shinde may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Mr. Rahul Suresh Shinde is not related to any Director of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out at Item No. 6 for approval of the Members as a Special Resolution.

ITEM NO. 7

Considering the rich experience and contribution made by Mr. Ravi Jaipuria, Non-executive Chairman of the Company, the Board of Directors in their meeting held on May 2, 2022, as recommended by the Nomination and Remuneration Committee of the Board of Directors, recommended the payment of profit related commission to Mr. Ravi Jaipuria, subject to approval of Members of the Company for the Financial Year ending March 31, 2023, to be determined by the Board of Directors of the Company or any Committee of the Board ('the Board') which may exceed 50% of the total annual profit related commission payable to all Non-executive Directors, up to the limit of 1% of the Net Profit of the Company for the Financial Year ending March 31, 2023, as computed in the manner laid down in Section 198 of the Companies Act, 2013.

Mr. Ravi Jaipuria is not drawing any remuneration from the Company.

Mr. Ravi Jaipuria is interested in resolution set out at Item No. 7 of the Notice. The relatives of Mr. Ravi Jaipuria including Mr. Varun Jaipuria (Non-executive Director) may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out at Item No. 7 for approval of the Members as a Special Resolution.

ITEM NO. 8 & 9

Company implemented Employees Stock Option Scheme 2021 ('ESOP Scheme') with a view to attract, retain and motivate employees of the Company, which was duly approved by the Members at their Extra-ordinary General Meeting held on March 17, 2021.

Considering that the Company's equity shares got listed on BSE Limited and National Stock Exchange of India Limited with effect from August 16, 2021 and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on February 4, 2022 approved and recommended ratification of the ESOP Scheme in terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI ESOP Regulations') and the proposed amendments / variations in the ESOP Scheme inter-alia to align the same with the SEBI ESOP Regulations and also to facilitate grant of options to the employees of holding, subsidiary, group or associate company(ies) of the Company, subject to the approval of Members of the Company.

In terms of Section 62 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014 and Regulations 6(3)(c), 7 and 12 of the SEBI ESOP Regulations, approval of the Members is sought by way of Special Resolution for ratification of the ESOP Scheme and approval of amendments / variations in the ESOP Scheme and grant of Options to the eligible Employees of holding, subsidiary, group or associate company(ies) of the Company.

The required details of amendments / variations in terms of Section 62 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 7(4) of the SEBI ESOP Regulations are as under:

a. Details of variation to the ESOP Scheme:

Clause No.	Existing Provision	Revised Provision *(Changes are in italics)*
3.1 a1)	-	***'Associate company'*** *shall have the same meaning as defined under section 2(6) of the Companies Act, 2013.*
3.1 c)	'Company' means Devyani International Limited, a public company incorporated under the provisions of the Companies Act 1956, having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi- 110 020, its successors and assigns, and where the context so permits includes its Holding Company and/ or its Subsidiary	'Company' means Devyani International Limited, a public company incorporated under the provisions of the Companies Act 1956, having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi- 110 020, its successors and assigns, and where the context so permits includes its Holding, Subsidiary, *Group or Associate companies;*
3.1 e)	'Employee' shall have the same meaning as ascribed to it in the Clause 7 of this Scheme.	*Deleted*
3.1 l1)	-	***'Group company'*** *means two or more companies which, directly or indirectly, are in a position to-* *(i) exercise 26% or more of the voting rights in the other company; or* *(ii) appoint more than 50% of the members of the Board of Directors in the other company; or* *(iii) control the management or affairs of the other company*

Clause No.	Existing Provision	Revised Provision *(Changes are in italics)*
3.1 m1)	-	***'Long Leave'*** *means an approved leave taken by the Grantee for a period of more than three months out of twelve months starting from the date of grant / vesting, as the case may be.* *Provided that the period of long leave shall not include the period in which the Grantee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Committee.*
3.1 v)	'Share' means equity share of the Company of the face value of Rs. 10/- each and the securities convertible into such equity shares.	'Share' means an equity share of the Company of the face value of *Re. 1/-* each and the securities convertible into such equity shares.
7	Coverage of this Scheme: In these Scheme, unless otherwise specified: 'Employee' means: (i) a permanent employee of the Company who has been working in India or outside India; or (ii) a director of the Company, whether a whole time director or not but excluding an independent director; or (iii) an employee as defined in clauses (a) or (b) of a Subsidiary, in India or outside India, or of a Holding Company of the Company.	Coverage of this Scheme: In these Scheme, unless otherwise specified: 'Employee(s)' means: *(i) an employee as designated by the Company, who is exclusively working in India or outside India; or* *(ii) a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or* *(iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company.*
14	**Exercise Price and Valuation:** Options granted to Employees under this Scheme shall be at the Exercise Price to be decided by the Nomination and Remuneration Committee in accordance with the Regulations and accounting policies, provided the Exercise Price under this Scheme shall be same for all Grantees.	**Exercise Price and Valuation:** Options granted to Employees under this Scheme shall be at the Exercise Price to be decided by the Nomination and Remuneration Committee as per the guidelines under the Regulations, provided the Exercise Price under this Scheme shall be same for all Grantees *whom stock options are granted on a same date.*

<table>
<tr><th>Clause No.</th><th>Existing Provision</th><th>Revised Provision *(Changes are in italics)*</th></tr>
<tr><td>15(iii)</td><td>The Vesting will occur as per the following Vesting Schedule:
<table>
<tr><th>Period for Vesting of Option</th><th>% of Options that shall vest</th></tr>
<tr><td>First Vest: On March 17, 2022 i.e. 1^{st} Anniversary of the Grant of the Options.</td><td>25%</td></tr>
<tr><td>Second Vest: On March 17, 2023 i.e. 2^{nd} Anniversary of the Grant of the Options.</td><td>25%</td></tr>
<tr><td>Third Vest: On March 17, 2024 i.e. 3^{rd} Anniversary of the Grant of the Options.</td><td>25%</td></tr>
<tr><td>Fourth Vest: On March 17, 2025 i.e. 4^{th} Anniversary of the Grant of the Options.</td><td>25%</td></tr>
</table>
Percentage of Options, as per the above Vesting Schedule, would vest in the Grantee only upon completion of the respective period. There shall be a minimum period of one year between the Grant and the Vesting of the Options.</td><td>The Vesting will occur as per the following Vesting Schedule:
<table>
<tr><th>Period for Vesting of Option</th><th>% of Options that shall vest</th></tr>
<tr><td>*First Vest: 1^{st} Anniversary of the Grant of the Options.*</td><td>25%</td></tr>
<tr><td>*Second Vest: 2^{nd} Anniversary of the Grant of the Options.*</td><td>25%</td></tr>
<tr><td>*Third Vest: 3^{rd} Anniversary of the Grant of the Options.*</td><td>25%</td></tr>
<tr><td>*Fourth Vest: 4^{th} Anniversary of the Grant of the Options.*</td><td>25%</td></tr>
</table>
Provided that minimum vesting period of 1 (One) year will not be applicable in the event of death or disability of an employee and in such instances, the options shall vest as per Clause 16.4 and 16.5 of the ESOP Scheme.</td></tr>
<tr><td>16.1</td><td>In the event of an Option Grantee ceasing to be an Employee of the Company because of resignation or termination of employment, then unvested Options held by the Grantee shall forthwith lapse. However, the Option Grantee can exercise the vested Options within the notice period of the employee for resignation of employment under his/her employment agreement with the Company. Further, such Grantee can retain all of his/her vested Options subject to the terms and conditions of this Scheme and the approval of the Nomination and Remuneration Committee.</td><td>In the event of an Option Grantee ceasing to be an Employee of the Company because of resignation or termination of employment *(other than due to reasons of misconduct of the Employee)*, then unvested Options held by the Grantee shall forthwith lapse. *However, the Option Grantee can exercise the vested Options within the notice period of the grantee/employee.*</td></tr>
<tr><td>16.2</td><td>Where the Grantee has dissociated from the Company and is engaged in activities which are materially detrimental to the business or interests of the Company, ~~its subsidiaries~~ or its Employees, all the vested and unvested Options held by the Grantee shall be cancelled partly or in full as a disciplinary measure</td><td>Where the Grantee has dissociated from the Company and is engaged in activities which are materially detrimental to the business or interests of the Company or its employees, all the vested and unvested Options held by the Grantee shall be cancelled partly or in full as a disciplinary measure.</td></tr>
<tr><td>16.6</td><td>In the event of a Grantee disassociating from the Company due to superannuation or retirement at the instance of or with consent of the Company, the Grantee will continue to hold all Vested Options and can exercise them anytime within the Exercise Period. Unvested Options shall vest in such Grantee as on the date of superannuation or retirement at the instance of or with the approval of the Nomination and Remuneration Committee, as the case may be, provided, the holding of Vested Options and vesting of Unvested Options will be permissible only if the Grantee does not enter into competition / is not employed by a competitor. In the event that the Company finds that such Grantee has entered into competition/is employed by a competitor, the Company may in its sole discretion cancel all Options, Vested or Unvested, not Exercised and held by the Grantee.</td><td>In the event of a Grantee *ceases to be an Employee* of the Company due to superannuation or retirement, the Grantee will continue to hold all Vested Options and can exercise them anytime within the Exercise Period. Unvested Options shall *continue to vest in accordance with the respective vesting schedules even after retirement or superannuation*, provided, the holding of Vested Options and vesting of Unvested Options will be permissible only if the Grantee does not enter into competition / is not employed by a competitor. In the event that the Company finds that such Grantee has entered into competition/ is employed by a competitor, the Company may in its sole discretion cancel all Options, Vested *(not Exercised)* or Unvested and held by the Grantee.</td></tr>
</table>

Clause No.	Existing Provision	Revised Provision *(Changes are in italics)*
16.7	In the event that Employee who has been Granted benefits under this Scheme is transferred or deputed to an associate company prior to Vesting or Exercise, the Vesting and Exercise as per the terms of Grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.	Replaced with following provision: *In the event of a Grantee going on Long Leave, the treatment of Options granted to him, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.*
17.3	The Grantee shall exercise his Options by submitting, during the Exercise Period, the Exercise application, in the format provided by the Company, along with the demand draft, favouring the Company, for the total money payable by him in respect of the Exercise Price, calculated as the number of ESOS Shares covered under Exercise multiplied by the Exercise Price per ESOS Share.	The Grantee shall exercise his Options by submitting, during the Exercise Period, the Exercise application, in the format provided by the Company, along with the demand draft/ *cheque/ RTGS/ other electronic mode,* favouring the Company, for the total money payable by him in respect of the Exercise Price, calculated as the number of ESOS Shares covered under Exercise multiplied by the Exercise Price per ESOS Share.
17.9	-	*Options can be Exercised in full or in part(s) in respect of the Options Vested on a Vesting Date.*
25	The Nomination and Remuneration Committee, as the case may be, may, at any time, in exercise of the powers vested by the members of the Company in the general meeting approving the introduction of the Scheme, change the terms and conditions of the Scheme in order to comply with the laws / enactments, or amendments thereto, that have a bearing on the Scheme. Such change however will not be to the detriment of the Grantee.	*The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, may from time to time amend, alter or terminate the Scheme or any Grant or the term and conditions thereof, provided that no amendment, alteration or termination in any Grant previously made may be carried out, which would impair or prejudice the rights of the Employees who have been Granted the Options. Provided further that, the Board will not, without the approval of the Shareholders, amend the term of the Scheme in any manner, which may be detrimental to the interest of the Employees. Without prejudice to the above, the Board of Directors may, without any reference to or consent of the Employee concerned, amend the Scheme or Grant or any agreement, to comply with any law, regulation or guideline, which is or may hereinafter, become applicable to the Scheme.*

b. Rationale for variation of ESOP Scheme:

(i) The proposed ratification and amendments / variations to the ESOP Scheme are to be undertaken to comply with the SEBI ESOP Regulations and to allow the grant of options to the employees of holding, subsidiary group or associate company(ies) of the Company; and

(ii) The proposed amendments / variations are not detrimental to the interests of the current option grantees of the Company.

c. Details of employees who are beneficiaries of such variation:

All eligible Employees to whom the options are granted / to be granted under the ESOP Scheme.

d. Disclosures as per SEBI ESOP Regulations:

Sl. No.	Particulars	Disclosure
1.	Brief description of the Scheme	ESOP Scheme has been formulated with objective to enable the Company to Grant Options for Equity Shares of the Company to the eligible Employees as defined in the ESOP Scheme. ESOP Scheme was approved by the Shareholders at their Extra-ordinary General Meeting held on March 17, 2021. The objectives of the ESOP Scheme are to: (i) promote the long-term financial interest in the Company by offering to eligible Employees an opportunity to participate in the share capital of the Company; (ii) attract and retain high quality human talent in the employment of the Company by providing them the incentives and reward opportunities; (iii) achieve sustained growth of the Company by aligning the interests of the employees with the long term interests of the Company; (iv) create a sense of ownership among the Employees of the Company and provide them with wealth creation opportunities, while in employment of the Company; (v) bring loyalty among the employees of the Company by introducing the ownership factor and thereby bring improvement in individual and group performance.
2.	Total number of options to be offered and granted	5,57,37,500
3.	Identification of classes of employees entitled to participate and be beneficiaries in the ESOP Scheme	(a) an employee as designated by the Company, who is exclusively working in India or outside India; or (b) a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (c) an employee as defined in sub-clauses (i) or (ii), of a group company including a subsidiary or its associate company, in India or outside India, or of a holding company of the Company.
4.	Requirements of vesting and period of vesting	Minimum vesting period of 1 (One) year and maximum period of 4 (Four) years from the date of respective grant of Options to the grantee as per vesting schedule at Clause 15(iii) of the ESOP Scheme. Provided that minimum vesting period of 1 (One) year will not be applicable in the event of death or disability of an employee and in such instances, the options shall vest as per Clause 16.4 and 16.5 of the ESOP Scheme.
5.	Maximum period within which the options shall be vested	
6.	Exercise price, purchase price or pricing Formula	Exercise Price or pricing formula shall be decided by the Nomination and Remuneration Committee as per SEBI ESOP Regulations.
7.	Exercise period/offer period and process of exercise/acceptance of offer	After each vesting, the Grantee shall have a maximum period of 5 (Five) years for exercising the respective options so vested as per process of exercise and acceptance of grant specified in Clause 17 of the ESOP Scheme.
8.	The appraisal process for determining the eligibility of employees for the ESOP Scheme	The appraisal process for determining the eligibility of the employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the seniority of the employee, qualification, experience, past performance levels, future performance indicators, etc. and / or any such other criteria that may be determined by the Nomination and Remuneration Committee.

Sl. No.	Particulars	Disclosure
9.	Maximum number of options to be offered and issued per employee and in aggregate, if any	No employee shall be granted options during any 1 (one) year, equal to or exceeding 1% of the issued share capital of the Company (excluding outstanding warrants and conversions) at the time of grant of such options except with the specific approval of the Members of the Company in a general body meeting.
10.	Maximum quantum of benefits to be provided per employee under ESOP Scheme	Any benefit other than grant of options or consequential issue of equity shares is not envisaged under the ESOP Scheme. Accordingly, the maximum quantum of benefit for the employees under the ESOP Scheme is the difference between the exercise price of the options and the market price of the equity shares of the Company as on the date of exercise of options.
11.	Whether the ESOP Scheme is to be implemented and administered directly by the Company or through a trust	ESOP Scheme is to be implemented and administered directly by the Company.
12.	Whether the ESOP Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both	ESOP Scheme involves new issue of shares by the Company. There will not be any secondary acquisition of shares by the Company.
13.	The amount of loan to be provided for implementation of the ESOP Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.	Not applicable since the ESOP Scheme is to be implemented and administered directly by the Company.
14.	Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the ESOP Scheme	Not applicable.
15.	A statement to the effect that the company shall conform to the accounting policies specified in regulation 15	The Company shall conform to the accounting policies specified in Regulation 15 of SEBI ESOP Regulations.
16.	The method which the Company shall use to value its options	Fair value.
17.	The following statement if applicable: In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ('EPS') of the company shall also be disclosed in the Directors' report'	In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the employee stock options, shall be disclosed in the Board's Report and also the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Board's Report.

Sl. No.	Particulars	Disclosure
18.	Period of lock-in	Nil
19.	Terms & conditions for buyback, if any, of specified securities covered under these regulations	Nil
20.	Conditions under which the option vested in employees may lapse, e.g. in case of termination of employment for misconduct	Where the Grantee has dissociated from the Company and is engaged in activities which are materially detrimental to the business or interests of the Company or its employees, all the vested and unvested Options held by the Grantee shall be cancelled partly or in full as a disciplinary measure.
21.	Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of an employee	In case of termination of service of the Grantee for reason of misconduct, all options, vested and unvested, shall lapse with immediate effect. In the event of an Option Grantee ceasing to be an Employee of the Company because of resignation or termination of employment (other than due to reasons of misconduct of the Employee), then unvested Options held by the Grantee shall forthwith lapse. However, the Option Grantee can exercise the vested Options within the notice period of the grantee/employee.

The Company shall conform to the applicable accounting standards/policies as specified in Regulation 15 of SEBI ESOP Regulations.

The draft of revised ESOP Scheme with the proposed amendments / variations is available on website of the Company for inspection by the Members up to the date of AGM.

Directors / Key Managerial Personnel / their relatives who are/ may be granted stock options under ESOP Scheme may be deemed to be concerned or interested in the resolution to the extent of stock options granted / to be granted pursuant to the ESOP Scheme and to the extent of their shareholding in the Company, if any.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the resolutions set out at Item Nos. 8 and 9 for approval of the Members as Special Resolution.

By Order of the Board
For **Devyani International Limited**

Varun Kumar Prabhakar
Company Secretary and Compliance Officer
Membership No. ACS-30496
Address: F-2/7, Okhla Industrial Area,
Phase – I, New Delhi - 110 020

Place: Gurugram
Date: May 2, 2022

Annexure

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be appointed or re-appointed:

Name of Director	Mr. Varun Jaipuria (DIN: 02465412)	Mr. Raj Gandhi (DIN: 00003649)	Mr. Prashant Purker (DIN: 00082481)	Mr. Rahul Suresh Shinde (DIN: 07166035)
i) Date of Birth/ Age	November 10, 1987 / 34 years	June 7, 1957 / 64 years	July 5, 1962/59 years	February 22, 1978/ 44 years
ii) Qualifications	Attended Millfield School, Somerset, England and holds a bachelor's degree in international business from the Regent's University, London. Also completed leadership development program at Harvard Business School.	Bachelor's degree in Commerce from University of Delhi. He is a member of the Institute of Chartered Accountants of India.	Graduate of IIT Kanpur and a rank holder from IIM Ahmedabad.	Masters & PhD in Industrial Engineering from University of Wisconsin -Madison and BE Mechanical Engineering from University of Pune, Maharashtra.
iii) Experience	Mr. Varun Jaipuria is presently working as Non-Executive Director of the Company. He has 13 years of experience in the soft drinks Industry. He has led the development of our Company's new business initiatives.	Mr. Raj Gandhi has total 41 years of experience, 29 years of experience is with the Group itself. He is instrumental in formulating strategy, diversification, expansion, mergers and acquisitions, capex planning and capital/ fund raising. He enjoys rich relationship with institutional investors and lenders.	Mr. Prashant Purker is ex MD & CEO of ICICI Venture. He has over 30 years of varied experience in Private Equity, Capital Markets, Technology and Banking. He has guided and mentored as a Director in more than 25 Indian and overseas companies both as listed public companies as well as private and unlisted.	Mr. Rahul Suresh Shinde has two decades of experience leading various roles & projects. Earlier, he has been responsible to steward KFC brand in Asia's largest markets (Japan, Indonesia Korea) and emerging ones (Myanmar and Mongolia) about 2000 restaurants including YUM restaurants. A Global leader with solid track of delivering results. He has an experience of setting up successful emerging & developed market experiences of operating P&JLs, developing strategy followed by execution and managing large teams.
iv) Terms and conditions of appointment / re-appointment	Mr. Varun Jaipuria is Non-Executive Director of the Company, liable to retire by rotation.	Mr. Raj Gandhi is Non-Executive Director of the Company, liable to retire by rotation.	Mr. Prashant Purker is an Additional Director (in the category of Non-Executive Independent Director) of the Company, not liable to retire by rotation.	Mr. Rahul Suresh Shinde is an Additional Director (designated as a Whole-time Director) of the Company, liable to retire by rotation.
v) Details of remuneration sought to be paid	Nil	Nil	Nil	As set out in the explanatory statement.
vi) Last remuneration drawn (Per Annum)	Nil	Nil	Nil	Nil

Name of Director	Mr. Varun Jaipuria (DIN: 02465412)	Mr. Raj Gandhi (DIN: 00003649)	Mr. Prashant Purker (DIN: 00082481)	Mr. Rahul Suresh Shinde (DIN: 07166035)
vii) Date of first appointment on the Board	November 13, 2009	August 13, 2007	May 2, 2022	May 2, 2022
viii) No. of shares held	3,96,25,617	30,00,000	Nil	Nil
ix) Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Varun Jaipuria is the son of Mr. Ravi Jaipuria (Non-executive Chairman)	None	None	None
x) No. of Board Meetings attended / held during Financial Year 2021-22	09/10	10/10	N.A.	N.A.
xi) Directorships held in other companies	1. Dreamweaver Investment and Business Solutions Private Limited 2. Empire Stocks Private Limited 3. KV Retail Private Limited 4. RJ Corp Limited 5. Varun Beverages Limited	1. Alisha Torrent Closures (India) Private Limited 2. CV Biotech Private Limited 3. Cryoviva Biotech Private Limited 4. Devyani Food Street Private Limited 5. Devyani Food Industries Limited 6. KV Retail Private Limited 7. Lineage Healthcare Limited 8. RJ Corp Limited 9. Varun Beverages Limited	1. Assert Securetech Private Limited 2. Devyani Food Industries Limited	1. Noname Digital Private Limited
xii)Chairman/ Member of the Committee of the Board of Directors of the Company	1. Corporate Social Responsibility Committee - Member	1. Stakeholders' Relationship Committee- Member 2. IPO Committee - Chairperson 3. Investment and Borrowing Committee - Chairperson 4. Share Allotment Committee- Chairperson	None	None
xiii)Committees position held in other Companies	1. RJ Corp Limited a) Corporate Social Responsibility Committee – Member b) Investment and Borrowing Committee – Member	1. Varun Beverages Limited a) Stakeholders Relationship Committee - Member b) Corporate Social Responsibility Committee- Member C) Investment and Borrowing Committee – Chairperson	None	None

Name of Director	Mr. Varun Jaipuria (DIN: 02465412)	Mr. Raj Gandhi (DIN: 00003649)	Mr. Prashant Purker (DIN: 00082481)	Mr. Rahul Suresh Shinde (DIN: 07166035)
	2. Varun Beverages Limited a) Corporate Social Responsibility Committee – Member	d) Share Allotment Committee- Member 2. RJ Corp Limited a) Audit Committee- Member b) Corporate Social Responsibility Committee- Member c) Nomination and Remuneration Committee - Member d) Investment and Borrowing Committee – Chairperson 3. Devyani Food Industries Limited a) Audit Committee- Member b) Corporate Social Responsibility Committee- Member c) Nomination and Remuneration Committee - Member d) Investment and Borrowing Committee – Member		
xiv) Resignation from listed entities in the past three years	Nil	Nil	Go Fashion (India) Limited	Nil

NOTES

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DEVYANI
INTERNATIONAL LIMITED



STRONG Performance.

STRONGER Prospects.



Annual Report **2021-22**

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

Forward-looking statements

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

At DIL, our business is underpinned by robust fundamentals. In parallel, we are moving ahead with a well-thought-out strategy for scaling our growth.

In a year marked by continued impact of the pandemic and high input costs, we delivered record results - both operationally and financially. From a successful listing on the Indian bourses to the highest-ever store expansion to all-time high revenue and profits, our stellar holistic performance is a clear endorsement of our business strengths and strategy.

A growing middle class, the emergence of new cities, and increasing internet penetration make India's consumption story one of the world's most compelling. With our globally renowned brands that meet the aspirations of New India and fast expanding presence across the country, particularly in small towns, we see considerable opportunities for taking our business to new heights. The clear direction that we have mapped for ourselves will continue to guide our operations to unlock new possibilities.

We have delivered a strong performance today. But this is only the beginning as stronger prospects beckon.

About Us

Established in 1991, Devyani International Limited (DIL) is a multi-dimensional quick-service restaurant (QSR) player. We have well recognized, global brands in our portfolio and are amongst the large operators of QSRs in India.

DIL is the largest franchisee of Yum Brands[1] in India. As the franchise partner of Yum Brands, we operate their iconic brands KFC and Pizza Hut in India as well as in Nigeria and Nepal. We are also a franchisee for the Costa Coffee brand and stores in India. KFC, Pizza Hut and Costa Coffee together comprise our core brands. In addition, we have established in-house brands such as Vaango and Food Street.

We have been consistently expanding our store network over the years. In line with changing customer expectations, our physical stores have been integrated with digital and delivery capabilities to drive an omnichannel presence. Along with greater brand accessibility, the substantial operating synergies across our brands, innovative product offerings, strong technology adoption, and robust supply chain management have further strengthened our business model and leadership position in the QSR segment in India.

OUR BRAND PORTFOLIO

KFC | Pizza Hut | COSTA COFFEE | Vaango! | the food street

OUR BUSINESS VERTICALS

CORE BRANDS BUSINESS

Operations of KFC, Pizza Hut and Costa Coffee stores in India

INTERNATIONAL PRESENCE

Operations of KFC and Pizza Hut stores in Nepal and Nigeria

OTHER BUSINESS

Operations of own brands and certain other operations in the F&B industry in India

[1] *Reference to "Yum Brands" or "Yum India" means Yum Restaurants (India) Private Limited*

FAST FACTS

25

YEARS OF ASSOCIATION WITH YUM INDIA

₹2,995 Mn

EBITDA FOR FY2022

832

CORE BRANDS' STORES IN INDIA

₹1,551 Mn

NET PROFIT FOR FY2022

938

TOTAL SYSTEM-WIDE STORE COUNT

>12,000

EMPLOYEES

204

CITIES CORE BRANDS' PRESENCE IN INDIA

₹20,840 Mn

REVENUE FROM OPERATIONS FOR FY2022

Note: All figures are as of March 31, 2022, unless mentioned otherwise

DEVYANI
INTERNATIONAL LIMITED

Our Vision

To be the most preferred Restaurant Company.

Our Mission

To be a people-centric, customer-focused & process-driven company pushing for excellence in operations and constantly striving for sustainable growth.

Our Purpose

Spreading happiness and joy on all occasions.

Our Values

- Ownership
- Customer First
- Sustainable Growth
- Financial Discipline

Strengths that Drive Performance

01
Portfolio of well-recognized global brands that cater to diverse customer preferences

We operate iconic global brands known for innovative and quality food offerings. Further, our multi-brand portfolio offers a variety of cuisine options with products straddling price points, enabling us to meet varied customer preferences.

02
Multi-dimensional comprehensive QSR player

Our vast industry experience is complemented by our technical, marketing and operational expertise, with quality, safety, customer experience, digital adoption, delivery, people and culture being focus areas.

03
Cross brand synergies leading to operating leverage

We have a centralized supply chain for our multiple brands. Apportionment of corporate overhead across a larger restaurant network, competitive lease rentals for multiple brands in one location, and economies of scale are other benefits of our multi-brand portfolio.

04
Strong presence across key consumption markets

Our store network is being consistently expanded to consolidate our presence in existing cities while growing our presence in new markets. Further, a cluster-based approach and penetration strategy optimizes our supply chain and drives cost efficiencies.

05
Disciplined financial approach with focus on cash flows and returns

We are able to generate strong returns by efficiently managing our operations and leveraging the benefits of scale. Improved brand performance, network expansion based on detailed site selection analysis and continued cost optimization initiatives further strengthen our financial metrics.

06
Experienced management and talented team

Our business strategy is devised and executed by an experienced leadership team. Our operations are driven by a motivated and talented team who are able to further grow their skills in a work environment that promotes transparency and open culture.

A Year of Strong Delivery

Opened highest-ever Net New Units (NNUs#)

Opened 246 NNUs in FY2022, taking our total store count to 938 and store count across our core brands to 832.

#NNU = Gross additions less closure

Forayed into ~50 new Indian cities

Expanded our footprint by nearly 50 new cities this year and are now present in 200+ cities pan-India.

Extended partnership with Costa Coffee

Entered into a revised development agreement for our existing Costa business, pursuant to which we have pan-India development rights.

Publicly listed

Successful completion of Initial Public Offering and listing on the Indian bourses in August 2021.

Inclusive and Responsible

Operate 20-plus stores fully managed by women. Supporting development of smaller entrepreneurs in ecosystem through KFC Sahyog program.

Recorded highest-ever revenue

Revenue from operations surpassed ₹ 20,000 million despite the COVID-19 impact, with year-on-year revenue growing by 84%.

Achieved 3x increase in EBITDA

Consolidated EBITDA (Pre-IndAS) stood at ₹ 2,995 million as against ₹ 919 million in the previous year.

Turned Profitable

Profit after Tax (PAT) stood at ₹ 1,551 million as against a loss of ₹ 813 million in the previous year.

Net Debt Free

DIL is net debt free on an external debt basis. All expansion has been funded through internal accruals.

Near 100% EBITDA conversion

Continued to generate strong cash flows during the year, putting us in a comfortable position to internally fund new store addition.

Chairman's Message

DIL demonstrated great resilience and our unwavering commitment to growth translated FY2022 into a record year of performance. We opened 246 new stores during the year – the highest ever for our Company.

Dear Shareholders,

I am pleased to present to you our Annual Report, the maiden one since our public listing. At the outset, I welcome the new shareholders to the DIL family and offer my thanks to the investor community for believing in our growth story. Our Company's Initial Public Offering (IPO) received an overwhelming response being subscribed 116 times. Your trust in us reinforces our confidence and motivates us to work harder to pursue a higher growth trajectory.

The past year continued to be characterized by the pandemic and its impact on communities and the economy. The initial part of the fiscal was particularly challenging with the second wave of the pandemic in India claiming innumerable lives and overwhelming the nation's health infrastructure owing to the surge in infection caseload. While the situation eased from the second quarter onward, a milder variant of COVID-19 returned once again in the final quarter to partially disrupt operations. We are also witnessing high inflation in input costs, further exacerbated due to the ongoing geopolitical crisis and its ripple effect on global supply chains.

Against this tough backdrop, DIL demonstrated great resilience and our unwavering commitment to growth translated FY2022 into a record year of performance. We opened 246 new stores during the year – the highest ever for our Company. Our financial performance mirrored our store expansion success as we generated record revenues, best margins, and record delivery of profits. Our revenues grew 84% year-on-year to reach ₹ 20,840 million, clearly proving the strength of our brands. Our strong focus on financial discipline and effective management of input costs expanded our consolidated pre-IndAS EBITDA margin to 14.4% from 8.1% in the previous year, while net profit stood at ₹ 1,551 million against a loss in the previous year.

It has also been a year of significant milestones for our core brands in India with KFC crossing ₹ 10,000 million in revenues and Pizza Hut clocking more than ₹ 5,000 million in revenue. This was achieved on the back of aggressive store expansion and innovative product launches coupled with our continued focus on safety, health, and hygiene. For Costa Coffee, we entered into a revised development agreement, which grants us development rights across India in a phased manner.

To realize our growth aspirations, we are strategically deepening our presence in our existing clusters as well as increasing our footprint in the emerging cities in India. The foodservice industry is witnessing a marked shift with customers preferring convenience channels and in-home consumption, a trend further accentuated by the consequences of the pandemic. At DIL, we have been ahead of these trends, transitioning our stores to a delivery-focused format even before the pandemic. We are also enriching customer experiences through deploying best-in-class digital ordering and payment technologies and by ensuring the quality and safety of our operations. We also remain committed to investing in our employees as they are integral to our success and promoting inclusion and diversity in the workplace.

Looking ahead, the unfolding macro situation of rising input costs does pose short-term challenges. We have taken judicious pricing adjustments to mitigate the impact of input cost inflation and we continue to monitor further developments. Notwithstanding this temporary impact, we remain optimistic about our prospects given our strong multi-brand portfolio and steadfast focus on effective cost management. The Indian economy continues to be driven by consumption and while the pandemic interrupted this consumption growth, consumption is now back on track. The success of the massive vaccination drive has receded customer anxieties relating to the pandemic. Increasing affluence, growing internet penetration and favorable demographics will drive India's retail market, including the foodservice industry, in the medium and long term. DIL is well-positioned to cater to the young Indian consumers' expectations and meet their changing lifestyle and eating-out habits.

In closing, I would like to take this opportunity to thank our people for the commitment and hard work they have demonstrated in this challenging year. I would also like to convey my gratitude to our Board Members for their constant guidance and insights. Finally, I once again thank our shareholders and all other stakeholders and look forward to your continued support as we seek to create long-term sustainable value. At DIL, we are truly excited about our growth prospects and are determined to work with greater vigor to scale new heights.

> "To realize our growth aspirations, we are strategically deepening our presence in our existing clusters as well as increasing our footprint in the emerging cities in India."

Warm regards,

RAVI JAIPURIA
Chairman

Stronger Prospects with a Clear Strategy

We are well placed to capitalize on the significant opportunity that India presents in the foodservice industry and more particularly in the QSR segment. Our confidence stems from clear strategy that we are pursuing across our brands.

Expand store network

We seek to expand our presence so that more customers can access our globally-renowned brands. Our growing presence also improves brand visibility and salience. This helps the existing store base as well as creates a virtuous cycle of store expansion. Further, as we open more stores, it also enables us to get leverage on our fixed costs such as brand building and administrative expenses across our store network to drive better margins.

Our objective is to open around 200-250 new stores every year. Despite COVID-19 continuing to challenge the year in review, we stayed true to our expansion plan, adding 246 new stores (net). With ample headroom to open new stores, we are confident of maintaining this pace of expansion over the coming years. We remain focused on selecting the best sites in terms of footfalls and visibility.

Increase focus on small towns and emerging cities

Growing customer aspirations driven by increased incomes and internet penetration have made India's small towns promising yet untapped markets for retail. Our long-term focus is on consolidating our presence in key metro cities, while tapping into smaller towns, enabling us to take our brands closer to our customers.

During the year, aligned with our strategy, we actively expanded the presence of our core brands to new towns and emerging cities where there is strong potential for growth. As of March 31, 2022, non-metro cities account for 51% of our core brand stores as against 48% in the same period of the prior year.

Set up delivery-focused stores

Consumption habits are changing with customers increasingly preferring in-home consumption, particularly for cuisines that can be enjoyed as much in the comfort of homes. COVID-19 has further transformed customer habits, making home the hub of all activities. Aligned with this shift in customer behavior, we are now setting up omni-channel stores with a greater focus on delivery.

Our delivery-focused stores are of a smaller size than the legacy dine-in focused ones. At the same time, adequate seating arrangements are also provided for customers who wish to enjoy the meals in the store itself. As a strategy, the smaller format stores are working very well, enabling us to drive cost efficiencies at each level and higher profitability. Further, when we enter a new location, a smaller format delivery-focused store is able to ramp-up operations faster.

Invest in Human Capital

Training & Development of our employees is a key focus area for us. Each Core Brand has a dedicated L&D team to help our Team members and Managers achieve their true potential. This is achieved leveraging training modules developed at Global levels as well as market-specific interventions. These modules cover operational best practices as well as impart experience team members the required skill-sets to grow into Shift Managers and Restaurant Managers.

Operational modules focus on kitchen operations, basic maintenance, supply management, etc. Subsequent levels focus on increasingly complex functions like cash & inventory management, maintenance, safety & security, guest experience management, etc.

Modules for development of Shift Managers and Asst. Restaurant Managers focus on boosting productivity, maximizing restaurant performance, demand forecasting, cost management and team development.

These trainings are conducted with a regular cadence by in-house team which is certified by respective Franchisee's global teams.

Invest in technology and focus on digital capabilities

As in so many other sectors, the rise of digital technology is reshaping the food service industry. In fact, when ordering food, customers expect the same level of convenience and experience as when shopping online. The digital ordering and payment technologies we have adopted drives customer experience as well as enables us to optimize staffing at our stores and reduce associated costs for ordering and cash management.

Most of our stores across KFC and Pizza Hut have been integrated with the online channel, enabling a greater number of customers to access our globally-renowned brands. We have also upgraded our online order-taking platform so that we can continue to serve a greater number of customers across a much larger store base. We continue to make investments for improving our overall technology infrastructure including digital and delivery capabilities. We believe these efforts will further enhance our operational efficiency and support sustainable growth.

We are equally committed to improve our backend processes and drive cost efficiencies through technology enhancements. We implemented a new system for our vendor partners which greatly simplifies procurement across our stores in a centralized manner. We are also leveraging SAP platform to automate our contracts & lease agreements. We pride ourselves on being a responsible and compliant company. Towards this end we are increasingly moving towards cloud-based systems for store-level compliance and license renewals.

New delivery channels like Magicpin and Dotpe are emerging and we continue to integrate our systems with these and a larger number of third-party riders as well to ensure that we continue to serve a larger number of customers – irrespective of the platform and channel they prefer. We have made significant investments in our kitchen systems as well to improve our speed of service as well as provide dine-in customers real-time information on their order preparation.

Drive cost efficiency

We remain focused on pursuing our growth objectives with a strong financial discipline and a vigorous focus on operational execution. Our continual endeavor is to manage unit economics and achieve economies of scale.

Our large store network coupled with our centralized supply chain infrastructure helps in improving our gross margins. We also remain focused on locating common/adjacent sites for our core brands. The presence of multiple brand stores in specific location helps to increase efficiencies of our supply chain and also allows us to negotiate competitive lease rentals for our stores.

Our Businesses

Core Brands

KFC

Strong performance in these times of disruption? We achieved that and more for our KFC business. KFC for DIL is now a ₹ 10,000 million.

BUSINESS PERFORMANCE

Revenue from Operations for the year stood at ₹ 12, 189 million as against ₹ 6,443 million in FY2021, a growth of 89%.

Revenue from Operations (₹ million)

FY 2021	6,443
FY 2022	**12,189**

Gross Profit for the year stood at ₹8,444 million as against ₹ 4,360 million, representing gross margins of 69.3%.

Gross Profits (₹ million) Margin (%)

FY 2021	4,360	67.7%
FY 2022	**8,444**	**69.3%**

Average Daily Sales (ADS) for the year came in at nearly ₹ 117,000 per store, representing 49.4% SSSG over FY2021.

Average Daily Sales Per Store ('000) SSSG (%)

FY 2021	100	-33.7%
FY 2022	**117**	**49.4%**

Operational leverage and better cost management helped improve brand contribution to 21.3% from 18.3% in the previous year.

Brand Contribution (₹ million) Margin (%)

FY 2021	1,182	18.3%
FY 2022	**2,602**	**21.3%**

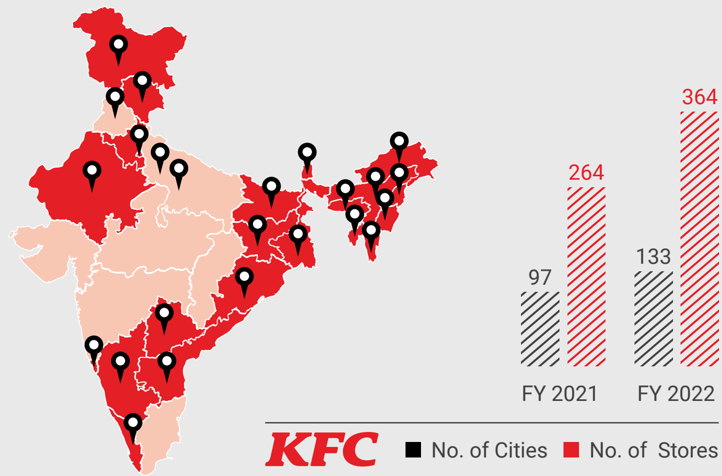
HOW DID WE ACHIEVE THIS?

Product innovation

Innovation continued to be a key growth driver for KFC. The unique product offering of KFC Biryani Bucket - crispy, juicy KFC chicken with flavorful Biryani rice – was the highlight of the year. The launch of Biryani Bucket was well received by the customers and also generated a lot of buzz for the brand.

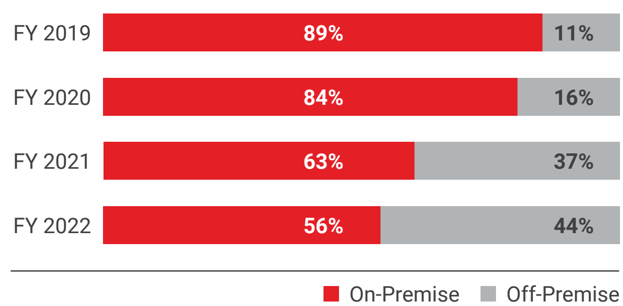
Store expansion

Our growing footprint strengthened brand accessibility in our existing markets and also took us closer to aspirational customers in small towns and emerging cities. We added 100 new stores to reach 364 stores at the year-end. The roll-out of these stores has increased brand density and facilitated faster delivery to customers.



Catering to evolving customer expectations

We continued to execute our strategy of setting up delivery-focused omnichannel stores aligned with the structural customer demand shift towards delivery from dine-in. The consistent effort towards setting up delivery-focused stores and strengthening our customer-facing digital interface is reflected in the share of our off-premise[2] sales increasing from 37% to 44% during the year.



Brand engagement

As the largest KFC franchise partner in the country, we continued to actively collaborate with the Yum India team to increase brand engagement and give customers more reasons to experience the KFC brand.

The KFC brand in India, across all franchisees, reached an important milestone of 600 stores across in India. To celebrate this milestone, the brand launched the #KFCBucketCanvas campaign. As part of this campaign, KFC India collaborated with young, budding artists from across the country to transform the iconic KFC Bucket into a canvas, presenting a unique design for every city where the brand has a presence. Additionally, KFC India launched 360-degree marketing campaigns featuring celebrities and content that resonated with India's millennials.

[2]#On-Premise = Dine-in, Eat-in or Takeaway;
Off-Premise = Delivered (either Own or Aggregator)

Core Brands

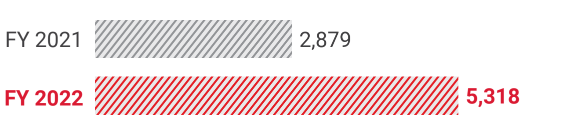
Pizza Hut

Accelerating growth momentum in disruptive times? We demonstrated that it can be done. Our Pizza Hut business turnover surpassed ₹5,000 million, growing by 85% over the past year.

BUSINESS PERFORMANCE

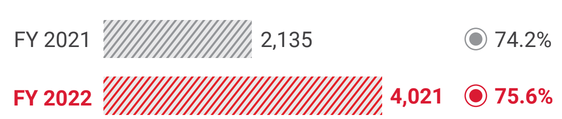
Revenue from operations for the year stood at ₹ 5,318 million as against ₹ 2,879 million in FY2021, a growth of 85%.

Revenue from Operations (₹ million)



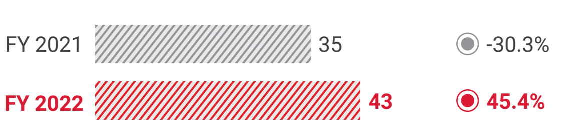
Gross Profit for the year stood at ₹ 4,021 million as against ₹ 2,135 million, representing gross margins of 75.6%.

Gross Profits (₹ million) Margin (%)



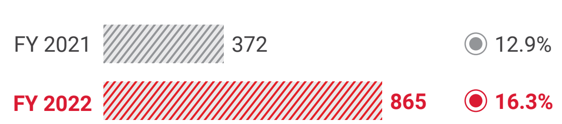
Average Daily Sales (ADS) for the year stood at ₹ 43,000 per store, representing 45.4% SSSG over FY2021.

Average Daily Sales Per Store ('000) SSSG (%)



Operational leverage and better cost management helped improve brand contribution to 16.3% from 12.9% in the previous year.

Brand Contribution (₹ million) Margin (%)



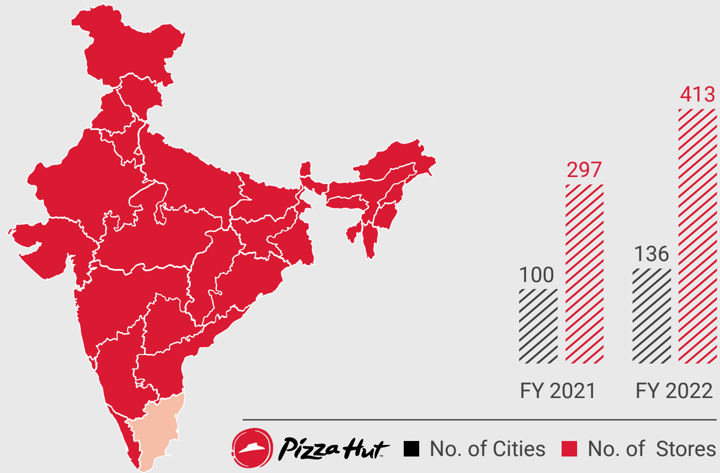
HOW DID WE ACHIEVE THIS?

Product innovation

Constantly innovating, Pizza Hut India launched the much-awaited lighter, crispier and tastier San Francisco Style Pizza with a handcrafted crust option. This launch is aligned with the growing preference for handcrafted pizzas with distinctive crusts. Another product innovation highlight was India's first-ever Momo Pizza - *'Momo Mia!'*, an epic fusion of two beloved dishes offering the best of both worlds, and a new side dish called Baked Cheesy Momos. The new launches have received strong acceptance from customers, with *Momo Mia! Pizza* particularly seeing strong adoption by customers in the East and Northeast, markets where we have a strong presence.

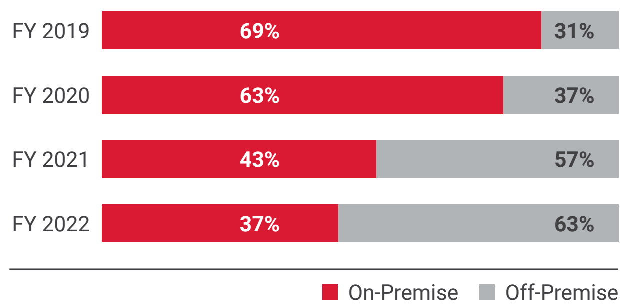
Store expansion

We continued with our aggressive brand expansion strategy, consolidating our presence in existing markets and foraying into smaller towns. An important highlight was crossing the 400-store milestone. Over the year, 116 NNUs were added, taking our total store count to 413 at the end of the fiscal. Our new stores are performing well and old stores are also ramping up operations. The opening of more stores has also improved brand density, which helps in reducing delivery time.



Business restructuring

Our conscious strategy of pivoting from a dine-in format to a delivery-focused format is bearing fruit as we continue to set up delivery-focused stores. These delivery-focused omni-channel stores have better unit economics than a typical dine-in-focused store. With increasing delivery salience in the business, share of off-premise[3] sales increased from 57% to 63% in the total sales mix, validating our strategy of moving toward smaller store formats with a focus on delivery.



Brand engagement

Pizza Hut continued to strengthen its brand connect with millennials through targeted communications that speak their language. A key highlight was the extensive marketing campaign themed *'Dil Khol Ke Delivering'* to promote the San Francisco Style pizza range and draw attention to Pizza Hut's strong and seamless delivery capabilities. The marketing campaigns were released across all customer touchpoints. The brand also collaborated with influencers across genres to increase engagement, reach and impact among its audiences.

[3]*#On-Premise = Dine-in, Eat-in or Takeaway;*
Off-Premise = Delivered (either Own or Aggregator)

Core Brands

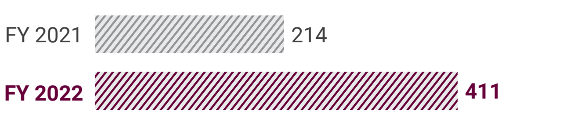
COSTA COFFEE

Excellent performance in exceptional times? We proved it is possible. Our Costa Coffee Brand business posted impressive brand contribution margins, giving us the confidence to scale up the brand rapidly.

BUSINESS PERFORMANCE

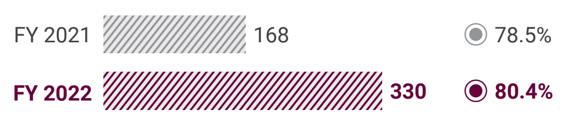
Revenue from operations for the year stood at ₹ 411 million as against ₹ 214 million in FY2021, a growth of 92.4%.

Revenue from Operations (₹ million)



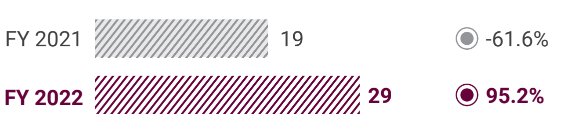
Gross Profit for the year stood at ₹ 330 million as against ₹ 168 million, representing gross margins of 80.4%.

Gross Profits (₹ million) Margin (%)



Average Daily Sales (ADS) for the year stood at ₹ 29,000 per store, representing 95.2% SSSG over FY2021.

Average Daily Sales Per Store ('000) SSSG (%)



Operational leverage and better cost management increased brand contribution to ₹ 125 million and brand margins to 30.4%.

Brand Contribution (₹ million) Margin (%)

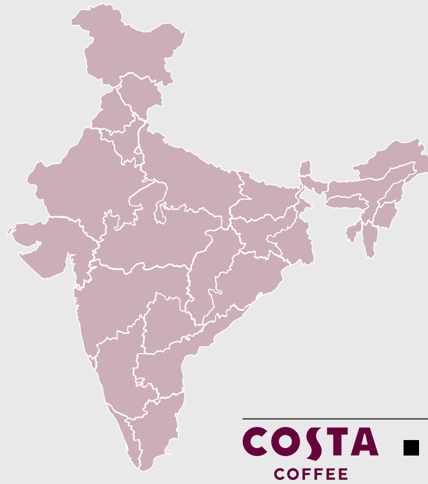
HOW DID WE ACHIEVE THIS?

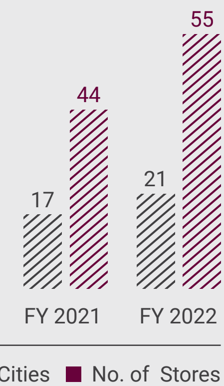
Partnership extension and a renewed focus

In August 2021, we extended our partnership with Costa Coffee parent. Under the revised agreement, we have been granted development rights for pan-India in a phased manner. Following the contract extension, we renewed our focus on adding new stores, launching new products, driving brand engagement, and building our team. This has helped us to emphatically grow our performance.

Store expansion

The opening of our flagship store in Gurugram was a major highlight. The store has witnessed good footfall with guests appreciating the contemporary décor and overall experience. Encouraged by the positive response, plans are underway to open more flagship stores in the coming year. As we open more flagship stores, we expect to improve brand salience and drive higher visibility. Overall, we added 11 stores during the year and are now present in 21 cities.





COSTA COFFEE

Product innovation

Our Costa Coffee stores have an extensive menu featuring coffee, sandwiches, wraps, Indian snacks, desserts, and other beverages. Innovation continues to be a key focus area at Costa Coffee for resonating with customers' evolving expectations and meeting their taste preferences. During the year, a new range of beverages and exciting product offerings were launched to delight guests.

Brand engagement

Costa Coffee brand continues to boost brand affinity through promotions and targeted communications on social media platforms. This has driven guest engagement leading to Costa Coffee serving more cups of coffee to more people, more often.

Other Brands

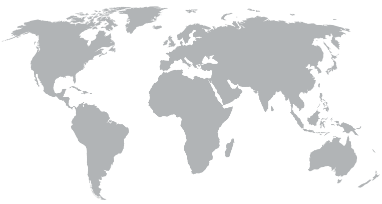
In addition to operating core brands, we operate stores of our in-house brands such as Vaango and The Food Street. We typically operate these in the form of outlets within larger food courts in malls and airports.

Growing recognition for our in-house brands, in combination with their quality offerings and presence at attractive and busy locations, positions them for an exciting growth journey.

Unfortunately, due to COVID-19, the footfall at malls dropped considerably and the travel sector faced demand erosion. However, with the lifting of curbs and easing of restrictions, the COVID-19 vaccination drive, and the pandemic subsiding, footfalls and throughput at these places have witnessed a strong recovery. These improving conditions will enable better traction in our other brands' business.

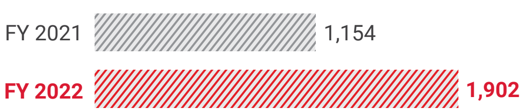
During the year, we added 10 stores for our other brands' business, taking the total store presence to 60 as of March 31, 2022.

DIL International

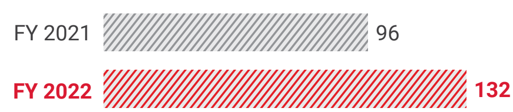


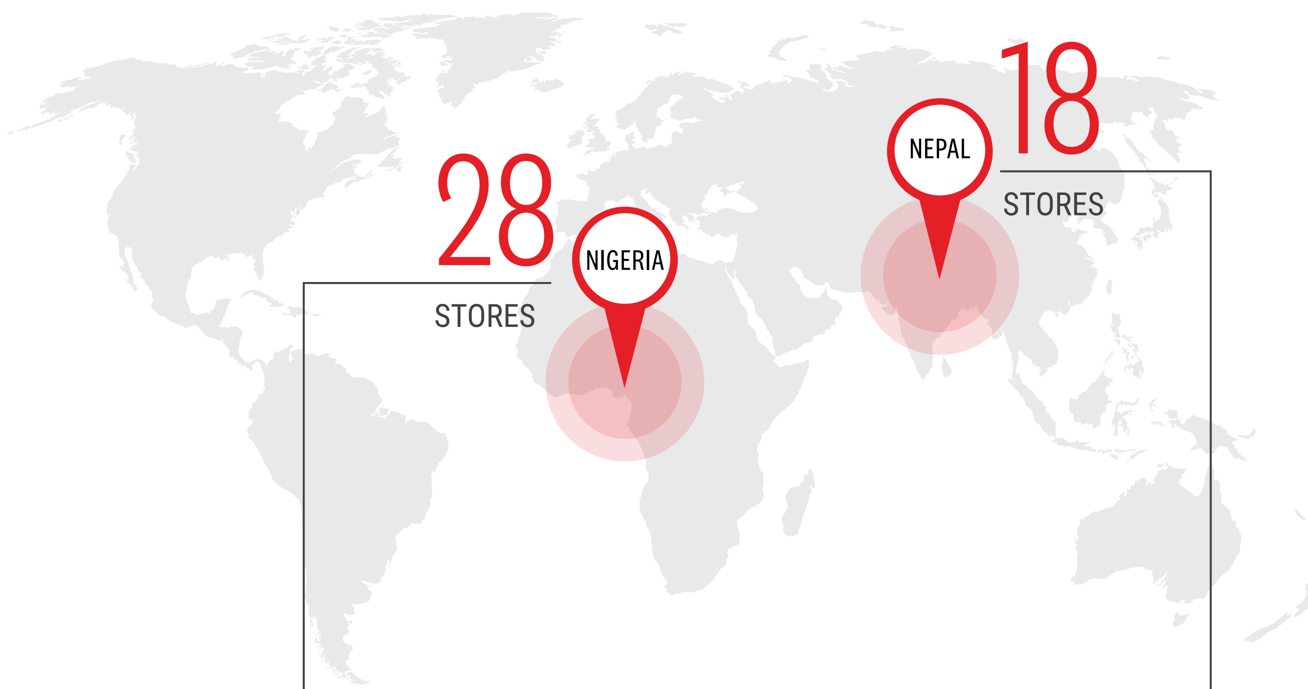
We operate KFC and Pizza Hut stores in Nepal, and KFC stores in Nigeria. Our international business is profitable and cash-generating, the funds being re-invested in capex for store expansion in the respective markets.

Revenue from Operations (₹ million)

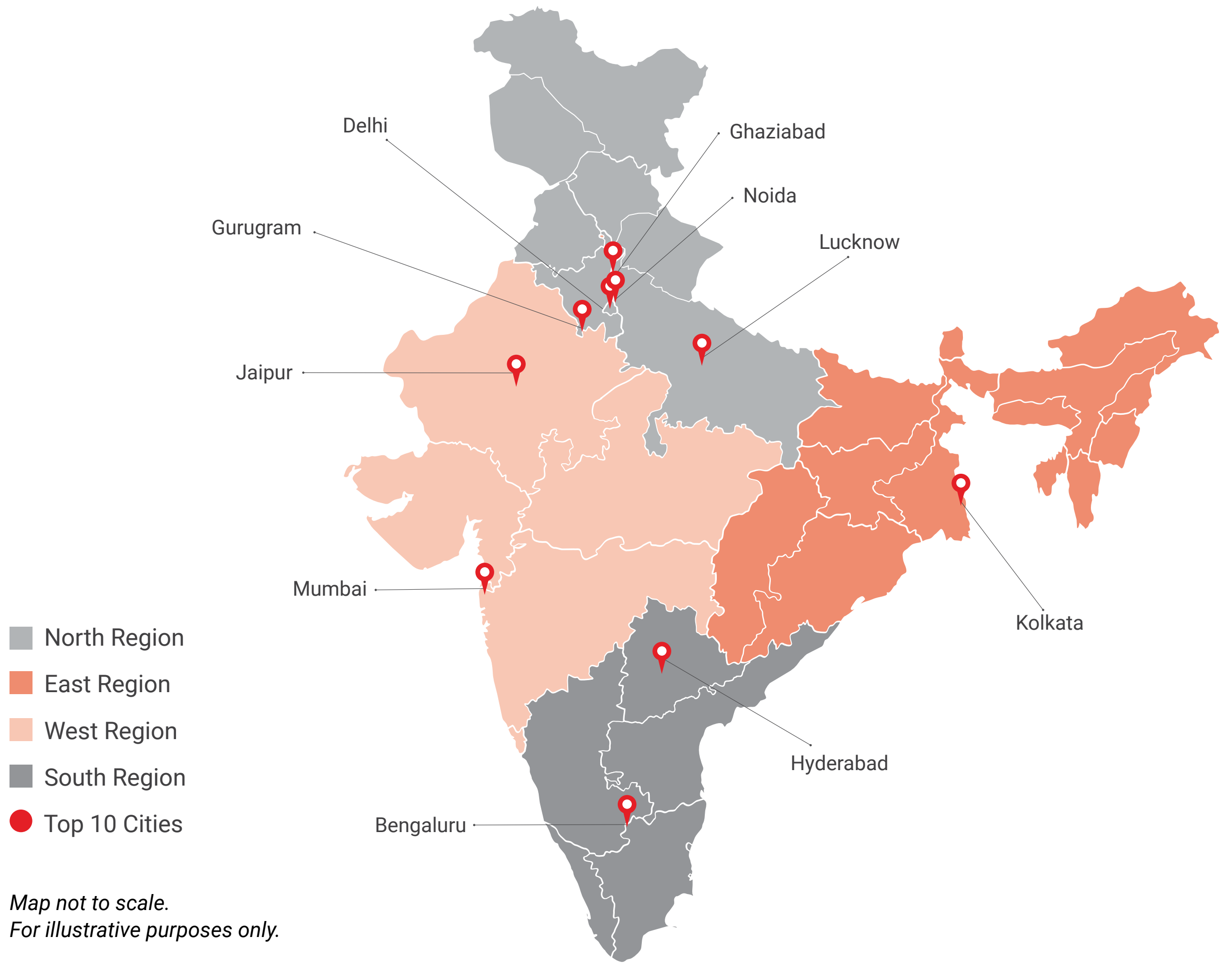


ADS (₹ '000)

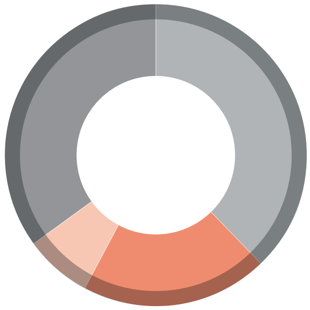




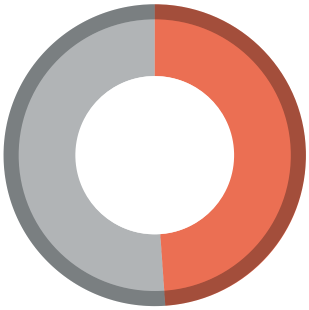
Regional Presence



Map not to scale.
For illustrative purposes only.

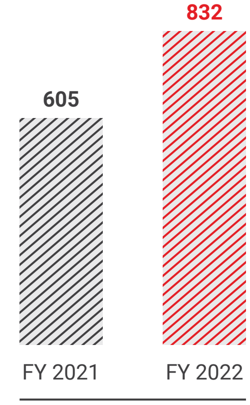


- **38%** 318 North Region
- **20%** 163 East Region
- **7%** 62 West Region
- **35%** 289 South Region



- **49%** Core Brand Stores in Metros
- **51%** Core Brand Stores in Non-Metros

Metro cities are: Delhi NCR, Mumbai, Kolkata, Bengaluru, Chennai, Hyderabad, Ahmedabad, Pune.



Brand Stores

Performance Highlights

Net New Units

FY 2019	67
FY 2020	44
FY 2021	82
FY 2022	**246**

EBITDA (Pre-IndAS)

(₹ million)

		(Margin) (%)
FY 2019	961	7.3%
FY 2020	576	3.8%
FY 2021	919	8.1%
FY 2022	**2,995**	**14.4%**

Revenue from Operations

(₹ million)

		(Stores)
FY 2019	13,106	566
FY 2020	15,164	610
FY 2021	11,348	692
FY 2022	**20,840**	**938**

PAT

(₹ million)

		(Margin) (%)
FY 2019	(941)	-7.2%
FY 2020	(1,214)	-8.0%
FY 2021	(813)	-7.2%
FY 2022	**1,551**	**7.4%**

** Profit from continuing operations only.

Gross Margin

(₹ million)

		(%)
FY 2019	9,217	70.3%
FY 2020	10,560	69.6%
FY 2021	7,902	69.6%
FY 2022	**14,842**	**71.2%**

Diluted EPS

(₹ per Share)

FY 2019	(0.42)
FY 2020	(0.74)
FY 2021	(0.67)
FY 2022	**1.32**

Brand Contribution

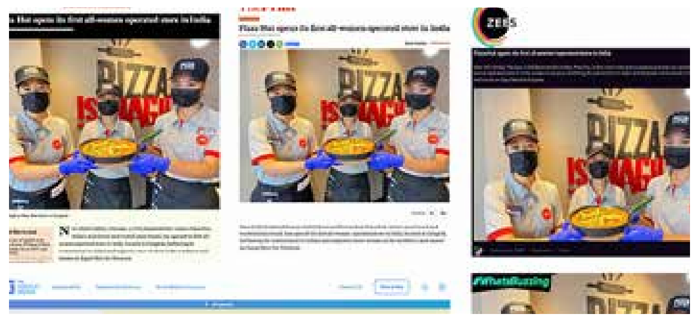
(₹ million)

		(%)
FY 2019	1,838	14.0%
FY 2020	1,748	11.5%
FY 2021	1,634	14.4%
FY 2022	**4,146**	**19.9%**

Social Responsibility

DIL is a socially responsible business with diversity at its core.

To give greater opportunities for the growth of our women employees, we continued to add women-only stores across our core brands. During the year, we opened our first all-women store for Pizza Hut in India at Gangtok. This was followed by all-women stores in Hyderabad and Bengaluru. We now operate 20+ all-women stores across our portfolio and locations. We are also working on increasing the number of women team leaders across our businesses.



Aligned with our commitment to building a more inclusive society, 13 DIL stores are operated by differently-abled employees.

On World Braille Day, KFC India introduced a Braille-enabled menu across its restaurants. These menus, designed in collaboration with the National Association for the Blind (India), is aimed at facilitating a seamless ordering experience for visually challenged customers.

KFC India is a principal sponsor for the Indian Deaf Cricket Association (IDCA) until the ICC World Cup for the Deaf in 2023.

Awards and Recognition

Our team's performance was recognized globally, a meaningful measure of how we are driving excellence in our operations.

DIL won the award for '**Best Overall Performance**' at the Yum! EFTS Conference Asia.

DIL won the award for '**Most Improved Taste Scores**' at the Yum! EFTS Conference Asia.

DIL won the '**Most Admired Food Court Operator**' award at the Images Food Service awards.

Board of Directors

RAVI JAIPURIA
Promoter & Chairman

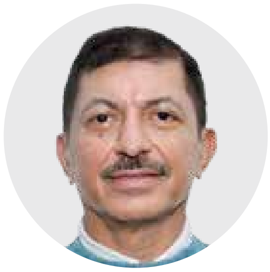
He is the promoter of the Company and has over three decades of experience in conceptualizing, executing, developing and expanding food, beverages and dairy business in South Asia and Africa. He has completed higher secondary education from Delhi Public School, Mathura Road, New Delhi. He has an established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

VARUN JAIPURIA
Promoter & Non-Executive Director

He attended Millfield School, Somerset, England and degree course in international business from the Regent's University, London. He has 13 years of experience in the soft drinks industry and has also completed a program for leadership development at the Harvard Business School.

RAJ GANDHI
Non-Executive Director

Mr. Raj Gandhi is a member of the Institute of Chartered Accountants of India. Out of his total 41 years of experience, 29 years of experience is with the Group itself. He is instrumental in formulating the company's strategy, diversification, expansion, mergers and acquisitions, capex planning and capital/fund raising. He enjoys a rich relationship with institutional investors and lenders.



VIRAG JOSHI
Whole-time Director (President & CEO)

He holds a diploma course in hotel management and catering from the State Institute of Hotel Management and Catering, Lucknow, Uttar Pradesh. He has been a key strategist in expansion of Pizza Hut, KFC, Costa Coffee outlets from a small base of five restaurants in 2002 to 900 plus outlets in last 19 years. He has been earlier associated with Indian Hotels Company Limited, Domino's Pizza India Limited, Milkfood Limited, and Priya Village Roadshow Limited.

MANISH DAWAR
Whole-time Director & CFO

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

DR. RAVI GUPTA
Independent Director

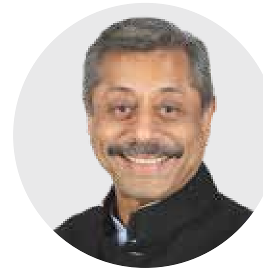
He holds a bachelor's degree in commerce and a master's degree in commerce from the University of Delhi. He also holds a bachelor's degree in law from the University of Delhi, a diploma in labor law from the Indian Law Institute, a master's degree in business administration from the Faculty of Management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

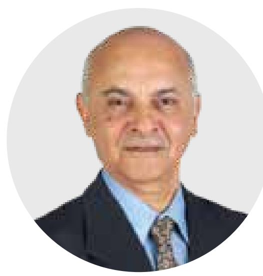
RASHMI DHARIWAL
Independent Director

She holds a bachelor's degree in Arts from the University of Delhi and is a practicing advocate at the Calcutta High Court since 1978. She is also the chairperson of a non-profit organization called Prayatn which provides education to underprivileged children. She has also worked in several leading firms in India including Khaitan & Co, Calcutta and Delhi, Mulla & Mulla, Mumbai and also in the Philippines.

DR. NARESH TREHAN
Independent Director

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





PRADEEP SARDANA
Independent Director

He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Delhi. He has 51 years of experience (41 years in service and 10 years in consultancy). He is presently the CEO of PM Consulting, a consultancy firm in the field of food, beverages, FMCG and other industries. Previously worked at senior management level with renowned companies including Polyplex Hydro Group, PepsiCo, Hindustan Lever Limited and Union Carbide and has successfully handled diverse assignments.

DR. GIRISH KUMAR AHUJA
Independent Director

He holds a Ph.D. from the University of Delhi for his thesis on Financial Sector Reforms: Capital Market Efficiency and Portfolio Investment completed in 2006. He is a qualified and practicing chartered accountant for the past 50 years and a member of the Institute of Chartered Accountants of India. He was a professor at the Shri Ram College of Commerce, University of Delhi. He was a member of the task force constituted by Government of India for redrafting the Indian Income Tax Law. He is appointed on the Board of Unitech by Hon'ble Supreme Court of India on recommendation of Ministry of Corporate Affairs, Government of India. He was Independent Director on the Board of State Bank of India for two terms.

RAHUL SHINDE
Whole-time Director

He has nearly 20 years of global experience and a solid track record of delivering results. In his most recent assignment, he was responsible for stewarding the KFC brand in some of Asia's largest markets. In his previous assignments, he was instrumental in building long-term term strategy and driving change at multi-billion dollar organizations. He has also been placed on the Economic Times India's 40 under 40 list in 2016 and an Early Career Achievement award in 2018 by the University of Wisconsin-Madison.

PRASHANT PURKER
Independent Director

He is ex MD & CEO of ICICI Venture. He has over 30 years of varied experience in Private Equity, Capital Markets, Technology and Banking. He has guided and mentored as a Director more than 25 Indian and overseas companies both as listed public companies as well as private and unlisted. He is a graduate of IIT Kanpur and a rank holder from IIM Ahmedabad.

Corporate Highlights

Board of Directors

Category	Name of Directors
Non-Executive Chairman	Mr. Ravi Jaipuria
Executive / Whole-time Directors	Mr. Virag Joshi Mr. Manish Dawar Mr. Rahul Shinde
Non-Executive, Non Independent Directors	Mr. Varun Jaipuria Mr. Raj Gandhi
Non-Executive, Independent Directors	Dr. Naresh Trehan Dr. Ravi Gupta Mr. Pradeep Sardana Ms. Rashmi Dhariwal Dr. Girish Kumar Ahuja Mr. Prashant Purker

Chief Executive Officer

Mr. Virag Joshi

Chief Financial Officer

Mr. Manish Dawar

Company Secretary & Compliance Officer

Mr. Varun Kumar Prabhakar

Joint Statutory Auditors

Walker Chandiok & Co. LLP,
Chartered Accountants,
New Delhi

APAS & Co. LLP
Chartered Accountants,
New Delhi

Corporate Office

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

Registered Office

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

Registrar and Transfer Agent

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2, LSC
C-1 Block, Near Savitri Market, Janakpuri
New Delhi - 110 058
Tel: +91-11-49411000 | **Fax:** +91-11-41410591
Email: delhi@linkintime.co.in | **Website:** www.linkintime.co.in

Bankers

Axis Bank Limited
HDFC Bank Limited
IndusInd Bank Limited
ICICI Bank Limited
RBL Bank Limited

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 31st (Thirty First) Board's Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2022.

Financial Performance

The financial performance of your Company for the Financial Year ended March 31, 2022 is summarized below:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year Ended 31-Mar-22	Year Ended 31-Mar-21	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Sales & other Income	18692.81	10473.30	21001.31	11988.95
Profit before Interest, Depreciation, Impairment & Tax	4104.84	1989.13	4759.79	2346.13
Less: Finance Cost	1058.67	1265.41	1269.94	1494.76
Add: Other Income	160.09	485.66	161.21	640.57
Less: Depreciation & Impairment	1909.96	2367.19	2248.61	2774.59
Profit/ (Loss) before exceptional items and tax	**1136.21**	**(1157.81)**	**1402.45**	**(1282.65)**
Less: Exceptional item expense/(income)	13.16	(457.53)	171.04	(458.74)
Profit/ (Loss) before Tax	**1123.05**	**(700.28)**	**1231.41**	**(823.92)**
Less: Total tax expense	(410.78)	-	(319.74)	(10.68)
Profit/(loss) from continuing operations	1,533.83	(700.28)	1,551.15	(813.24)
Profit/(Loss)from discontinued operations	-	47.23	-	183.37
Profit/(loss) for the year	1,533.83	(653.05)	1,551.15	(629.87)
Add/Less: Other Comprehensive income	1.66	(11.92)	141.41	52.20
Total comprehensive income for the year	**1535.49**	**(664.97)**	**1692.56**	**(577.67)**
Total comprehensive income for the year attributable to:				
Owners of the Company	1535.49	(664.97)	1666.68	(542.47)
Non-controlling interests	-	-	25.88	(35.20)

Consolidated Financial Statements

The Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2022, are prepared in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), Indian Accounting Standards ("Ind AS") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"] which shall also be provided to the Members in their forthcoming Annual General Meeting ("AGM").

State of the Company's Affairs

Your Company is among the largest operators of Quick Service Restaurant ("QSR") chain in India and is the largest franchisee of Yum Brands (Pizza Hut and KFC) in India on a non-exclusive basis. In addition, the Company is also a franchisee for Costa Coffee in India. Along with these three well recognized global brands, the Company also has in-house brands such as Vaango and Food Street in its portfolio. As of March 31, 2022, the Company operated in total 892 stores across 204 cities in India. The Company also has operations in Nepal and Nigeria through a network of 46 stores as of March 31, 2022.

We have emerged from a challenging period, with multiple Covid related disruptions last year and the year before and unprecedented inflation in input costs and highly tensed geo-political situation and disturbed logistics around the World. Your Company has shown great resilience during this period and our unwavering commitment and focus on the growth has translated FY 2021-22 into a record year of performance for us. We opened 246 new stores in FY 2021-22, the highest ever for our Company. Along-side, we also witnessed record revenues, best margins, and record delivery of profits. The year also saw for us a very successful IPO, listing and a strong support from all of you. Our brands achieved significant milestones whereby KFC India crossed ₹ 1,000 Crore revenues & Pizza Hut clocked more than ₹ 500 Crore revenues this year.

The current external macro environment remains challenging and we do foresee certain headwinds. Costs of key input materials and capital items continue to see significant inflation and this is likely to persist for some time. With a pan-India footprint, we are closely monitoring the developments. Our scale, brand strength and experience give us the confidence that we will be able to effectively face these challenges. We remain firm believers in the potential of the food service industry and more particularly the QSR segment in India. Significant growth opportunities are available for a well operated and a well-capitalized player. Our brands are geared to cater to the young Indian consumers' expectations, meeting their changing lifestyles and eating out habits. We confidently look forward to another year of growth.

Deposits

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

Transfer to General Reserve

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

Change in the Nature of Business, if any

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

Dividend Distribution Policy

The Board of Directors of the Company in their meeting held on March 17, 2021 approved and adopted a Policy on Distribution of Dividend to comply with Regulation 43A of SEBI (LODR) Regulations and the same is uploaded on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2021/08/Dividend-Distribution-Policy.pdf.

Dividend

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

Material Events

A. Initial Public Offer ("IPO")

The Company has made its public offer of Equity Shares during the quarter ended September 30, 2021 in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, wherein 4,88,88,888 Equity Shares were issued through a fresh issue and 15,53,33,330 Equity Shares through offer for sale. The IPO comprised of a fresh issue of ₹4,400 million and an offer for the sale of ₹13,980 million by the selling shareholders.

The public issue was opened on August 4, 2021 and closed on August 6, 2021 at an offer price of ₹90/- per Equity Share (including a share premium of ₹89/- per Equity Share). The Company's IPO received an overwhelming response and was oversubscribed by 117 times, reflecting a huge investor appetite for the issue. The Equity Shares were allotted on August 11, 2021 at an offer price of ₹90 per Equity Share to the respective applicants under various categories. The Equity Shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (collectively referred to as "Stock Exchanges") on August 16, 2021. The Equity Shares of the Company were listed with a substantial gain from its offer price.

The market capitalisation of the Company has marked its presence under the list of Top 500 Companies. As per the market capitalisation list released by NSE and BSE, the ranking of your Company moved to 209 and 211 respectively as of March 31, 2022. Further, our Company was included in MSCI India Domestic Small Cap Index.

The IPO proceeds of ₹4,400 million have been utilised to repay the debts amounting to ₹3,420 million. Apart from this, the Company has incurred Offer expenses of ₹6.59 million and spent ₹821.90 million on the capital expenditure out of the proceeds meant for General Corporate Purposes. Post listing, the Company has become net debt free.

We are gratified and humbled by the faith shown in the Company by the market participants. We are also grateful to our customers for their trust shown in our capabilities to consistently deliver high-quality services.

B. Amalgamation

During the year under review, the Board of Directors of your Company ("Board") in their meeting held on December 13, 2021 approved the scheme of amalgamation pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, for amalgamation of Devyani Food Street Private Limited and Devyani Airport Services (Mumbai) Private Limited (both are Wholly owned Subsidiary Companies) with the Company subject to approval of Shareholders, Creditors, Stock Exchanges, National Company Law Tribunal (NCLT) and any other statutory/applicable authorities as may be required. The Company is yet to file the scheme of amalgamation with NCLT and any other statutory/applicable authorities. Further, the Company is expecting that the amalgamation will facilitate operational synergies, which in turn eliminate inefficiencies and streamline corporate structures and cash flows. It is also expected that a single entity will result in better centralized management and oversight, cost efficiencies and supporting the group's competitive growth.

Share Capital

During the year under review, the Authorized Share Capital of the Company was increased from ₹ 1,25,00,00,000/- (Rupees One Hundred Twenty Five Crore only) divided into 1,25,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of face value of ₹ 1/- (Rupee One) each to ₹ 5,00,00,00,000/- (Rupees Five Hundred Crore only) divided into 5,00,00,00,000 (Five Hundred Crore) Equity Shares of face value of ₹ 1/- (Rupee One) each duly approved by the Shareholders at their Extra-ordinary General Meeting held on May 4, 2021.

Further, during the year under review, the Issued, Subscribed and Paid-up Equity Share Capital was increased from ₹ 1,15,36,34,990/- (Rupees One Hundred Fifteen Crore Thirty Six Lakh Thirty Four Thousand Nine Hundred Ninety only) divided into 1,15,36,34,990 (One Hundred Fifteen Crore Thirty Six Lakh Thirty Four Thousand Nine Hundred Ninety) Equity Shares of face value of ₹ 1/- (Rupee One) each to ₹ 1,20,47,36,378 /- (Rupees One Hundred Twenty Crore Forty Seven Lakh Thirty Six Thousand Three Hundred Seventy Eight only) divided into 1,20,47,36,378/- (One Hundred Twenty Crore Forty Seven Lakh Thirty Six Thousand Three Hundred Seventy Eight) Equity Shares of face value of ₹ 1/- (Rupee One) each pursuant to allotment of Equity Shares under IPO, Employee Stock Options Scheme, 2018 and Employee Stock Options Scheme, 2021, as detailed hereunder:

S. No.	Date of Allotment	Number of Equity Shares of face value of ₹ 1/- each	Details of Allotment
1	August 11, 2021	4,88,88,888	IPO- Fresh issue of shares
2	February 4, 2022	7,50,000	Employees Stock Option Scheme 2018
3	March 31, 2022	15,000	Employees Stock Option Scheme 2018
4	March 31, 2022	14,47,500	Employees Stock Option Scheme 2021
	Total	**5,11,01,388**	

Employees Stock Option Schemes

Your Company has three Employees Stock Option Schemes viz. Employees Stock Option Scheme 2011 ('ESOP Scheme 2011'), Employees Stock Option Scheme 2018 ('ESOP Scheme 2018') and Employees Stock Option Scheme 2021 ('ESOP Scheme 2021'). Further, to align ESOP Scheme 2021 with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, the Board of Directors (as recommended by the Nomination and Remuneration Committee) in their meeting held on February 4, 2022 approved to amend and ratify the ESOP Scheme 2021, subject to the approval of shareholders at the ensuing AGM of the Company.

Certificate from Secretarial Auditors of the Company that ESOP Scheme 2011, ESOP Scheme 2018 & ESOP Scheme 2021 have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and as substituted by the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution(s) passed by the Members of the Company will be uploaded on website viz. https://dil-rjcorp.com/ for inspection by Members of the Company.

Relevant disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are attached to this report as **Annexure – A**.

Related Party Transactions

To comply with the provisions of Sections 177 and 188 of the Act and Rules made thereunder read with Regulation 23 of SEBI (LODR) Regulations, your Company took necessary prior approval of the Audit, Risk Management and Ethics Committee before entering into related party transactions. All contracts / arrangements / transactions entered into by the Company during the Financial Year 2021-22 with related parties, as defined under the Act and SEBI (LODR) Regulations were in the ordinary course of business and on arm's length basis.

During the year under review, your Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy of the Company for Related Party Transactions.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, these were synchronized and synergized with the Company's operations. Attention of Members is drawn to the disclosure of transactions with the related parties set out in Note No. 38 of the Standalone Financial Statements, forming part of the Annual Report.

Your Company has framed a Policy on Related Party Transactions in accordance with the Act and SEBI (LODR)

Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties. The policy is uploaded on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2021/06/Policy-on-Related-Party-Transactions.pdf.

Since all transactions which were entered into during the Financial Year 2021-22 were on arm's length basis and in the ordinary course of business and there were no material related party transactions entered by the Company during the Financial Year 2021-22 as per Policy on Related Party Transactions, hence no detail is required to be provided in Form AOC-2 prescribed under Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Particulars of Loans, Guarantees or Investments

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

Subsidiaries, Associates and Joint Ventures

Your Company has following subsidiaries as on March 31, 2022:

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

As on March 31, 2022, your Company does not have any Associate/Joint Venture as defined under the provisions of the Act.

To comply with the provisions of Section 129 of the Act, a separate statement containing salient features of Financial Statements of Subsidiaries of your Company (including their performance and financial position) in prescribed Form AOC-1 forms part of Consolidated Financial Statements and therefore not repeated here to avoid duplication. Further, contribution of subsidiary(ies) to the overall performance of your Company is outlined in Note No. 49 of the Consolidated Financial Statements.

Financial Statements of the aforesaid subsidiary companies are kept open for inspection by the Members at the Registered Office of your Company on all days except Saturday, Sunday and Public Holidays up to the date of AGM i.e. June 28, 2022 between 11:00 A.M. to 5:00 P.M. as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company at its Registered Office or Corporate Office. The Financial Statements including the Consolidated Financial Statements and all other documents required to be attached with this Report have been uploaded on website of the Company at https://dil-rjcorp.com/dil/financial-information/.

To comply with the provisions of Regulation 16(c) of SEBI (LODR) Regulations, the Board of Directors of the Company have approved and adopted a Policy for determining Material Subsidiary. Further, RV Enterprizes Pte. Ltd. became material subsidiary of the Company w.e.f. April 21, 2021 and as per Audited Financials for year ended March 31, 2022, it ceased to be the material subsidiary. Policy on Material Subsidiary is uploaded on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2021/06/Policy-on-MaterialSubsidiary.pdf.

Directors and Key Managerial Personnel

Directors

To comply with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Varun Jaipuria (DIN: 02465412) and Mr. Raj Gandhi (DIN: 00003649), Non-Executive Directors are liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, recommended their re-appointment.

During the year under review, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting held on May 2, 2022 accorded its approval for the appointment of Mr. Prashant Purker (DIN: 00082481) as an Additional Director (in the category of "Non-Executive Independent Director") for a term of 5 (five) consecutive years w.e.f. May 2, 2022 and Mr. Rahul Suresh Shinde (DIN: 07166035) as an Additional Director (designated as a "Whole Time Director") for a term of 5 (five) years w.e.f. May 2, 2022, subject to approval of Members at the ensuing AGM of the Company.

Your Company has received requisite notice in writing from a Member of the Company in terms of Section 160 of the Act, proposing the candidatures of Mr. Prashant Purker and Mr. Rahul Suresh Shinde as Directors of the Company.

Further, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting held on April 21, 2022 appointed Dr. Girish Kumar Ahuja (DIN: 00446339), Mr. Pradeep Sardana (DIN: 00682961) and Dr. Naresh Trehan (DIN: 00012148) as Additional Director(s) (in the category of "Non-Executive Independent Director") for a term of 3 (three) consecutive years w.e.f. April 21, 2021 and their appointment was duly approved by the Shareholders of the Company at their Extra-ordinary General Meeting held on May 4, 2021.

The above-mentioned Directors have affirmed that they are not debarred from holding the office of Director(s) by virtue of any SEBI order or any other such Authority.

During the year under review, Ms. Devyani Jaipuria (DIN:00044672) resigned from the directorship of the Company w.e.f. April 26, 2021. Further, consequent to withdrawal of nomination of Mr. Vishesh Shrivastav (DIN:02159016) by Dunearn Investments (Mauritius) Pte. Ltd. (investor of the Company), Mr. Vishesh Shrivastav resigned as Nominee Director of the Company w.e.f. May 4, 2021.

Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act including compliance of relevant provisions of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (LODR) Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Act. The Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Act.

Brief resume and other details of the Director(s) being appointed/re-appointed at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI (LODR) Regulations, is separately disclosed in the Notice of ensuing AGM.

Key Managerial Personnel

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting held on May 2, 2022 appointed Mr. Varun Kumar Prabhakar as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company w.e.f. May 2, 2022 in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, Mr. Anil Dwivedi resigned from the post of Company Secretary and Compliance Officer (Key Managerial Personnel) w.e.f. October 13, 2021. Further, Mr. Jatin Mahajan was appointed as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company w.e.f. November 1, 2021. Thereafter, Mr. Jatin Mahajan resigned from the post of Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company w.e.f. March 10, 2022.

Further, Mr. Virag Joshi, Whole-time Director & Chief Executive Officer and Mr. Manish Dawar, Whole-time Director & Chief Financial Officer, continued to be the Key Managerial Personnel of your Company in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Board Evaluation

To comply with the provisions of Section 134(3)(p) of the Act and Rules made thereunder and Regulation 17(10) of SEBI (LODR) Regulations, the Board has carried out the annual performance evaluation of the Directors individually including the Independent Directors (wherein the concerned Director being evaluated did not participate), Board as a whole and following Committees of the Board of Directors:

i) Audit, Risk Management and Ethics Committee;

ii) Nomination and Remuneration Committee;

iii) Stakeholders' Relationship Committee; and

iv) Corporate Social Responsibility Committee.

The manner in which the annual performance evaluation has been carried out is explained in the Corporate Governance Report which forms part of this report. Board is responsible to monitor and review the evaluation framework.

Further, to comply with Regulation 25(4) of SEBI (LODR) Regulations, Independent Directors also evaluated the performance of Non-Independent Directors, Chairman and Board as a whole at a separate meeting of Independent Directors.

Board and Committee Meetings

The number of meetings of the Board and various Committees of the Board including composition are set out in the Corporate Governance Report which forms part of this report. The intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Act and SEBI (LODR) Regulations.

Remuneration Policy

To comply with the provisions of Section 178 of the Act and Rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, the Company's Remuneration Policy for Directors, Key Managerial Personnel (KMP), Senior

Management and other Employees of the Company is uploaded on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2021/08/Remuneration-Policy.pdf. The Policy includes, inter-alia, the criteria for appointment and remuneration of Directors, KMPs, Senior Management and other employees of the Company.

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The information required to be disclosed in the Board's Report pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as **Annexure – B**.

Statutory Auditors

Members of the Company in their 26th AGM held on August 10, 2017 appointed M/s. APAS & Co., Chartered Accountants (Firm Registration Number 000340C) [converted to "APAS & Co. LLP" (Firm Registration Number 000340C/C400308)] as Joint Statutory Auditors of the Company to hold office for a period of up to 5 (five) years i.e. till the conclusion of 31st AGM of the Company to be held in the Year 2022.

In terms of provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, due to retirement of existing Joint Statutory Auditors viz. M/s. APAS & Co. LLP, Chartered Accountants at the ensuing AGM of the Company upon completion of their 1st term of 5 (five) years, the Board of Directors, on the recommendation of Audit, Risk Management and Ethics Committee, at their meeting held on May 2, 2022 have recommended the appointment of M/s. O P Bagla & Co. LLP, Chartered Accountants (Firm Registration Number 000018N/N500091) as Joint Statutory Auditors of the Company for a term of upto 5 (five) consecutive years to hold office from the conclusion of ensuing AGM till the conclusion of 36th AGM of the Company to be held in the year 2027, subject to approval of Members of the Company. Brief resume and other details of M/s. O P Bagla & Co. LLP is separately disclosed in the Notice of ensuing AGM.

M/s. O P Bagla & Co. LLP, Chartered Accountants, have consented to act as Joint Statutory Auditors of the Company and confirmed that their aforesaid appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of provisions of Sections 139(1) and 141(3) of the Act and the Companies (Audit and Auditors) Rules, 2014.

Further, Members in their 29th AGM held on September 24, 2020 appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration Number 001076N/N500013) as Joint Statutory Auditors of the Company to hold office for a period of up to 5 (Five) years i.e. till the conclusion of 34th AGM of the Company to be held in the Year 2025. They have also confirmed that they are not disqualified from continuing as Joint Statutory Auditors of the Company.

The Statutory Auditors' Report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark and forms part of the Annual Report. The Statutory Auditors have not reported any frauds under Section 143(12) of the Act.

Cost Audit

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable on the Company for the Financial Year 2021-22.

Secretarial Auditors

The Board of Directors on the recommendations of the Audit, Risk Management and Ethics Committee, has appointed M/s. Sanjay Grover & Associates, Company Secretaries to conduct Secretarial Audit of your Company. The Secretarial Audit Report for the Financial Year 2021-22 is attached to this report as **Annexure - C**.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

To comply with the provisions of Section 134 of the Act and Rules made thereunder, your Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, the Company has adopted a Vigil Mechanism / Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company. The same is detailed in the Corporate Governance Report which forms part of this report.

Risk Management

Pursuant to the provisions of Regulation 21(5) of SEBI (LODR) Regulations, the top 1,000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year shall constitute a Risk Management Committee. The Audit, Risk Management and Ethics Committee of the Board of Directors inter-alia monitors and reviews the risk management plan and such other functions as assigned from time to time.

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

Internal Financial Controls

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

Corporate Social Responsibility

Your Company has a Corporate Social Responsibility (CSR) Policy which is uploaded on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2022/05/Corporate-Social-Responsibility-Policy.pdf.

Annual Report on CSR activities for the Financial Year 2021-22 as required under Sections 134 and 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is attached to this report as **Annexure - D**.

Directors' Responsibility Statement

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

(i) in the preparation of the annual accounts for the Financial Year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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 your Company as at March 31, 2022 and of the Profit of the Company for the period ended on that date;

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

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

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

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

Other Information

Management Discussion & Analysis Report

Management Discussion & Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations, forms part of the Annual Report.

Business Responsibility Report

Business Responsibility Report for the year under review, as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations, forms part of the Annual Report.

Corporate Governance Report

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations is attached to this report as **Annexure - E**. The certificate from M/s. Sanjay Grover & Associates, Company Secretaries confirming compliance with the conditions of corporate governance is also attached to the Corporate Governance Report.

Awards

Your Company has been awarded with Best Overall Performance & Most Improved Taste Scores at Yum EFTS Conference in Asia and the Most Admired Food Court Operator at the IMAGES Food Service's awards.

Listing

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. Both these stock exchanges have nation-wide trading terminals. Annual listing fee for the Financial Year 2022-23 has been paid to the National Stock Exchange of India Limited and BSE Limited.

Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return of the Company is uploaded on website of the Company at https://dil-rjcorp.com/corporate-governance/.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 are given below:

A. Conservation of Energy

i) Steps taken for conservation of energy: The Company evaluates the possibilities and various alternatives to reduce energy consumption and use of low energy consuming LED lightings is being encouraged. The Company recognizes the importance of energy conservation in decreasing the adverse effects of global warming and climate change. The Company carries on its activities in an environmental friendly and energy efficient manner.

ii) Steps taken by the Company for utilizing alternate sources of energy: Nil

iii) Capital investment on energy conservation equipment: Nil

B. Technology absorption

The Company believes in leveraging technology to transform every dimension of its business. Investments in technology infrastructure is an important element of Company's commitment to delivering seamless customer experience. Further, steps taken towards Energy Conservation are the result of technology absorption. However, there is no other specific information to be furnished in this regard.

C. Foreign exchange earnings and Outgo

(₹ in Million)

Particulars	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Earnings in foreign currency	16.25	*71.56
Outgo in foreign currency:		
Value of Imports (CIF)		
Capital Goods	4.62	-
Stores, Spares, Raw Material & Trading goods	13.33	9.05
Expenditure in foreign currency		
Royalty & Other Fee	88.90	20.44
Interest	10.58	15.36

Notes

1. *During the FY 2021-22, Company has made investment of ₹ 55.15 Million and made repayment of Yes Bank installment of ₹ 318.90 Million.*

4. **Company has received repayment of loan given to its subsidiary viz. Devyani International (UK) Private Limited ("DIL UK") of ₹ 698.58 Million and ₹ 3.60 Million for sale of its stake in DIL UK.*

Research and Development

During the year under review, no Research & Development was carried out.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

General

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

1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.

2. The Whole-time Directors of the Company does not receive any remuneration or commission from any of its subsidiaries.

3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Issue of Sweat Equity Shares.
5. No application made or any proceeding pending under Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year 2021-22.

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

No material changes and commitments have occurred after the closure of the Financial Year 2021-22 till the date of this Report, which would affect the financial position of your Company.

Acknowledgements

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

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

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

Place: Gurugram
Date: May 2, 2022

Ravi Jaipuria
Chairman
DIN: 00003668

Annexure - A

Disclosure pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as at March 31, 2022

The Company has three Employee Stock Option Schemes viz. Employees Stock Option Scheme 2011 (ESOP Scheme 2011), Employees Stock Option Scheme 2018 (ESOP Scheme 2018) & Employees Stock Option Scheme 2021 (ESOP Scheme 2021). All the relevant details of these schemes are provided below and are also available on website of the Company at https://dil-rjcorp.com/.

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

Please refer Note No.42 of Notes to the Standalone Financial Statements forming part of the Annual Report.

B. Diluted EPS on issue of shares pursuant to the scheme covered under the Regulations shall be disclosed in accordance with 'Indian Accounting Standard (Ind AS)-33 Earnings Per Share' issued by the Central Government or any other relevant accounting standards as issued from time to time:

Fully diluted Earnings Per Share (EPS) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Ind AS-33 'Earnings Per Share'	EPS has been disclosed in Note No. 42 of the Standalone Financial Statements for Financial Year 2021-22.

Details relating to ESOP Scheme 2011

Sl. No.	Particulars	Details
(i)	(a) Date of shareholders' approval	December 20, 2011
	(b) Total number of options approved/granted	2,38,82,000
	(c) Vesting requirements	25% - On the 1st day of January in the calendar year succeeding one year from the date of the Grant of the Option (First Vest) 25% - On the 1st day of January in the calendar year, succeeding the calendar year of First Vest (Second Vest) 25% - On the 1st day of January in the calendar year, succeeding the calendar year of Second Vest (Third Vest) 25% - On the 1st day of January in the calendar year, succeeding the calendar year of Third Vest (Fourth Vest) All the options granted under this scheme have been vested.
	(d) Exercise price or pricing formula	₹ 11.17 per equity share
	(e) Maximum term of options granted	5 years for exercising the options from the date of vesting
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	The vesting of options has been modified pursuant to shareholders approval dated March 17, 2021 by delinking the vesting of options from the vesting condition of filing of Red Herring Prospectus (RHP) by the Company and for the purpose of aligning the scheme with compliance requirement of SEBI (Share Based Employee Benefits) Regulations, 2014. During the year under review, there was no variation in terms of options.
(ii)	Method used to account for ESOP scheme 2011	Fair Value

Sl. No.	Particulars	Details
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company	Not applicable because the Company has accounted employee compensation in books using the fair value of options.
(iv)	Option movement during Financial Year 2021-22	
	Number of options outstanding at the beginning of the year	3,60,000
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	Nil
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options, if scheme is implemented directly by the Company	Nil
	Loan repaid by the Trust during the year from exercise price received	Not applicable
	Number of options outstanding at the end of the year	3,60,000
	Number of options exercisable at the end of the year	3,60,000
(v)	Weighted-average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Please refer Note No. 42 of Notes to the Standalone Financial Statements forming part of the Annual Report.
(vi)	Employee wise details of options granted during the year to:	
	(a) senior managerial personnel	Nil
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	(c) identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Please refer Note No. 42 of Notes to the Standalone Financial Statements forming part of the Annual Report.

Sl. No.	Particulars	Details
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	

Details relating to ESOP Scheme 2018

Sl. No.	Particulars	Details
(i)	(a) Date of shareholders' approval	September 21, 2018
	(b) Total number of options approved/granted	50,60,000
	(c) Vesting requirements	25% - On the 1st day of January in the calendar year succeeding one year from the date of the Grant of the Option (First Vest) 25% - On the 1st day of January in the calendar year succeeding the calendar year of first vest (Second Vest) 25% - On the 1st day of January in the calendar year succeeding the calendar year of second vest (Third Vest) 25% - On the 1st day of January in the calendar year succeeding the calendar year of third vest (Fourth Vest)
	(d) Exercise price or pricing formula	₹ 30.612 per equity share
	(e) Maximum term of options granted	5 years for exercising the options from the date of vesting
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	The vesting of options has been modified pursuant to shareholders approval dated March 17, 2021 by linking the vesting of options to listing date of shares of the Company and to align the scheme with compliance requirement of SEBI (Share Based Employee Benefits), Regulations, 2014. During the year under review, there was no variation in terms of options.
(ii)	Method used to account for ESOP scheme 2018	Fair Value
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company	Not applicable because the Company has accounted employee compensation in books using the fair value of options.

Sl. No.	Particulars	Details
(iv)	Option movement during Financial Year 2021-22	
	Number of options outstanding at the beginning of the year	10,20,000
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	Nil
	Number of options vested during the year	7,65,000
	Number of options exercised during the year	7,65,000
	Number of shares arising as a result of exercise of options	7,65,000
	Money realized by exercise of options, if scheme is implemented directly by the Company	₹ 2,34,18,180/-
	Loan repaid by the Trust during the year from exercise price received	Not applicable
	Number of options outstanding at the end of the year	2,55,000
	Number of options exercisable at the end of the year	Nil
(v)	Weighted-average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Please refer Note No. 42 of Notes to the Standalone Financial Statements forming part of the Annual Report.
(vi)	Employee wise details of options granted during the year to:	
	(a) senior managerial personnel	Nil
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	(c) identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Please refer Note No. 42 of Notes to the Standalone Financial Statements forming part of the Annual Report.

Sl. No.	Particulars	Details
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	

Details relating to ESOP Scheme 2021

Sl. No.	Particulars	Details
(i)	(a) Date of shareholders' approval	March 17, 2021
	(b) Total number of options approved/granted	72,00,000
	(c) Vesting requirements	25% - On March 17, 2022 i.e. 1st Anniversary of the Grant of the Options (First Vest) 25% - On March 17, 2023 i.e. 2nd Anniversary of the Grant of the Options (Second Vest) 25% - On March 17, 2024 i.e. 3rd Anniversary of the Grant of the Options (Third Vest) 25% - On March 17, 2025 i.e. 4th Anniversary of the Grant of the Options (Fourth Vest)
	(d) Exercise price or pricing formula	43.328 per equity share
	(e) Maximum term of options granted	5 years for exercising the options from the date of vesting
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	No Variation
(ii)	Method used to account for ESOP scheme 2021	Fair Value
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company	Not applicable because the Company has accounted employee compensation in books using the fair value of options.
(iv)	Option movement during Financial Year 2021-22	
	Number of options outstanding at the beginning of the year	72,00,000
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	10,40,000
	Number of options vested during the year	15,40,000
	Number of options exercised during the year	14,47,500
	Number of shares arising as a result of exercise of options	14,47,500
	Money realized by exercise of options, if scheme is implemented directly by the Company	₹ 6,27,17,280/-

Sl. No.	Particulars	Details
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	47,12,500
	Number of options exercisable at the end of the year	92,500
(v)	Weighted-average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Please refer Note No. 42 of Notes to the Standalone Financial Statements forming part of the Annual Report.
(vi)	Employee wise details of options granted during the year to:	
	(a) senior managerial personnel	Nil
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	(c) identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	Please refer Note No. 42 of Notes to the Standalone Financial Statements forming part of the Annual Report.

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

Ravi Jaipuria
Chairman
DIN: 00003668

Place: Gurugram
Date: May 2, 2022

Annexure - B

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of the remuneration of each director to the median remuneration of employees of the Company for the Financial Year 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22:

(₹ in Million)

Sl. No.	Name of Director(s)/ KMP(s) and designation	Remuneration of Director(s)/KMP(s) for Financial Year 2021-22	% increase in Remuneration in FY 2022 as compared to FY 2021	Ratio of Remuneration of Director to Median[1] Remuneration of employees
1	**DR. RAVI GUPTA** Non-executive Independent Director	2.10	75%	8.48
2	**MS. RASHMI DHARIWAL** Non-executive Independent Director	2.10	75%	8.48
3	**DR. GIRISH KUMAR AHUJA** Non-executive Independent Director	1.60	Not comparable*	6.46
4	**MR. PRADEEP SARDANA** Non-executive Independent Director	1.00	Not comparable*	4.03
5	**MR. VIRAG JOSHI** Whole-time Director & CEO	30.63	Nil	123.68
6	**MR. MANISH DAWAR[2]** Whole-time Director & CFO	128.70	Not comparable	519.68
7	**MR. ANIL DWIVEDI** Company Secretary & Compliance Officer	1.71	Not comparable*	6.91
8	**MR. JATIN MAHAJAN** Company Secretary & Compliance Officer	1.37	Not comparable*	5.53

**Employed for part of the year. Hence, % increase in remuneration is not comparable.*

Notes:

1. *The median remuneration has been calculated on the basis of fulltime employees on the payroll of the Company.*
2. *Remuneration of Mr. Manish Dawar includes ESOP perquisites of ₹ 99.42 million for FY 2022 (previous year Nil). Mr. Manish Dawar has been appointed on December 30, 2020. Hence % increase in remuneration in FY 2021-22 is not comparable.*

B. The percentage increase in the median remuneration of employees in the financial year.

There was 5 % increase in the median remuneration of employees (excluding Remuneration of Directors and KMPs) in Financial Year ended on March 31, 2022.

C. The number of permanent employees on the rolls of Company.

Permanent employees on the rolls of the Company as on March 31, 2022 were 12074, the said number of employees includes both full time & part time employees.

D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in the salaries of employees other than Managerial Personnel was 9.95%. The above table contain the details of remuneration paid to the managerial personnel. The remuneration paid to managerial personnel is basis prevailing market trends, business results delivery objectives and overall responsibility matrix and the same is in line with the resolutions approved by the Board of Directors and/or Shareholders.

E. Affirmation that the remuneration is as per the remuneration policy of the Company

It is hereby affirmed that the above-mentioned remuneration is in accordance with the Remuneration Policy of the Company.

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial year ended March 31, 2022 (also includes the details of top ten employees of the Company)

S. No.	Name of the Employees	Designation	Remuneration (₹ in Million) (per annum)	Age	Qualification	Experience in years	Last Employment	Date of commencement of employment
1	Mr. Manish Dawar	Whole-time Director & CFO	128.70	56	Graduate, CA & CS	31	Vodafone Idea Limited	December 30, 2020
2	Mr. Tarun Jain	Brand, Chief Executive Officer	32.34	48	Graduate, PG & Diploma in Hotel Management	22	Devyani Food Street Private Limited	April 01, 2021
3	Mr. Amitabh Negi	Brand, Chief Executive Officer	31.10	46	Graduate & Senior Management Programme from IIM	26	Yum Restaurants (India) Private Limited	April 01, 2016
4	Mr. Virag Joshi	Whole-time Director & CEO	30.63	58	Diploma in Hotel Management	39	Priya Village Roadshow Limited	December 10, 2001
5	Mr. Rajat Luthra	Brand, Chief Executive Officer	25.58	52	Graduate, Postgraduate certificate in business management from XLRI & Diploma in Hotel Management	30	The Mobilestore Limited	November 07, 2011
6	Mr. Rajeev Kumar Verma	General Manager	23.90	42	Graduate & PGDM	21	Royal Sporting House	March 23, 2005
7	Mr. Avinash Singh	Associate General Manager	17.10	38	Graduate	20	Devyani International (Nepal) Private Limited	February 13, 2019
8	Mr. Arun Sharma	Associate General Manager	16.61	45	Graduate	22	SLA Group Ltd	September 25, 2007
9	Mr. Sanjeev Arora	Chief Financial Controller	13.25	57	Graduate, CA & CS	32	Varun Beverages Limited	January 01, 2019
10	Mr. Arun Sharma	Brand, Chief Executive Officer	9.49	49	Graduate	28	Nirula's Corner House Ltd	February 10, 2002

S. No.	Name of the Employees	Designation	Remuneration (₹ in Million) (per annum)	Age	Qualification	Experience in years	Last Employment	Date of commencement of employment
11	Mr. Amara Venu Madhav*#	Executive Director (Non-Board Member	7.15	54	Master's Degree in Management Studies	30	Coffee Day Global Limited	January 18, 2021
12	Mrs. Dhara Jaipuria*#	Executive Director (Non-Board Member	3.00	60	Graduate	25	Cryoviva Biotech Private Limited	April 01, 2019

** Not being on the Board of Directors of the Company*

 # Employed for part of the year and in receipt of remuneration exceeding the prescribed limits.

Notes:

1. The Company has no employee (whether employed throughout FY 2021-22 or part thereof) who was in receipt of remuneration which in the aggregate, is in excess of that drawn by the Wholetime Director and holds by himself or along with his/her spouse and dependent children, not than less two (2) percent or more of the equity shares of the Company.

2. Remuneration comprises of basic salary, allowances, provident fund contribution and perquisites (including ESOP perquisite, if any) as defined under the Income-tax Act, 1961.

3. None of the above employee except Mrs. Dhara Jaipuria, Executive Director (Non-Board Member) who is wife of Mr. Ravi Jaipuria, Non-executive Chairman and mother of Mr. Varun Jaipuria, Non-executive Director of the Company, is related to any Director of the Company.

4. All the above employees are/were in full time employment of the Company.

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

Ravi Jaipuria
Chairman
DIN: 00003668

Place: Gurugram
Date: May 2, 2022

Annexure - C
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

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

To,
The Members,
Devyani International Limited
(CIN: L15135DL1991PLC046758)
F-2/7 Okhla Industrial Area, Phase-I,
New Delhi-110020

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

We report that

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014/the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

We have also examined compliance of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India which has been generally complied with. Further, the Company was generally regular in filing of Forms with the Registrar of Companies, NCT of Delhi and Haryana.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above and the Company has paid remuneration to its whole-time director for the year ended 31 March 2022 which is in excess of the limits laid down under Section 197 read with schedule V of the Act and consequently exceeded the overall limit of remuneration payable by the Company to its directors. The Company is in the process of seeking an approval from the shareholders by way of a special resolution in the ensuing Annual General Meeting.

The Company is engaged in the business of developing, managing and operating quick services restaurants for brands – Pizza Hut, KFC, Costa and Vangoo. As informed by the Management, Food Safety & Standards Act, 2006 and Rules made thereunder are specifically applicable to the company. On the basis of management representation, recording in the minutes of Board of Directors and our check on test basis, we are on the view that the Company has ensured the compliance of laws specifically applicable on it.

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

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

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

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

We further report that

➢ the shareholders of the Company at their Extra-Ordinary General Meeting held on May 4, 2021 passed the following special resolution(s).

   i. for increase in authorised share capital of the Company from existing ₹ 1,25,00,00,000/- divided into 1,25,00,00,000 Equity Shares of ₹ 1/- each to ₹ 500,00,00,000/- divided into 500,00,00,000/- Equity Shares of ₹ 1/- each; &

   ii. for substitution of the existing set of Articles of Association of the Company with the new set of Articles of Association of the Company.

- the Initial Public Offering of 20,42,22,218 Equity Shares of the face value of ₹ 1/- each was made for cash at a price of ₹ 90/- (including a premium of ₹ 89/- per equity share) aggregating to approx. ₹ 1,838 Crore comprising a fresh issue of 4,88,88,888 Equity Shares aggregating up to approx. ₹ 440 Crore (the "fresh issue") and an Offer for Sale of 15,53,33,330 Equity Shares aggregating to approx. ₹ 1,398 Crore. The equity shares of the Company got listed on BSE Limited and National Stock Exchange of India Limited on August 16, 2021.

- the Board of Directors of the Company at its meeting held on December 13, 2021 approved the scheme of amalgamation for amalgamation of Devyani Food Street Private Limited and Devyani Airport Services (Mumbai) Private Limited (both are wholly owned subsidiary companies) with the Company subject to approval of shareholders, creditors, stock exchanges, National Company Law Tribunal and any other statutory/ applicable authorities as may be required.

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

Vijay K. Singhal
Partner
ACS No. A21089, CP No. 10385
UDIN: A021089D000255103

Date: May 2, 2022
Place: New Delhi

Annexure - D
Annual Report on Corporate Social Responsibility (CSR) Activities
FOR THE FINANCIAL YEAR 2021-22

1. **Brief outline on CSR Policy of the Company:**

   Refer Section on Corporate Social Responsibility in Board's Report.

2. ***Composition of the CSR Committee:**

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the financial year 2021-22	Number of meetings of CSR Committee attended during the financial year 2021-22
1	Dr. Naresh Trehan	Chairman (Independent Director)	0	0
2	Mr. Varun Jaipuria	Member (Non-Executive Director)	0	0
3	Mr. Virag Joshi	Member (Executive Director)	0	0

** To follow good Corporate Governance practice Mr. Raj Gandhi, Mr. Vishesh Shrivastav and Ms. Rashmi Dhariwal have resigned and Dr. Naresh Trehan and Mr. Varun Jaipuria has been appointed as Chairman and Member of the Committee respectively w.e.f. April 21, 2021.*

3. **Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**
   - Composition of CSR Committee: https://dil-rjcorp.com/wp-content/uploads/2021/07/Composition-of-Committees-DIL.pdf
   - CSR Policy: https://www.dil-rjcorp.com/wp-content/uploads/2022/05/Corporate-Social-Responsibility-Policy.pdf.

   Since, the average net profits for last three financial years calculated as per Section 135 of the Companies Act, 2013 read with Rules made thereunder were negative, accordingly there was no obligation of CSR spending or approving CSR projects for the financial year 2021-22.

4. **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 loss of the Company for last three financial years as per Section 135(5):** (₹ 692.14 Million)

7. (a) **Two percent of average net profit of the Company as per Section 135(5):** Not Applicable in view of negative profits during last three financial years

   (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, if any:** 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:** Nil

   (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Nil

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):**

    (a) **Date of creation or acquisition of the capital asset(s):** Not applicable

    (b) **Amount of CSR spent for creation or acquisition of capital asset:** Not applicable

    (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not applicable

    (d) **Details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** 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):** Not Applicable

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

Manish Dawar
Whole-time Director & CFO
DIN: 00319476

Dr. Naresh Trehan
Chairman - CSR Committee
DIN: 00012148

Place: Gurugram
Date: May 2, 2022

Annexure E
Corporate Governance Report

To comply with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'], the report containing the details of Corporate Governance of Devyani International Limited ('the Company'/ 'DIL') is as follows:

Company's Philosophy on Corporate Governance

Corporate Governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. At DIL, it is imperative that your Company affairs are being managed in a fair and transparent manner.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed towards maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed hereinafter.

The Corporate Governance framework of the Company is based on the following broad practices:

(a) Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law.

(b) Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organization.

(c) Adoption and implementation of fair, transparent and robust systems, processes, policies and procedures.

(d) Making high level of disclosures for dissemination of corporate, financial and operational information to all its stakeholders.

(e) Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements and zero tolerance for non-compliance

Best Corporate Governance practices

DIL maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented global governance norms include the following:

- All securities related filings with Stock Exchanges and SEBI are reviewed by the Company's Board of Directors.
- The Company has following Board Committees: Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Allotment Committee, IPO Committee and Investment and Borrowing Committee.
- The Company also undergoes Secretarial Audit conducted by an independent firm of Practicing Company Secretaries. The Secretarial Audit Report is placed before the Board and forms part of the Annual Report.
- Observance and adherence of all applicable Laws including Secretarial Standards issued by the Institute of Company Secretaries of India.

Governance Policies

At DIL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of the codes and policies are as follows:

- Code of Conduct for Board of Directors and Senior Management;
- Code of Conduct for Prohibition of Insider Trading;
- Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information;
- Policy on Related Party Transactions;
- Corporate Social Responsibility Policy;
- Policy for Determination of Material Subsidiary and Governance of Subsidiaries;
- Policy for Determination of Materiality of Events / Information;

- Remuneration Policy for Directors, Key Managerial Personnel, Members of Senior Management and other Employees of the Company;
- Familiarization Programme for Independent Directors;
- Vigil Mechanism/Whistle Blower Policy;
- Policy for Preservation of Documents;
- Policy on Diversity of the Board of Directors;
- Risk Management Policy;
- Dividend Distribution Policy;
- Archival Policy;
- Go Green Guidelines
- Anti-Bribery Policy; and
- Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace.

Board of Directors

As at March 31, 2022, 5 (Five) out of 10 (Ten) Directors on the Board were Independent Directors. At DIL, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

Size and composition of the Board of Directors as at March 31, 2022 is given below:

Category	Name of Directors
Non-executive Chairman	Mr. Ravi Jaipuria*
Executive / Whole-time Directors	Mr. Virag Joshi
	Mr. Manish Dawar
Non-executive, Non-Independent Directors	Mr. Varun Jaipuria*
	Mr. Raj Gandhi
Non-executive, Independent Directors	Dr. Naresh Trehan
	Dr. Ravi Gupta
	Mr. Pradeep Sardana
	Ms. Rashmi Dhariwal
	Dr. Girish Kumar Ahuja

**Mr. Ravi Jaipuria and Mr. Varun Jaipuria are Promoters of the Company.*

Inter-se Relationship among Directors

Except Mr. Ravi Jaipuria and Mr. Varun Jaipuria, none of the Director is a relative of other Director(s). Mr. Varun Jaipuria, Non-executive Director, is son of Mr. Ravi Jaipuria, Non-executive Chairman of the Company.

Core Skills / Expertise / Competencies available with the Board

The Board comprises qualified Members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The Matrix setting out the Skills, Expertise and Competencies available with the Board in context of business of the Company is as under:

Sr. No.	Name of Director	Leadership /Operations	Strategic Planning	Industry Experience, Technical, Research & Development and Innovation	Global Business	Finance & Legal	Corporate Governance, Compliance & Risk Management
1	Mr. Ravi Jaipuria	✓	✓	✓	✓	✓	✓
2	Mr. Varun Jaipuria	✓	✓	✓	✓	✓	✓
3	Mr. Raj Gandhi	✓	✓	✓	✓	✓	✓
4	Mr. Virag Joshi	✓	✓	✓	✓	✓	✓
5	Mr. Manish Dawar	✓	✓	✓	✓	✓	✓
6	Dr. Naresh Trehan	✓	✓	✓	✓	✓	✓
7	Dr. Ravi Gupta	✓	✓	✓	✓	✓	✓
8	Mr. Pradeep Sardana	✓	✓	✓	✓	✓	✓
9	Ms. Rashmi Dhariwal	✓	✓	✓	✓	✓	✓
10	Dr. Girish Kumar Ahuja	✓	✓	✓	✓	✓	✓

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee, inter-alia, considers criteria as prescribed under the Companies Act, 2013 ('the Act') and SEBI (LODR) Regulations viz. positive attributes, area of expertise, number of directorships and memberships held in various committees of other companies by such persons in accordance with the Company's Policy. The Board considers the Committee's recommendation and takes appropriate decision.

A statement in connection with fulfilling the criteria of Independence and directorships as required under the provisions of the Act and SEBI (LODR) Regulations received from each of Independent Directors is disclosed in the Board's Report. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Terms and Conditions for appointment of Independent Directors are available on website https://www.dil-rjcorp.com/wp-content/uploads/2022/03/Terms-and-conditions-of appointment-of-Independent-Directors_DIL.pdf.

In the opinion of the Board, the Independent Directors fulfill the conditions as specified in the Act and SEBI (LODR) Regulations and are Independent of the management.

Independent Directors' Induction and Familiarization

An appropriate induction program for new Directors and ongoing training for existing Directors is a major contributor in maintaining the high Corporate Governance standards of the Company. The Whole-time Directors and the Company Secretary are jointly responsible for ensuring such induction and training programmes are provided to the Directors. The management provides such information and training either at the meeting of Board of Directors or otherwise. The details of such familiarization programme for Independent Directors are posted on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2022/03/Familiarisation_Programme-for-Independent-Directors_DIL-1.pdf.

Board Evaluation

The Board of Directors of the Company ensures formation and monitoring of robust evaluation framework of the Individual Directors including Chairman of the Board, Board as a whole and various Committees thereof and carries out the evaluation of the Board, the Committees of the Board and Individual Directors, including the Chairman of the Board on annual basis.

Board Evaluation for the Financial Year ended March 31, 2022 has been completed by the Company internally which included the evaluation of the performance of the Board as a whole, Board Committees and Directors individually including the Chairman of the Board and results of the same were shared with the Board.

Internal Audit

As recommended by the Audit, Risk Management and Ethics Committee, the Board of Directors in their meeting held on April 21, 2021 re-appointed M/s O P Bagla & Co., LLP, Chartered Accountants as Internal Auditors of the Company for the Financial Year 2021-22 to conduct internal audit of the Company and their report on findings is submitted to the Audit, Risk Management and Ethics Committee on periodic basis.

Separate Meeting of Independent Directors

To comply with the provisions of Schedule IV of the Act read with Regulation 25 of SEBI (LODR) Regulations, the Independent Directors met once during the Financial Year 2021-22, without the presence of Non-Independent Directors and members of the management team and inter-alia reviewed:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors; and
- The quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, interactions also took place between the Chairman and Independent Directors

Board Meetings, Board Committee Meetings and Procedure

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

As at the end of the year under review, the Board has 7 (Seven) Committees, namely Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Allotment Committee, IPO Committee and Investment and Borrowing Committee.

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

Board Meetings/Committee Meetings

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

The agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Whole-time Director(s) and the Chairman of the Company. The agenda is generally circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. However, in case of urgency, the agenda is circulated along with shorter notice as per the provisions of the Secretarial Standard on Meetings of the Board of Directors.

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

The Company also provides facility to the Directors to attend meetings of the Board and its Committees through Video/ Tele Conferencing mode.

10 (Ten) Board meetings were held during the Financial Year 2021-22 on April 21, 2021, May 13, 2021, July 12, 2021, July 14, 2021, July 20, 2021, July 26, 2021, August 09, 2021, November 01, 2021, December 13, 2021 and February 04, 2022 The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act and Regulation 17(2) of the SEBI (LODR) Regulations.

Board Business

The business of the Board inter-alia includes:

- Framing and overseeing progress of the Company's annual plan and operating framework.
- Framing strategies for direction of the Company and for corporate resource allocation.
- Reviewing financial plans of the Company.
- Reviewing the quarterly and annual financial results of the Company.
- Reviewing the Annual Report including Audited Annual Financial Statements for adoption by the Members.
- Reviewing progress of various functions and business of the Company.
- Reviewing the functioning of the Board and its Committees.
- Reviewing the functioning of subsidiary companies.
- Considering / approving the declaration / recommendation of dividend.
- Reviewing and resolving fatal or serious accidents or dangerous occurrences, any material significant effluent or pollution problems or significant labour issues, if any.
- Reviewing the details of significant development in human resources and industrial relations front.
- Reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement.
- Reviewing compliance with all relevant legislations and regulations and litigation status, including materiality, important show cause, demand, prosecution and penalty notices, if any.
- Advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any.
- Appointing Directors on the Board and Key Managerial Personnel, if any.
- Reviewing various policies of the Company and monitoring implementation thereof.
- Reviewing details of risk evaluation and internal controls.
- Reviewing reports on progress made on the ongoing projects.
- Monitoring and reviewing board evaluation framework

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. He is also responsible for preparation of Agenda in consultation with the Whole-time Director(s) and the Chairman of the Company and convening of Board and Committee Meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises and assures the Board on Compliance and Governance principles.

Recording Minutes of proceedings of Board and Committee meetings

The Company Secretary ensures appropriate recording of minutes of proceedings of each Board and Committee Meeting. The minutes are entered in the Minutes Book within 30 (Thirty) days from the date of conclusion of the meetings as per the Secretarial Standards issued by the Institute of Company Secretaries of India.

Post meeting follow-up mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/divisions. Action-taken report (if any) on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committees for noting.

Attendance of Directors at Board Meetings & last Annual General Meeting (AGM), number of other Directorships and Chairmanships / Memberships of Committees and Shareholding of each Director in the Company:

Name and DIN	Designation & Category	Attendance in Financial Year 2021-22		Number of Directorships in other Companies as on March 31, 2022 $		Committee Membership and Chairmanship in other Companies# as on March 31, 2022		Shareholding in the Company as on March 31, 2022
		Board Meetings	AGM	Private	Public	Chairmanship	Membership	
Mr. Ravi Jaipuria (00003668)	Promoter (Non-executive Chairman)	10/10	Yes	2	4	NIL	1	21,14,103
Mr. Varun Jaipuria (02465412)	Promoter (Non-executive Director)	9/10	Yes	3	2	NIL	NIL	3,96,25,617
Mr. Raj Gandhi (00003649)	Non-executive Director	10/10	Yes	2	7	NIL	3	30,00,000
Mr. Virag Joshi (01821240)	Whole-time Director & Chief Executive Officer (Executive Director)	10/10	Yes	NIL	2	NIL	NIL	1,00,04,635
Mr. Manish Dawar (00319476)	Whole-time Director & Chief Financial Officer (Executive Director)	10/10	Yes	NIL	1	NIL	NIL	9,05,003
Dr. Naresh Trehan (00012148)	Non-executive & Independent Director	10/10	Yes	6	3	NIL	NIL	NIL
Dr. Ravi Gupta (00023487)	Non-executive & Independent Director	9/10	No	11	4	5	5	NIL
Mr. Pradeep Sardana (00682961)	Non-executive & Independent Director	10/10	Yes	NIL	1	NIL	NIL	4,635
Ms. Rashmi Dhariwal (00337814)	Non-executive & Independent Director	10/10	Yes	5	4	1	5	NIL
Dr. Girish Kumar Ahuja (00446339)	Non-executive & Independent Director	10/10	Yes	3	6	5	7	NIL

 # Includes only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 companies.

$ Does not include directorship in foreign companies.

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

Pursuant to Part C of Schedule V of the SEBI (LODR) Regulations, details of Directorship in other listed entity and category of Directorship as on March 31, 2022, are mentioned below:

Sl. No	Name of Director	Company	Category of Directorship
1	Mr. Ravi Jaipuria	Varun Beverages Limited	Non-executive Director
2	Mr. Varun Jaipuria	Varun Beverages Limited	Whole-time Director
3	Mr. Raj Gandhi	Varun Beverages Limited	Whole-time Director
4	Dr. Naresh Trehan	Varun Beverages Limited	Non-executive & Independent Director
5	Dr. Ravi Gupta	Varun Beverages Limited	Non-executive & Independent Director
6	Mr. Pradeep Sardana	Varun Beverages Limited	Non-executive & Independent Director
7	Ms. Rashmi Dhairwal	Varun Beverages Limited	Non-executive & Independent Director
8	Dr. Girish Kumar Ahuja	Ruchi Soya Industries Limited	Non-executive & Independent Director
		Amber Enterprises India Limited	Non-executive & Independent Director
		Unitech Limited	Non-executive & Independent Director

Committees of the Board

The Board Committees play a vital role in strengthening the Corporate Governance practices. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board as a part of good governance practice. The Board supervise the execution of responsibilities by the Committee. Minutes of the proceedings of all the Committee meetings are circulated to the Board to take note of the same. The Board Committees may request special invitees to join the meeting, as appropriate.

As required under Schedule V (Annual Report) of the SEBI (LODR) Regulations, mandatory disclosure(s) related to the Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee are as follows:

(i) Audit, Risk Management and Ethics Committee

The terms of reference and composition of the Audit, Risk Management and Ethics Committee satisfy the requirements of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 18 and 21 of the SEBI (LODR) Regulations.

The brief terms of reference of Audit, Risk Management and Ethics Committee are as under:

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible.
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company
- Approval of payment for any other services rendered by the statutory auditors of the Company.
- Reviewing with the Management the quarterly / annual results and annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter-alia, include reviewing changes in the accounting policies and reasons for the same, major accounting entries involving estimates based on exercise of judgement by Management, significant adjustments made in the financial statements.
- Review the Management's Discussion and Analysis of financial condition and results of operations.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the whistle blower/ vigil mechanism.
- Formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Evaluate and review the risk management plan, the risk management system, including risk policy, risk process (risk identification, assessment, mitigation and monitoring), cyber security processes and risk registers laid down by the Management.
- Approval of the appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

The Audit, Risk Management and Ethics Committee met 7 (Seven) times during the Financial Year 2021-22, on April 21, 2021, July 14, 2021, July 20, 2021, September 13, 2021, November 01, 2021, December 13, 2021 and February 04, 2022.

Composition of the Committee and attendance of the Members at the meetings held during the Financial Year 2021-22:

Sl. No.	Name	Category	Designation	No. of Meetings Attended
1	Dr. Ravi Gupta	Independent Director	Chairman	7/7
2	Ms. Rashmi Dhariwal	Independent Director	Member	7/7
3	Dr. Girish Kumar Ahuja*	Independent Director	Member	6/6
4	Mr. Raj Gandhi*	Non-executive Director	Member	1/1

**To follow good Corporate Governance practice Mr. Raj Gandhi resigned w.e.f. April 21, 2021 and Dr. Girish Kumar Ahuja has been appointed as Member of the Committee w.e.f. April 21, 2021, to ensure that all members of the Committee are Independent Directors.*

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

The Company Secretary acts as Secretary to the Committee.

The member of the Audit, Risk Management and Ethics Committee was present at the last AGM held on July 15, 2021 to answer the queries of the members of the Company.

(ii) Stakeholders' Relationship Committee

The terms of reference and composition of the Stakeholders' Relationship Committee satisfy the requirements of Section 178 of the Act and Regulation 20 of SEBI (LODR) Regulations.

The objective of the Stakeholders' Relationship Committee is to consider and resolve the grievances of security holders of the Company including but not limited to complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings and review of services rendered by the Registrar and Share Transfer Agent.

Composition of the Committee during the Financial Year 2021-22:

Sl. No.	Name	Category	Designation
1	Dr. Ravi Gupta	Independent Director	Chairman
2	Ms. Rashmi Dhariwal	Independent Director	Member
3	Mr. Raj Gandhi	Non-executive Director	Member
4	Mr. Manish Dawar	Whole-time Director	Member

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

The Company Secretary acts as Secretary to the Committee and also designated as a Compliance Officer of the Company.

The member of the Stakeholders' Relationship Committee was present at the last AGM held on July 15, 2021.

Investor Grievances / Complaints

The details of the Investor Complaints received and resolved during the Financial Year 2021-22 are as follows:

Opening Balance	No. of complaints received	No. of complaints resolved	No. of complaints not solved to the satisfaction of shareholders	No. of complaints pending
0	5255	5255	0	0

To enable investors to share their grievance or concern, Company has set up a dedicated e-mail ID companysecretary@dil-rjcorp.com

(iii) Nomination and Remuneration Committee

The terms of reference and composition of the Nomination and Remuneration Committee satisfy the requirements of Section 178 of the Act and Regulation 19 of SEBI (LODR) Regulations and SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time.

The brief terms of reference of Nomination and Remuneration Committee are as under:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees and for evaluation of the performance of independent directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board of Directors their appointment and removal, and specify the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- Determine whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors; and
- Framing suitable policies and systems to ensure that there is no violation by an employee as well as by the Company of any applicable laws in India or overseas, including:

  (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

The Nomination and Remuneration Committee met 4 (Four) times during the Financial Year 2021-22 on April 21, 2021, July 14, 2021, November 01, 2021 and February 04, 2022.

Composition of the Committee and attendance of the Members at the meetings held during the Financial Year 2021-22:

Sl. No.	Name	Category	Designation	No. of Meetings Attended
1	Ms. Rashmi Dhariwal	Independent Director	Chairperson	4/4
2	Dr. Ravi Gupta	Independent Director	Member	4/4
3	Mr. Ravi Jaipuria	Non-executive Chairman	Member	4/4
4	Mr. Vishesh Shrivastav*	Nominee Director	Member	1/1

** Mr. Vishesh Shrivastav has resigned from the Membership of the Committee w.e.f. April 21, 2021,*

Note: Video/Tele-conferencing facility is offered to facilitate Directors to participate in the meetings.

The Company Secretary acts as Secretary to the Committee.

The Chairperson of the Nomination and Remuneration Committee was present at the last AGM held on July 15, 2021 to answer the queries of the members of the Company.

Performance evaluation criteria for Directors

The Nomination and Remuneration policy of the Company lays down the criteria of appointment and remuneration of Directors/Key Managerial Personnel including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the SEBI (LODR) Regulations. An indicative list of factors that may be evaluated including but not limited to participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

Remuneration of Directors

Details of remuneration paid to Directors of the Company for the Financial Year ended March 31, 2022, are as follows:

(₹ in million)

Sl. No.	Name	Sitting Fee	Salary	Perquisite*	Bonus/Incentive	Total
1	Mr. Ravi Jaipuria	-	-	-	-	-
2	Mr. Varun Jaipuria	-	-	-	-	-
3	Mr. Raj Gandhi	-	-	-	-	-
4	Mr. Virag Joshi	-	30.63	-	-	30.63
5	Mr. Manish Dawar	-	29.28	99.42	-	128.70
6	Dr. Ravi Gupta	2.10	-	-	-	-
7	Mr. Pradeep Sardana	1.00	-	-	-	-
8	Ms. Rashmi Dhariwal	2.10	-	-	-	-
9	Dr. Naresh Trehan	-	-	-	-	-
10	Dr. Girish Kumar Ahuja	1.60	-	-	-	-

** Perquisites includes stock options as per ESOP Scheme(s) of the Company.*

The details of specific service contracts, notice period and severance fees etc. are governed by the appointment letter issued to respective Director at the time of his / her appointment.

Criteria of making payments to Non-executive Directors including all pecuniary relationship or transactions of Non-executive Directors

The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.

There has been no pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company during the year except the sitting fee paid to them as detailed above.

Prohibition of Insider Trading

To comply with the provisions of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading and the same is uploaded on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2022/05/Code-of-Conduct-for-Prohibition-of-Insider-Trading.pdf .

Vigil Mechanism / Whistle Blower Policy

To comply with the provisions of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, the Company has adopted a Vigil Mechanism / Whistle Blower Policy for Directors and Employees of the Company. Under the Vigil Mechanism Policy, the protected disclosures can be made by a victim through an e-mail or a letter to the Vigilance Officer or to the Chairman of the Audit, Risk Management and Ethics Committee.

The Policy provides for adequate safeguards against victimization of Directors and Employees who avail of the vigil mechanism and also provides a direct access to the Vigilance Officer or the Chairman of the Audit, Risk Management and Ethics Committee, in exceptional cases. No personnel of the Company has been denied access to the Audit, Risk Management and Ethics Committee.

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

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

Compliance with the Code of Conduct

To comply with the provisions of Regulation 17(5) of SEBI (LODR) Regulations, the Company has adopted "Code of Conduct for Board of Directors and Senior Management" (Code). Code is available on website of the Company at https://www.dil-rjcorp.com/wp-content/uploads/2021/08/Code-Of-Conduct-For-Board-Of-Directors-and-Senior-Management.pdf .

On the basis of declarations received from Board Members and Senior Management Personnel, the Whole-time Director & Chief Executive Officer has given a declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the Financial Year 2021-22. A copy of such declaration is also attached with this report.

General Body Meetings

Annual General Meeting

The Annual General Meetings ('AGM') of the Company during the preceding three years were held at the following venues, dates and times, wherein the following special resolutions were passed:

AGM	Financial Year	Day, Date & Time	Venue/Mode	Brief description of Special Resolutions
30th	2020-21	Thursday, July 15, 2021 at 03:00 P.M.	Registered Office Through Video Conferencing / Other Audio Visual Means Facility	• Payment of profit related commission to Non-executive Directors
29th	2019-20	Thursday, September 24, 2020 at 11: 00 A.M.	Registered Office Through Video Conferencing / Other Audio Visual Means Facility	• Alter the Memorandum of Association. • Amend the Articles of Association
28th	2018-19	Thursday, September 26, 2019 at 11:00 A.M.	Registered Office F-2/7. Near Honda Showroom, Okhla Industrial Area, Phase – 1, New Delhi-110020	• Appoint Mrs. Dhara Jaipuria, holding office or place of profit as an Executive-Director • Increase the applicable Limit for making Investments/ extending Loans and giving guarantees or providing securities • Approve power to borrow funds not exceeding ₹ 1000 crores. • Approve the power to create Charge on the Assets of the Company to secure borrowings not exceeding ₹ 1000 crores.

Extra-ordinary General Meeting

Apart from the Annual General Meeting, the Extra Ordinary General Meeting of the Company was held during the Financial Year 2021-22.

EGM	Financial Year	Day, Date & Time	Venue/Mode	Brief description of Special Resolutions
1st EGM of FY 21-22	2021-22	Tuesday, May 04, 2021 at 05:00 P.M.	Registered Office Through Video Conferencing / Other Audio Visual Means Facility	• Appointment of Dr. Girish Kumar Ahuja (DIN: 00446339) as an Independent Director of the Company • Appointment of Dr. Naresh Trehan (DIN: 00012148) as an Independent Director of the Company • Approval for Increase in Authorised Share Capital of the Company • Approval for Alteration of the Articles of Association of the Company.

Postal Ballot

During the year under review, no business has been transacted through postal ballot.

No special resolution is proposed to be conducted through postal ballot.

Means of Communication

Information like Quarterly / Half Yearly / Annual Financial Results and press releases / presentations on significant developments in the Company that have been made available from time to time have been submitted to the Stock Exchanges to enable them to put on their websites and communicate to their Members. The same is also made available to Institutional Investors or to the Analysts, if any and are also hosted on the Company's website at https://dil-rjcorp.com/.

The Quarterly / Half Yearly / Annual Financial Results are published in English and Hindi language newspapers normally in Business Standard. Moreover, a report on Management Discussion & Analysis as well as Business Responsibility Report also forms part of the Annual Report. The Company is filing all reports / information including Quarterly Financial Results, Shareholding Pattern, and Corporate Governance Report etc., electronically on NSE website viz. www.nseindia.com and on BSE website viz. www.bseindia.com.

General Shareholders Information

A) Annual General Meeting

Date: June 28, 2022 (Tuesday)
Time: 11:00 A.M. (IST)
Venue/Mode: Through Video Conferencing / Other Audio Visual Means facility

B) Financial Year

The Financial Year of the Company starts from April 01 and ends on March 31 every year.

C) Financial Calendar 2022-23 (tentative)

First Quarter Results	On or before August 14, 2022
Second Quarter Results	On or before November 14, 2022
Third Quarter Results	On or before February 14, 2023
Audited Annual Results for the financial year ending on March 31, 2023	On or before May 30, 2023
Annual Book Closure	June 21, 2022 to June 28, 2022 (both days inclusive)

D) Dividend and its Payment

During the year under review, the Board of Directors have not recommended or declared any dividend on equity shares of the Company.

E) Listing of Shares on Stock Exchanges and Stock Code

Sl. No.	Name and Address of the Stock Exchange	Stock code
1	National Stock Exchange of India Limited, Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 ("NSE")	DEVYANI
2	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 ("BSE")	543330

Annual listing fee for the Financial Year 2022- 23 has been paid to the National Stock Exchange of India Limited and BSE Limited.

F) Listing of Debt Instruments on Stock Exchanges and Codes: Not Applicable

G) Market Price Data for the period August 16, 2021 to March 31, 2022*

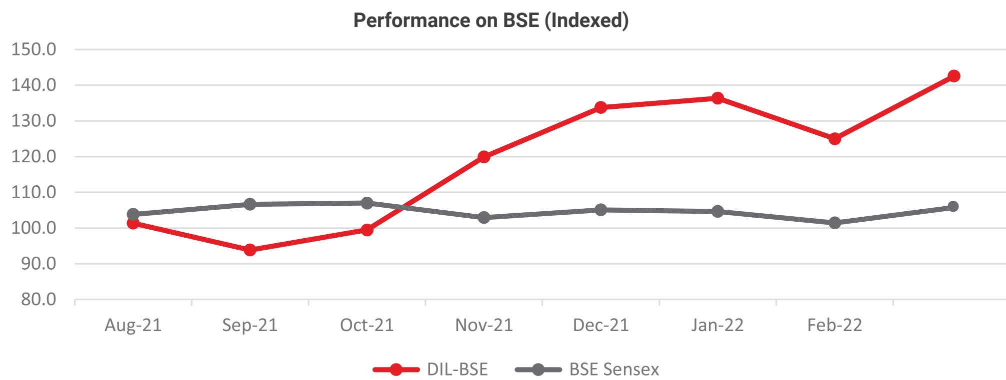
Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
Aug-21	141.05	107.70	1,64,31,580	140.90	107.55	28,38,76,000
Sep-21	129.70	114.80	1,17,56,137	129.70	114.80	9,51,41,000
Oct-21	129.00	111.85	1,05,23,224	128.40	111.85	9,92,33,000
Nov-21	171.00	120.80	2,02,78,712	171.00	120.90	22,57,88,000
Dec-21	198.85	147.15	1,41,09,543	198.90	147.10	16,86,40,000
Jan-22	197.20	162.10	83,18,332	197.30	162.00	9,98,07,000
Feb-22	185.95	141.05	66,74,582	186.00	141.00	7,74,61,000
Mar-22	177.50	148.75	46,86,171	177.50	148.65	6,62,18,000

** Company got listed on BSE and NSE w.e.f. August 16, 2021.*

Performance in comparison to broad - based indices

Performance on BSE

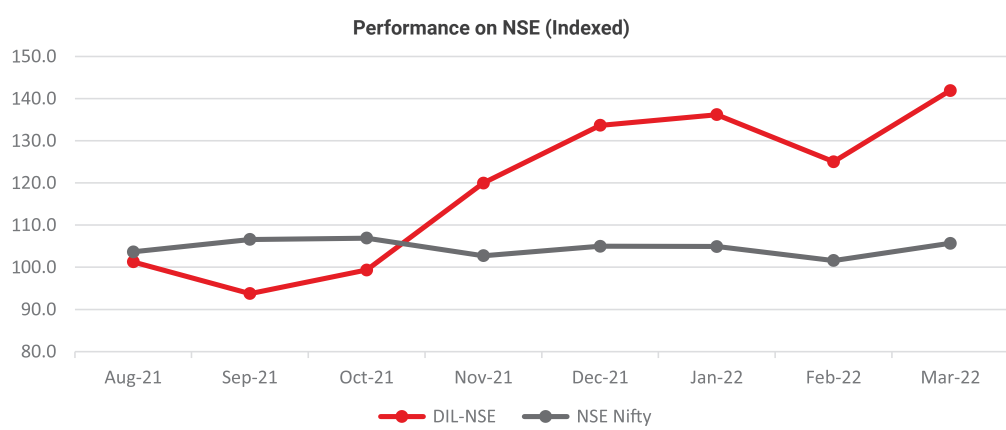
Comparison of share price of DIL with BSE Sensex.



	Aug'21	Sept'21	Oct'21	Nov'21	Dec'21	Jan' 22	Feb' 22	Mar'22
DIL BSE	101.38	93.84	99.47	119.90	133.77	136.36	125.01	142.12
BSE Sensex	103.82	106.65	106.98	102.94	105.08	104.65	101.46	105.65

Performance on NSE

Comparison of share price of DIL with NSE Nifty.



	Aug'21	Sept'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22
DIL NSE	101.30	93.77	99.35	119.96	133.64	136.19	125.02	141.90
NSE Nifty	103.65	106.59	106.91	102.75	104.99	104.90	101.60	105.66

H) Registrar and Share Transfer Agent

The Registrar and Share Transfer Agent of the Company was changed from "KFin Technologies Private Limited" to "Link Intime India Private Limited" w.e.f. April 21, 2021 and all the work relating to the shares held in physical form as well as the shares held in the electronic (demat) form is being done by Link Intime India Private Limited, whose details are given below:

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2, LSC
C-1 Block, Near Savitri Market, Janakpuri
New Delhi-110058
Tel: +91 11 49411000
Fax: +91 11 41410591
E-mail: delhi@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration No.: 000004058

I) Share Transfer System

As on March 31, 2022 – 120,47,36,223 (One Hundred Twenty Crore Forty Seven Lakh Thirty Six Thousand Two Hundred Twenty Three) equity shares of the Company were in dematerialized form and 155 (One Hundred Fifty Five) equity shares were held in physical form.

Transfer of Equity Shares in dematerialized form are done through depositories with no involvement of the Company. In terms of SEBI (LODR) Regulations, securities of listed companies can only be transferred in dematerialized form including where the claim is lodged for transmission or transposition of shares. Company obtains a yearly certificate from a Company Secretary in Practice as required under Regulation 40(9) of SEBI (LODR) Regulations and file copy of the said certificate with the Stock Exchanges.

Accordingly, to avail benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.

J) Distribution of Shareholding (as on March 31, 2022)

(Nominal Value ₹ 1 per share)

Shareholding	No. of Shareholders	Percentage	Amount (₹)	Percentage
1 – 5000	2,76,015	99.59	4,02,41,987	3.34
5001 – 10000	573	0.21	42,76,451	0.36
10001 - 20000	230	0.08	33,13,978	0.28
20001 - 30000	67	0.03	16,95,097	0.14
30001 - 40000	45	0.01	16,15,337	0.13
40001 - 50000	39	0.01	18,62,146	0.15
50001 - 100000	49	0.02	36,42,078	0.30
100001 & Above	149	0.05	1,14,80,89,304	95.30
Total	**2,77,167**	**100.00**	**1,20,47,36,378**	**100.00**

K) Categories of Shareholders (as on March 31, 2022)

Sl. No.	Category	Total No. of Equity Shares	Percentage
1	Alternate Investment Funds - II	1,11,14,443	0.92
2	Alternate Investment Funds - III	10,38,081	0.09
3	Body Corporate – Limited Liability Partnership	2,22,92,982	1.85
4	Corporate Bodies (Promoter Co)	71,48,21,970	59.33
5	Clearing Members	5,63,996	0.05
6	Foreign Company	9,80,00,000	8.13
7	Foreign Portfolio Investors (Corporate)	8,30,72,722	6.90
8	Foreign Nationals	700	0.00
9	Hindu Undivided Family	16,27,991	0.14
10	Insurance Companies	2,52,85,567	2.09
11	Mutual Funds	2,90,48,468	2.41

Sl. No.	Category	Total No. of Equity Shares	Percentage
12	Nationalised Banks	28,31,635	0.24
13	Non Resident Indians	15,88,830	0.13
14	Non Resident (Non Repatriable)	8,16,211	0.07
15	NBFCs registered with RBI	165	0.00
16	Other Bodies Corporate	8,39,32,274	6.97
17	Other- Directors/Relatives (other than promoters)	1,39,14,273	1.16
18	Public	7,30,42,566	6.06
19	Promoters	4,17,39,720	3.46
20	Trusts	3784	0.00
	Total	**1,20,47,36,378**	**100.00**

L) Dematerialization of Shares and Liquidity

As on March 31, 2022, 99.99% of the total equity shares were held in dematerialized form. The Company's shares are actively traded on the stock exchanges.

The Company does not have any GDR's/ADR's/ Warrants or any Convertible instruments having any impact on equity.

M) Commodity price risk or foreign exchange risk and hedging risk

The details for the same have been provided in the Notes to Financial Statements of the Company for the Financial Year 2021-22.

N) **Credit Rating:** Not Applicable

O) Plant Location

One of the key functions of our business for Costa Coffee stores and stores of our other brands is the manufacture and/or distribution of the food items and other consumables used in the stores by our own commissary based in Gurugram.

p) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit is conducted by a Company Secretary in practice to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories) and that the requests for dematerialization of shares shall be processed by the Registrar and Share Transfer Agent within statutory period and uploaded with the concerned depositories.

Q) Equity Shares in the Suspense Account

The Company does not have any shares in the demat suspense account or unclaimed suspense account as on March 31, 2022.

R) Compliances under SEBI (LODR) Regulations

The Company is regularly complying with the SEBI (LODR) Regulations as stipulated therein. Information, certificates and returns as required under the provisions of SEBI (LODR) Regulations are sent to the stock exchanges within the prescribed time.

S) CEO and CFO Certification

To comply with Regulation 17(8) of SEBI (LODR) Regulations, the Whole-time Director & Chief Executive Officer (CEO) and the Whole-time Director & Chief Financial Officer (CFO) of the Company have given Compliance Certificate stating therein matters prescribed under Part B of Schedule II of the said Regulations which forms part of this Corporate Governance Report.

To comply with Regulation 33(2)(a) of SEBI (LODR) Regulations, while placing the Quarterly Financial Results before the Board of Directors, the CEO and CFO certifies that the Financial Results do not contain any false or misleading statement or figures or do not omit any material fact which may make the statements or figures contained therein misleading.

T) Certificate from Company Secretary in Practice regarding Non-disqualification of Directors

None of the Directors on the Board of the Company have been debarred or disqualified from appointment or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34 of the SEBI (LODR) Regulations and certificate in this respect received from an Independent Firm of Practising Company Secretaries is annexed.

S) **Fees paid to the Statutory Auditors**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and their other associated firms during the Financial Year ended March 31, 2022, is as follows:

(₹ in Million)

Particulars	M/s. Walker Chandiok & Co. LLP	M/s. APAS & Co. LLP
Audit Fees	4.50	4.70*
Other Services	2.45	1.22
Reimbursement of Expenses	0.10	-
Total	**7.05**	**5.92**

** includes ₹ 0.30 paid by Devyani Food Street Private Limited and ₹ 0.30 paid by Devyani Airport Services (Mumbai) Private Limited.*

T) **Particulars of Loans, Guarantees and Securities**

Your Company has neither advanced any loans or given any guarantees and / or provided any securities to anybody, whether directly or indirectly, within the meaning of Section 185 of the Companies Act 2013. In addition thereto, the Company has not extended any loans and advances in the nature of loans to firms/ companies in which directors are interested.

U) **Information on Deviation from Accounting Standards, if any**

No deviations from Indian Accounting Standards (Ind AS) in preparation of annual accounts for the Financial Year 2021-22.

V) **Investor Correspondence**

Mr. Rajiv Kumar
GM – Investor Relations
Plot no. 18, Sector – 35, Near Hero Honda Chowk,
Gurugram 122 004 (Haryana)
Tel: +91 124-4566300
Email: investor.relations@dil-rjcorp.com

W) **Disclosure of Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations**

The Company has complied with the applicable provisions of SEBI (LODR) Regulations including Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on Corporate Governance signed by Compliance Officer and/or Chief Financial Officer to the Stock Exchange(s) within 21 (Twenty One) days from the close of every quarter. Such quarterly compliance reports on Corporate Governance are also posted on website of the Company.

Compliance of the conditions of Corporate Governance have also been audited by an Independent Firm of Practising Company Secretaries.

After being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is annexed with this report and the same will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

DISCLOSURES

(i) The Company has not entered into any materially significant related party transactions which have potential conflict with the interests of the Company at large. The Board of Directors had approved a Policy on Related Party Transactions and the same is uploaded at https://www.dil-rjcorp.com/wp-content/uploads/2021/06/Policy-on-Related-Party-Transactions.pdf .

(ii) The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets and there were no instances of non-compliance during the last three years.

(iii) Policy for Determination of Material Subsidiary and Governance of Subsidiaries can be accessed at https://www.dil-rjcorp.com/wp-content/uploads/2021/06/Policy-on-Material-Subsidiary.pdf .

(iv) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report.

Green Initiative

Pursuant to Sections 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, the Company can send Notice of Annual General Meeting, Financial Statements and other communication in electronic form. Your Company is sending the Annual Report including the Notice of Annual General Meeting, Audited Financial Statements, Board's Report along with their annexure etc. for the Financial Year 2021-22 in electronic mode to the shareholders who have registered their e-mail address with the Company and/or their respective Depository Participants (DPs).

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company / RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

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

Ravi Jaipuria
Chairman
DIN: 00003668

Place: Gurugram
Date: May 2, 2022

CODE OF CONDUCT

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the website of the Company viz. www.dil-rjcorp.com.

It is further confirmed that all the Directors and Senior Management have affirmed their compliance with the Code for the Financial Year ended March 31, 2022.

Virag Joshi
Whole-time Director & CEO
DIN: 01821240

Place: Gurugram
Date: May 2, 2022

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

We, Virag Joshi, Whole-time Director & CEO and Manish Dawar, Whole-time Director & CFO of Devyani International Limited, pursuant to the requirement of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our knowledge and belief, hereby certify that:-

A) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2022 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the Auditors and the Audit, Risk Management and Ethics Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the Auditors and the Audit, Risk Management and Ethics Committee:

   (i) significant changes in internal control over financial reporting during the Financial Year ended March 31, 2022;

   (ii) significant changes in accounting policies during the said Financial Year and that the same have been disclosed in the notes to the Financial Statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurugram	**Virag Joshi**	**Manish Dawar**
Date : May 2, 2022	Whole-time Director & CEO	Whole-time Director & CFO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
DEVYANI INTERNATIONAL LIMITED
(CIN: L15135DL1991PLC046758)
F-2/7, Okhla Industrial Area, Phase-I,
New Delhi-110020

1. That equity shares of Devyani International Limited (hereinafter referred as "the Company") are listed on BSE Limited and National Stock Exchange of India Limited.

2. We have examined the relevant disclosures received from the Directors, registers, records, forms and returns maintained by the Company and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164, 149 of the Companies Act, 2013 (the Act) and Director Identification Number (DIN) status at the portal i.e. www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	Director Identification Number	Date of Appointment
1.	Mr. Ravi Kant Jaipuria	00003668	15/07/1996
2.	Mr. Varun Jaipuria	02465412	13/11/2009
3.	Mr. Raj Gandhi	00003649	13/08/2007
4.	Mr. Virag Joshi	01821240	10/11/2004
5.	Mr. Manish Dawar	00319476	17/02/2021
6.	Dr. Ravi Gupta	00023487	06/04/2018
7.	Mr. Pradeep Sardana	00682961	21/04/2021
8.	Ms. Rashmi Dhariwal	00337814	06/04/2018
9.	Dr. Naresh Trehan	00012148	21/04/2021
10.	Dr. Girish Kumar Ahuja	00446339	21/04/2021

4. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company and our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

5. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

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

Devesh Kumar Vasisht
Partner
CP No.: 13700 / Mem. No. F8488
UDIN: F008488D000254558

Place: New Delhi
Date: May 2, 2022

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Devyani International Limited
(CIN: L15135DL1991PLC046758)
F-2/7 Okhla Industrial Area, Phase-I,
New Delhi-110020

We have examined the compliance of conditions of Corporate Governance by Devyani International Limited ("the Company"), for the financial year ended on March 31, 2022 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the LODR Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Devesh Kumar Vasisht
Partner
CP No.: 13700 / Mem. No. F8488
UDIN: F008488D000254602

Place : New Delhi
Date: May 2, 2022

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview

Economies worldwide saw a steady recovery in the year 2021 following easing of COVID-related restrictions. In India, higher vaccination rates and strong pent-up demand led to a robust uptick in consumption across sectors. India's GDP growth during 2021-22 stood at an estimated 8.9% as against a contraction of 6.6% in 2020-21. Growth is expected at 8.2% for 2021-22. With this, India continues to retain the tag of the fastest-growing economies in the world.

The services sector comprising hotels and restaurants, transport, financing, insurance, real estate, and business services, is among the key growth sectors of the Indian economy. This industry also witnessed a healthy recovery during the fiscal year led by improved demand and consumption following the easing of restrictions and re-opening of travel in the country. While consumption continues to remain strong, increase in inflationary pressures, the Russia-Ukraine conflict, and lockdowns in global manufacturing hubs are seen impacting the macro-environment lately. Necessary and timely policy actions across countries are expected to improve conomic prospects going forward.

The global growth is projected to decline from 6.1% in 2021 to 3.6% in 2022, as per IMF estimates.

Source: IMF, April 2022; National Statistical Office, Feb 2022

Industry Overview & Outlook

The food services industry in India has demonstrated remarkable growth over the last decade. Favorable demographics, rising young and working population, enhanced internet proliferation, and changing consumer consumption patterns, among others have been driving strong growth.

The quick services restaurants (QSR) format, too, has evolved over the last few years with offerings ranging from comfort food, quick bites to premium options, and catering to all income levels and markets. In recent years, the industry has witnessed increased consumer preference towards dining out. Additionally, higher frequency of home deliveries and shift towards hygienic organized brands during the pandemic resulted in further growth opportunities for the industry. Both the franchise QSR and independent QSR segments are contributing equally to the market growth.

The pandemic had a significant impact on the industry, with operating restrictions and closures leading to a near 53% contraction. However, National Restaurant Association of India (NRAI) expects a sharp recovery with the industry touching $63 billion in FY22, a growth of nearly 11% over FY20. Digital platforms are gaining prominence, with the share of deliveries and takeaways for restaurant players increasing on an average from 13% during the pre-COVID times to 33% during post-COVID times.

Despite the transient impact of the pandemic on business, the Indian food services industry is on a recovery path and is expected to grow at a strong rate in the coming years driven by growing penetration across markets, premiumization, increased delivery volumes, product innovations, and store expansion.

Source: GLG – June 2021
The Hindu Businessline

Key Drivers for Growth & Opportunity

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

Favorable Demographic Profile

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

Increased Urbanization and Nuclearization of Families

Urbanization and nuclearization of families is transforming the spending habits and food consumption patterns towards higher instances of eating out and home delivery.

Evolving Food Preferences

Growing adoption of western culture and increase in travel and tourism have resulted in increased preference for a blend of international and fusion cuisines.

Increasing Footprint of Food Aggregators

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

Internet and Mobile Penetration

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

Business Overview

Company Snapshot

Devyani International Limited (hereinafter referred to as "DIL" or the "Company") is amongst the largest operators of QSR chain and the largest franchisee of Yum Brands (Pizza Hut and KFC) in India on a non-exclusive basis. In addition, DIL is also a franchisee for Costa Coffee in India. Along with partnering with the industry's largest and most esteemed brands, the Company also has a portfolio of in-house brands such as Vaango and Food Street. As of March 31, 2022, the Company operates 938 stores across 204 cities in India, Nepal, and Nigeria.

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

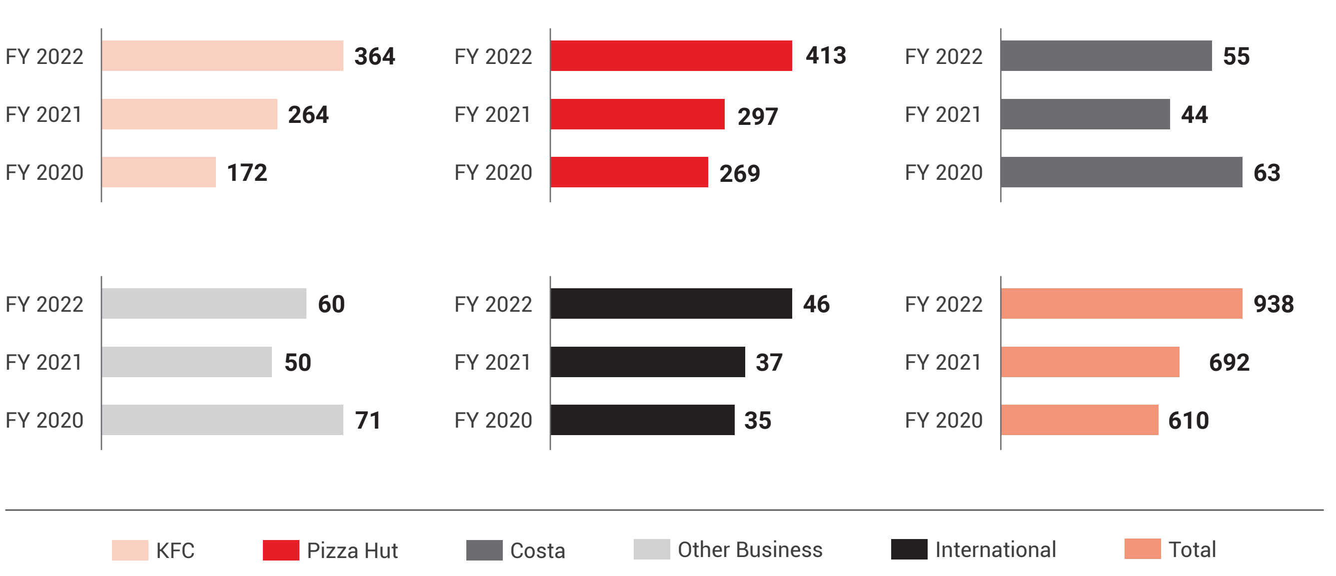
The Company began its long-standing relationship with Yum India in 1997, when it commenced operations of its first Pizza Hut store in Jaipur. It subsequently expanded its operations with both KFC and Pizza Hut franchises and as of March 31, 2022, operates 364 KFC stores and 413 Pizza Hut stores across the country. In addition, DIL operates 55 Costa Coffee stores, as of March 31, 2022. DIL has been consistently expanding its store network. Despite macro-economic headwinds, DIL's store count increased 35.6% from 692 as of March 31, 2021 to 938 as of March 31, 2022.

Key Brands and Verticals

	India				International	
Vertical	QSR	QSR	Coffee	QSR	QSR	
Brands	KFC	Pizza Hut	Costa Coffee	Vaango! & Other Brands	KFC Nepal & Nigeria	Pizza Hut Nepal
Stores*	364	413	55	60	46	

Number of stores as of March 31, 2022

Total Number of Stores



DIL's Growing Domestic Footprint

Year	Stores	Cities	Revenue (1)
FY20	172	76	6,091
FY21	264	97	6,443
FY22	364	133	12,189

DIL is the franchise partner of Yum for KFC in India and an exclusive franchise partner for KFC in Nepal and Nigeria, through its subsidiaries. KFC, a global chicken restaurant brand, has over 25,000 restaurants in over 145 countries and territories around the world.

Year	Stores	Cities	Revenue (1)
FY20	269	82	4,174
FY21	297	100	2,879
FY22	413	136	5,318

DIL is the franchise partner of Yum for Pizza Hut in India. Pizza Hut, the largest pizza company in the world, specializes in the sale of ready-to-eat pizzas. Pizza Hut operates in the delivery, carry-out and casual dining segments around the world with more than 18,000 restaurants in over 100 countries.

Year	Stores	Cities	Revenue (1)
FY20	63	18	820
FY21	44	17	214
FY22	55	21	411

DIL is also the franchisee for the Costa Coffee in India. Costa Coffee is a global coffee shop chain over 3,800 Coffee Shops in 32 countries.

Notes: (1) ₹ Million for India Business

Key developments during the year

- **Devyani successfully completed the Initial Public Offering (IPO) in August 2021**
  - The Company received a very strong response from the investor community, bringing on board marquee global and domestic investors across the spectrum of FIIs, mutual funds, insurance companies, and retail investors.
  - The listing broadened DIL's shareholder base and the proceeds augmented financial strength to address medium-to-long growth prospects.
- **DIL extends partnership with Costa Coffee**
  - DIL has entered into a revised development agreement for its existing Costa business on August 14, 2021, pursuant to which DIL has been granted development rights for pan-India in a phased manner.
  - This agreement has initially granted development rights for a period of 5 years which can be extended from time to time subject to meeting development and contractual obligations.
  - As on March 31, 2022, DIL operates 55 Costa Coffee stores located in nine states and one Union Territory across 21 cities in India.
- **Impact of COVID-19:**
  - Despite the disruptions caused by the pandemic, DIL continued with its growth strategy to steadily expand presence across new cities while simultaneously broadening its foothold in existing markets.
  - The Company reported a record performance during the fiscal year despite the pandemic-related disruptions.
- **Addition of Stores**
  - DIL continues to accelerate expansion across markets, enabling customers to experience its multi-dimensional and globally-renowned brand portfolio.
  - In FY22, the Company added 237 stores (net) in India across Core Brands, taking the total restaurant count to 892 as of March 31, 2022. New store additions during FY22 stood at 246.

Business Strengths

Experienced Management Team

- Mr. Ravi Kant Jaipuria, promoter of the Company has over 30 years of expertise in envisioning, managing, establishing, and growing food, beverage, and dairy businesses in South Asia and Africa.
- The Board of Directors of the Company consists of qualified and highly seasoned professionals with a wide range of experience in finance and business.

Diverse Lineup of Brands

- Strong portfolio of high-growth brands, including KFC, Pizza Hut, Costa Coffee, Food Street, and Vaango.
- Spectrum of brands catering to diverse cuisine segments.

Solid Operational Efficiency

- Significant operational synergies across brands, with cost structures based on scale efficiencies.
- Enhanced store economics and cost efficiencies leading to healthy operating performance.

Multi-Dimensional QSR Player

- The Company's close affiliation with Yum, combined with technological, marketing, and operational skills, has enabled it to position itself as a comprehensive player in the QSR industry in India.

Record store expansions pan-India

- As of March 31, 2022, DIL has 892 stores across all brands in 27 states and 2 union territories across 204 cities in India.
- Added a record total of 246 net new stores during FY2022, led by 116 stores for Pizza Hut, 100 stores for KFC and 11 stores for Costa Coffee.
- Expanded footprint to nearly 50 new cities in FY2022.

Robust Financials

- Surpassed a milestone of ₹20 billion in revenue from operations despite COVID-19 impact.
- Recorded the highest-ever profitability; PAT at ₹1,551 million vs loss of ₹813 million in FY21.

Financial Overview

- The fiscal year 2022 saw several macro-economic challenges such as COVID-related disruptions, unprecedented inflation in input costs, geopolitical tensions, and supply chain and logistics issues around the world. Despite these challenges, the Company showcased strong resilience and delivered a record year of performance.
- The Company opened the highest-ever stores at 246 in FY 2021-22. Huge store additions and the strength of DIL's multi-dimensional brands resulted in strong revenue growth of 84% YoY to ₹20,840 million compared to ₹11,348 million.
- Gross profits increased 88% YoY to ₹14,842 million versus ₹7,902 million in FY2021. Store level profitability further benefited from leverage on higher sales and continuing benefits from long-term cost-saving initiatives.
- Brand contribution margin, a key KPI, improved to 19.9% in FY2022 versus 14.4% in FY2021. This helped to drive the pre-IndAS EBITDA to ₹2,995 million, the highest-ever, with margins improving to 14.4% versus 8.1% in the previous fiscal.
- Net profits from continuing business stood at ₹1,551 million for the year versus a loss of ₹813 million in FY2021.

Particulars	FY22	FY21	YoY Change
Revenue	20,840	11,348	84%
Gross Profit	14,842	7,902	88%
EBITDA	4,760	2,346	103%
Depreciation	2,213	2,295	-4%
Finance Cost	1,270	1,495	-15%
PAT	1,551	-813	NM

Corporate Social Responsibility and Special Initiatives

The Board of Directors of the Company established a corporate social responsibility ("CSR") Committee and adopted a CSR policy effective March 17, 2021. Within this policy, it is authorized to undertake initiatives aimed at eradicating hunger and poverty as well as promoting education, employment, training, and rural development activities. One of its significant initiatives include the 'Add Hope' project under which the Company accepts monetary donations at its KFC outlets and distributes the proceeds to hunger-relief charities.

The Company is also committed to fostering an equitable, open, and multicultural work environment, recognizing that employees are its key resources. Moreover, the Company has also invested in outlets operated by a group of specially-abled employees. These individuals are compensated and offered equal growth opportunities at par with other employees of the Company. DIL continues to encourage them in developing the skills to perform efficiently improving them from time to time.

Human Resources

DIL employed 13,020 employees as of March 31, 2022, with 12,365 in India and 655 outside India. The employees of the Company are trained in conformity with Yum's certification standards. The Company employs experts to help guarantee that its operations fully adhere to the local and national regulations, franchise agreements, relevant manuals, and operational requirements. On-the-job assessments, web-based training modules, and other mandatory fire safety and general functions courses are included in the training processes. An impromptu training audit is also undertaken internally to assure adherence. For every position such as shift manager, assistant restaurant manager, and restaurant general manager, a customized training module is implemented. Centered on an application established by Yum, area managers get additional and more specific training to further improve their productivity and to enable them to further grow in the organization.

None of DIL's employees are represented by a labour union or covered by a collective wage negotiating contract. The part-time personnel of the Company is also assigned with the responsibility of managing peak-hour loads. Furthermore, the Company enters into arrangements with third-party manpower and service organizations to supply contract workers for specific services at its stores, such as security. On a routine basis, the number of contract workers is largely influenced by the scope of the work delegated to independent contractors.

DIL strongly believes in diversity in business operations. The Company is opening women-only stores across core brands of KFC, Pizza Hut, and Costa. As on March 31, 2022, DIL operates more than 20 women-only stores and 13 stores operated by differently-abled employees. These initiatives promote diversity and inclusion in the organization.

Awards & Recognitions during the Year

- Best Overall Performance and Most Improved Taste Scores at Yum EFTS Conference in Asia
- The Most Admired Food Court Operator at the IMAGES Food Service's Awards

Outlook & Strategy

Against the backdrop of a challenging macro-environment, the Company has delivered an encouraging performance across all parameters. The food services industry in India has a strong potential and there are significant growth opportunities across domestic markets. DIL is ideally positioned to capitalize on these growth prospects and its brands are well-equipped to cater to young Indian consumers and their dining habits.

DIL's aim is to continue developing its store footprint across the Core Brands with a focus on unit-level performance to increase its Core Brands delivery business and invest in technology to enhance its digital competence.

Growing Core Brand Footprint – The Company continues to expand its footprint across domestic high-potential markets. Recognizing the growing adoption of western QSR food trends beyond the metros and tier-one cities in the new India, DIL is focused on expanding geographical coverage in both existing and new cities. The food services industry in recent times has consolidated in favor of more organized and well-established brands, with consumers increasingly concerned about the safety and hygiene of products. Capitalizing on this growth opportunity, DIL is strategically expanding its store network of Core Brands in India.

Enhancing business efficiencies – DIL continues to focus on improving the quality of operations, enriching customer experience, and strategically expanding store network in India while efficiently managing unit-level economics and attaining economies of scale. The expansion of stores will create operating leverage as fixed overhead expenditures are spread across a greater number of outlets, thus improving EBITDA margins and profitability. Effective cost management will help manage profitability at the brand level.

Innovative product offerings – Constant focus on product innovation and new launches has enhanced offtake across core brands. DIL launched several new products and innovative campaigns during the year. These new launches saw a strong consumer response in the market. Going forward, several new launches are lined up. Costa Coffee is set to launch a whole new range of drinks and refreshers for the 2022 summer season.

Strengthening Core Brands distribution – The Company will work diligently to improve its delivery performance and plans to establish synergies between Core Brands stores and delivery services by leveraging its broad store network. To complement this approach, the Company plans to open additional Pizza Hut and KFC outlets that will primarily focus on delivery. Furthermore, the Company plans to expand its collaboration with delivery aggregators to capitalize on the rising online delivery segment.

Emphasis on technological developments – To efficiently connect online traffic with its offline resources, the Company aspires to accelerate investment in end-to-end digitization, automation, artificial intelligence, and machine learning.

Risk Management, Audit and Internal Control

As per the provisions of Regulation 21(5) of SEBI (LODR) Regulations, your Company has constituted an Independent Audit, Risk Management and Ethics Committee. The Audit Risk Management and Ethics Committee of the Board of Directors inter-alia monitors and reviews the risk management plan and such other functions as assigned from time to time. We have a robust Risk Management Policy to identify and evaluate business risks and opportunities and to guide the Company in effectively mitigating the various business and operational risks, through strategic actions.

Summarized below are the key risk factors that are identified as well as the proposed mitigation strategies:

Risk Factor	Description	Mitigation Strategies
Business Risk	Sales variation on account of seasonality/ festivals	• Based on analysis of historical trends and close monitoring of market dynamics, Company is able to predict near-term demand trends. • These estimates are used to formulate operational strategy to ensure business is able to capitalize on demand surge and also be adequately prepared to mitigate demand downturn.
	Risks arising out of planning, reporting or day-to-day management process	• Company has a well defined and articulated organization structure. This enables clear and quick communication & information flow. • Company has also worked on creation of adequate management depth within functions to allow uninterrupted operations even in case of non-availability of functional heads.
Market & Industry Risk	Supply Risk	• Develop regional vendor base through identification and due empanelment with Franchisee (Yum! Or Costa). This helps in de-risking business from vendor concentration risk. • Judicious use to long-term contracts to lock-in favorable prices and insulate business from transient pricing issues. • Strong inventory controls to allow real-time visibility of raw material and help in better demand forecasting.
Human Capital	Ensuring business has a talented pool of employees	• Formation and implementation of proper recruitment policy for recruitment of personnel at various levels in the organization. • Employee Training at regular intervals to upgrade their skills. • Undertaking welfare activities for employees. Regular medical check-up of the employees to avoid any cause, infection or spread etc. of any communicable diseases.
IT Risk	Ensuring our systems are scalable and operate reliably	• Repair and upgradation of systems on a continuous basis by personnel who are trained in software and hardware. • Password protection at different levels to ensure data integrity. • Licensed software to be used in the systems. Ensure access control/restrictions for regulated access to data on a need basis with due authorization.

BUSINESS RESPONSIBILITY REPORT

Section A: General information about the Company

S.No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L15135DL1991PLC046758
2	Name of the Company	Devyani International Limited
3	Registered Address	F-2/7 Okhla Industrial Area Phase-I New Delhi 110020
4	Website	https://dil-rjcorp.com/
5	Email-Id	companysecretary@dil-rjcorp.com
6	Financial Year Reported	April 1, 2021 to March 31, 2022
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Division 56– Food & Beverage Service Activities Group 561– Restaurants & Mobile Food Services Group 562– Event Catering & Other Food Service Activities Group 563– Beverage Service Activities
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Food, Beverages and Restaurant business
9	Total number of locations where business activity is undertaken by the Company	
	(i) Number of International Locations (Provide Details of Major 5)	The Company operates following stores on International Locations through its subsidiaries as on 31st March, 2022: a. 28 stores in Nigeria; b. 18 stores in Nepal
	(ii) Number of National Locations	The Company operates 892 stores in India as on 31st March, 2022.
10	Markets served by the Company – Local / State / National / International	The Company operates in India and in the international market through its subsidiaries.

Section B: Financial details of the Company

Paid Up Capital	₹ 1,20,47,36,378*
Total Turnover	₹ 18,532.72* Million
Total Profit after Taxes	₹ 1,533.83* Million
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not Applicable
List of activities in which expenditure in above has been incurred	Not Applicable

**As on 31st March, 2022*

Section C: Other details

S.No.	Particulars	Details
1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Devyani International Limited (DIL) is committed towards the BR initiatives across its organization and its subsidiary(ies)
3	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	The Company engages with all its key stakeholders (e.g. suppliers, community, investors, employees, etc.) and communicates its business responsibility policies to the concerned stakeholders' from time to time through website and meets, etc. Some of the key principles of business responsibility that the Company stands for are even included, to the extent possible, in the agreement signed with suppliers / vendors / service providers etc. The percentage of such stakeholders is less than 30%.

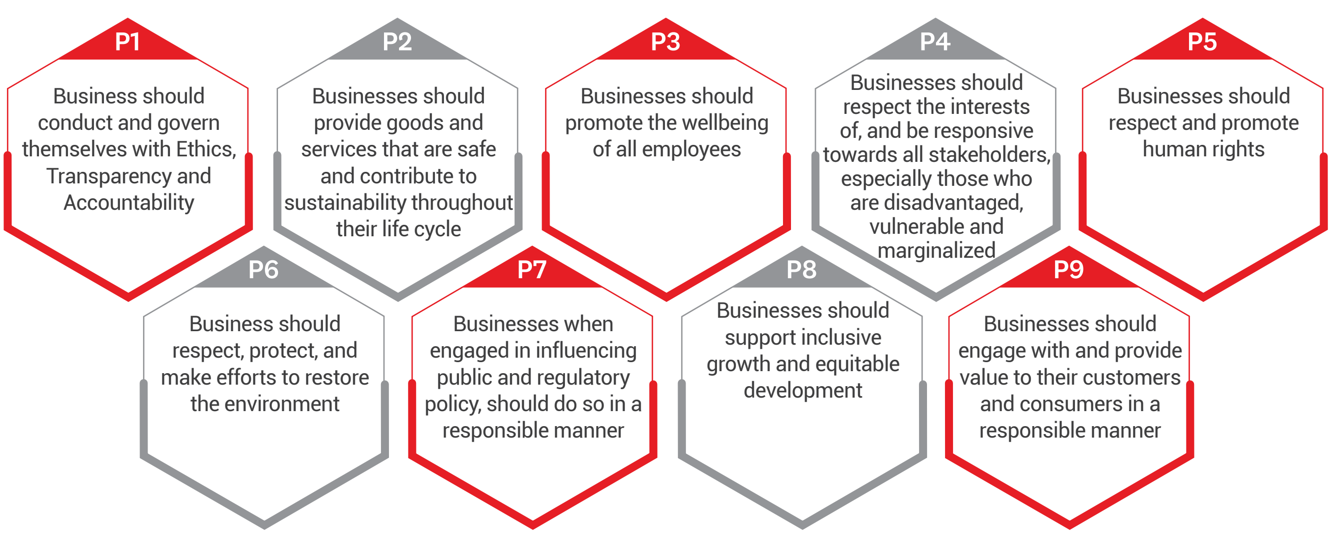
Section D: Business Responsibility information

1. Details of Director/Directors responsible for BR

S.No.	Particulars	Details	
1	Details of the Director/ Directors responsible for implementation of the BR policy/ policies (including ESG initiatives)	DIN Name Designation	01821240 Mr. Virag Joshi Whole Time Director & Chief Executive Officer
2	Details of the BR head	DIN Name Designation Telephone Number E-Mail Id	00319476 Mr. Manish Dawar Whole Time Director & Chief Financial Officer +91-124-4566300, 4786000 companysecretary@dil-rjcorp.com

2. Principles (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine principles of Business Responsibility. These briefly are as follows:



3. Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All employee related policies are uploaded on the intranet portal of the Company for communication and implementation. Other policies are uploaded on the Company's website https://dil-rjcorp.com/.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

4. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company got Listed on Stock Exchanges (BSE & NSE) on 16th August, 2021. The Company is publishing Business Responsibility Report for the first time as a Listed Company.

Section E: Principle-Wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

S.No.	Particulars	Details
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.	Yes
2	Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	Yes
3	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	For details on investor complaints, refer to "Investor Grievances/ Complaints" section of Corporate Governance Report in the Annual Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   DIL is a multi-dimensional comprehensive quick service restaurant (QSR) player in India and amongst the largest operators of chain QSRs in India. We operate three global franchised brands – KFC, Pizza Hut & Costa Coffee, as well as our own brands focusing on Indian cuisine. Across all our brands, we constantly strive to operate our businesses in a sustainable and people-centric manner.

   The processes that DIL follows meet the international safety and quality standards. We endeavour to follow the principles of sustainability across procurement of raw material, transportation of raw materials and at the time of food preparation in our restaurants. In our customer-facing businesses, we have eliminated single-use plastics across all stores (plastic bags, cups/lids, straws) and are using only paper based recyclable and sustainable materials. 100% of paper-based packaging is made of fibre from responsibly managed forests and recycled sources. Costa Coffee procures coffee beans from 100% Rainforest certified farms in India and the quality of the green beans is checked & is scrutinized by the Costa Global team.

   DIL is proud of its steadfast commitment to diversity at workplace. At present, close to 25% of our employees comprise of women employees. We aim to provide better opportunities for our diversity hires, and towards this end, we operate more than 20 women-only stores. Some of our stores run and managed by differently abled employees as well.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   Consumption of energy is closely monitored at our outlets and we are constantly working on introducing more efficient equipment and on optimising our processes to enhance efficiency. As a result, our Electricity cost as a percentage of Revenue in our KFC business has reduced to 3.1% in FY22 from 3.8% in FY21.

   (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   We are continuously working on introducing safer and more energy efficient equipment in our business. Where possible, we are moving to PNG instead of LPG for the fryers. Further, we are exploring moving towards more efficient electric equipments and also exploring substituting the power supply through Solar Panels.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

(a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Costa Coffee procures coffee beans from 100% Rainforest certified farms in India and the quality of the green beans is checked & is scrutinized by the Costa Global team. We are using paper-based packaging that is made of fibre from responsibly managed forests and recycled sources. We are also working towards ensuring that antibiotic presence in our food supply chain is minimized.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

(a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company has tried to create new paths and provide opportunities to the new startups and Micro, small and medium enterprises. The Company also strive to provide opportunities in distressed areas and has devised unique models for empowerment of people in such areas. In this regard, the Company has developed large regional base of vendors for procurement of goods and services from such areas. These sort of interventions not only improve the efficiency and enhance productivity but also contribute to substantial employment creation in communities surrounding the workplaces.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

We have a strong focus on the 3R's of Reduce, Recycle and Recover in our business. Towards this we have already eliminated single-use plastic at the consumer end in our outlets. We are also pre-dominantly using 100% recycled paper-based packaging where possible. We are also moving towards ensuring that a greater share of our raw materials come from responsibly managed and sustainable sources. Further, we are actively looking at recycling opportunities in various parts of the business. For e.g. we are exploring usage of used cooking oil for bio-diesel production and are working with NGOs for recycling Coffee waste.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees**

Total No. of Permanent Employees:

12,074

(It Includes both full-time and part-time employees working in India).

2. **Please indicate the Number of permanent employees with disabilities**

Number of permanent employees with disabilities

66

3. **Please indicate the Number of permanent women employees**

Total number of permanent Women employees:

3,002

4. Please indicate total number of employees hired on temporary/ contractual/ casual Basis

The Company does not have any employees hired on temporary/ contractual/ casual Basis as on 31st March, 2022.

5. Do you have an employee association that is recognised by management?

There is no Employee association.

6. What percentage of your permanent employees are members of this recognised employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in the last financial year and pending, as on the end of the financial year

Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities.

Every team member is continuously trained on the skill set required for the job through on the job training. Training is conducted based on Behavioural, Functional, Leadership needs identified by the Company through the performance management system, one-on-one discussions, Individual Development Plans for key resources of the organisation and organisational mandates. Safety is a key part of the induction programme and station observation checklist (a training and promotion tool for team members). Safety and Skill upgradation trainings is made available to 100% staff at restaurant level.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. Details of Shareholders/Investors, Banks, Employees and Business Partners are available with the Company.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.

Except of the identifying and maintaining a list of MSME vendors, which is required statutorily, the Company is currently in the process of creating a definition of disadvantaged, vulnerable & marginalised stakeholders. Post which the Company would start identifying the same within the stakeholders it works / interacts with.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

KFC's India Sahyog program is designed to help local and small food joints to revive their business as the work to overcome the impact of Covid-19. KFC's India Sahyog program is an exclusive and novel program in a way that is encompasses Food Safety as well as business training for local restaurants. Designed to enhance the capacity building capabilities of local restaurants, the program aims to improve the overall business model, boost sales and profitability as well as enhance customer experience. DIL is executing the program in association with Food Safety and Standards Authority of India (FSSAI) and National Restaurant Association of India (NRAI). This will allow small food business owners to participate in the growth of the food industry in India. KFC's India Sahyog will support 500 restaurants in strengthening their businesses over the next two years. The Program includes:

- complimentary Advanced Catering training.
- Sanitization Kit to each restaurant
- Business Module Training by KFC experts will cover Profitability, Customer experience and Business enhancement with a special focus on delivery

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The principles of Human Rights are ensured through policies on Code of Conduct and Employee policies protecting the rights and interest of the employees. Some of the key principles of business responsibility that the Company stands for are even included, to the extent possible, in the agreement signed with suppliers / vendors / service providers etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint related to Human Rights is pending as on 31st March, 2022. We have a robust mechanism to receive and resolve employee grievances / concerns.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   DIL's restaurants and business operations follow a stringent and well-defined framework that aims to minimize the environmental impact, improve food safety & hygiene protocols, and encourage people & community development. The Company promotes and shall continue to promote usage of sustainable practices at its restaurants and stores. In order to pursue the "People First" approach, DIL aims to create a healthy and safe environment for all its employees, business partners and community.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   DIL has explored eco-friendly materials and green designs to reduce the use of single-use packaging and have already eliminated single-use plastic at the consumer end in our outlets. We are also pre-dominantly using 100% recycled paper-based packaging where possible. We are currently in the process of putting in place effective water conservation practices across its stores. The Company shall endeavour to take the initiative of using renewable energy sources across its restaurants and stores. For hyperlink, please refer Section A of BRR.

3. **Does the company identify and assess potential environmental risks? Y/N**

   The Company intends to create a positive impact on the environment through its business operations. This is reflected from the initiatives incorporated by the Company on sustainable environment practices across the value chain. The Company has undertaken stakeholder engagement and materiality exercises to assess potential environmental risks.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company has not registered any project related to the Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   No

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions and waste generated by the Company are within the permissible limits as per CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year**

   Nil

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   Yes, the Company is a member of the National Restaurant Association of India.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   KFC's India Sahyog program which is designed to help local and small food joints was executed in association with Food Safety and Standards Authority of India (FSSAI) and National Restaurant Association of India (NRAI).

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   DIL, under the KFC Kshamata program, aims to bridge the gender and ability imbalance gap and increase the women workforce at their restaurants. Taking forward the objective of nurturing potential with its KFC Kshamata programme, the brand will facilitate tournaments, build visibility and explore growth opportunities for speech & hearing-impaired cricketers, along with the Indian Deaf Cricket Association.

   DIL is focused on diversity in business operations, with women and differently abled employees comprising close to 25% of our employee strength. We are also operating women-only stores across core brands. As on March 31, 2022, DIL operates more than 20 women-only stores and 13 stores operated by differently abled employees.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   All the community development initiatives were undertaken by in-house teams and often with the help of external agencies/ organizations.

3. **Have you done any impact assessment of your initiative?**

   Yes. Informal feedback is being taken and frequent visits were carried out to establish impact of the initiatives and to re-establish that such initiatives are worth and effective.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   DIL under the KFC Care program during the Covid-19 pandemic provided more than 3 million meals to migrant workers and displaced families; helped strengthen medical infrastructure for 50 hospitals with medical supplies & essentials and administered Covid-19 relief to 15,000 individuals with food relief and home care kits. Supported by the Yum! Foundation in our endeavour.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. The Company ensures the community development initiative through internal tracking mechanisms and field visits. Informal feedbacks are also obtained from the community on such initiatives.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

S.No.	Particulars	Count
1	Number of Consumer Notices received during FY 2021-22	3
2	Number of pending Consumer Complaints in courts as on March 31, 2022	17

   Apart from above as at March 31, 2022, there were no customer complaints received by the Company at various platforms has been unresolved

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   The Company adheres to all the applicable rules and regulations regarding product manufacture/ storage/ distribution and labelling information (under Food Safety and Standards, and Legal Metrology) for all its Food products.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company engages with its customers through multiple means in order to garner feedback and gauge their satisfaction. The Company carries out consumer surveys through Global Customer experience management company called SMG and also through an SMS is triggered to a sample % of customer placing an order.

   To understand consumer satisfaction trends, feedback is also sought from consumers through social media or email. By reviewing the feedback provided and sharing the response, the Company gauges the level of consumer satisfaction and derive trends.

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

Place: Gurugram
Date: May 2, 2022

Ravi Jaipuria
Chairman
DIN: 00003668

INDEPENDENT AUDITOR'S REPORT

To the Members of Devyani International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Devyani International Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the Joint auditors, APAS & Co LLP and other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its subsidiaries in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment based on the consideration of the reports of the APAS & Co LLP and other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Recognition of deferred tax assets As detailed in note 33 to the accompanying consolidated financial statements, the Group has unused tax benefits (including losses and depreciation) amounting to ₹ 1,748.01 million (approx.) as at 31 March 2022 which are available for set off against the future taxable income of the Group.	Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following: a) Evaluated the design and tested the operating effectiveness of key controls implemented by the Group over recognition of deferred tax assets based on the assessment of Group's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws in accordance with the requirements of Ind AS 12, 'Income Taxes'.

Key audit matters	How our audit addressed the key audit matter
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 carried forward unabsorbed depreciation and business losses can be utilized. The Group's ability to recover the deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits that Group expects to earn within the period by which the brought forward losses can be adjusted against such taxable profits as governed by the Income-tax Act, 1961, and expected future reversals of other existing taxable temporary differences. The determination of business projections underlying aforesaid taxable profit forecasts involve use of assumptions and estimates are judgmental, subjective and depend on future market and economic conditions and materialization of the Group's expansion plans. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. Owing to the materiality of the balances, complexities and judgements involved as described above, we have identified the recoverability of deferred tax assets recognized on brought forward tax losses and unabsorbed depreciation and other timing difference as a key audit matter for the current year audit.	b) Reconciled the future taxable profit projections to future business plans of the Group as approved by the Board of Directors. c) Tested the assumptions used in the aforesaid future projections relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on actual historical results, other relevant existing conditions, external data and market conditions. d) Tested the mathematical accuracy of the projections including sensitivity analysis performed by management. e) Performed independent sensitivity analysis to test the impact of possible variations in key assumptions mentioned above to determine inputs that involved high estimation uncertainty of future projections. f) Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income taxes. g) Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in respect of deferred tax assets in accordance with applicable accounting standards.
Impairment assessment of goodwill and non-financial assets Refer note 2.2 (f) of Summary of significant accounting policies and other explanatory information and note 30 of the consolidated financial statements of the Group for the year ended 31 March 2022. As at 31 March 2022, the Group is carrying Goodwill amounting to ₹ 644.45 million and non-current assets aggregating to ₹ 16,910.97 million in its consolidated financial statements. In accordance with the requirements of Ind AS 36 Impairment of Assets, the Group performs an annual impairment assessment of goodwill associated with the cash generating units (CGUs) identified in the Group, and of other non-current assets of CGUs where impairment indicators have been identified, in order to determine whether the recoverable value is below the carrying amount as at 31 March 2022.	Our audit procedures for impairment assessment of goodwill and non-current assets included but were not limited to the following: a) Obtained an understanding of impairment testing of goodwill and non-current assets process, evaluated the design, implementation and tested the operative effectiveness of key internal financial controls relating to identification of indicators of impairment, identification of CGUs and the recoverable amounts of CGUs; b) Evaluated appropriateness of identification of CGUs basis our understanding of the business and the model used in determining the value-in-use of the CGUs involving auditor's valuation experts including assessment of valuation assumptions such as discount rates; c) Analyzed the performance of the CGUs and evaluated the reasonableness of the assumptions used in computation of business projections and value-in-use as at 31 March 2022 basis our understanding of the business including current and expected market and economic conditions, and traced such projections to approved business plans;

Key audit matters	How our audit addressed the key audit matter
The management has determined that each store constitutes a separate CGU which is tested for impairment as above. For the purpose, the Group determines recoverable value of CGUs using Discounted Cash Flow Model (DCF Model) which require determination of certain assumptions and estimates of future trading performance, operating margins, future growth rates and discount rates. The assessment of the recoverable amount requires significant judgment relating to estimates of cash flow projections, growth rates and discount rates. Consequent to such impairment assessment the Group has recorded an impairment charge of ₹ NIL million against Goodwill and ₹ 35.28 million against non-current assets. Due to the significant level of judgments and subjectivity involved in determining recoverable amount and their significance to the Group's financial position, we have identified this as a key audit matter in the current year audit.	d) Performed sensitivity analysis in respect of the key assumptions used including revenue growth rates and discount rate to verify appropriateness of such assumptions; e) Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; and f) Assessed the appropriateness of the disclosures included in note 30 in respect of impairment of non-current assets including goodwill.

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. 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 the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

10. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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 with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the APAS & Co LLP and 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.

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

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of five subsidiaries, whose financial statements reflects total assets of ₹ 4,130.86 million and net assets of ₹ (1,039.72) million as at 31 March 2022, total revenues of ₹ 2,512.05 million and net cash inflows amounting to ₹ 56.71 million for the year ended on that date, as considered in the consolidated financial statements. Out of above, financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 969.59 million and net assets of ₹ (554.33) million as at 31 March 2022, total revenues of ₹ 570.61 million and net cash inflows amounting to ₹ 4.77 million for the year ended on that date, as considered in the consolidated financial statements have been audited by APAS & Co LLP. These financial statements of five subsidiaries have been audited by APAS & Co LLP and other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the APAS & Co LLP and other auditors.

    Further, of these five subsidiaries, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. APAS & Co LLP have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by APAS & Co LLP.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the APAS & Co LLP and other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the APAS & Co LLP and other auditors referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the remuneration paid to its whole-time director of the Holding Company for the year ended 31 March 2022 is in excess of the limits laid down under Section 197 of the Act read with Schedule V of the Act and consequently exceeded the overall limit of remuneration payable by the Holding Company to its directors. As explained in note 55 to the accompanying consolidated financial statements, the Holding Company is in the process of seeking an approval from the shareholders by way of a special resolution in the ensuing Annual General Meeting, whereas, two subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 3 subsidiary companies since none of such companies is a public company as defined under section 2(71) of the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and of two subsidiary companies by APAS & Co LLP, as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the APAS & Co LLP and other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 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 with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

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

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

        ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2022;

        iv.

            a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and APAS & Co LLP - auditors of such subsidiaries, respectively that, to the best of their knowledge and belief , as disclosed in note 54(c) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and APAS & Co LLP - auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 54(d) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act, have not declared or paid any dividend during the year ended 31 March 2022.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 22507568AIGHTI1967

Place: Gurugram
Date: 2 May 2022

For **APAS & Co LLP**
Chartered Accountants
Firm Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 22520078AIGPEI4525

Place: Gurugram
Date: 2 May 2022

Annexure I

List of entities included in the consolidated financial statements

Name of the Holding Company

1) Devyani International Limited, Holding Company

Name of subsidiaries

2) Devyani Food Street Private Limited
3) Devyani International (Nepal) Private Limited
4) Devyani Airport Services (Mumbai) Private Limited
5) RV Enterprises Pte. Limited
6) Devyani International (Nigeria) Limited (subsidiary of RV Enterprises Pte. Limited)

ANNEXURE A

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

1. In conjunction with our audit of the consolidated financial statements of Devyani International Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

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

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

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the joint auditor, APAS & Co LLP 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 with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of APAS & Co LLP on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

Other Matter

9. We did not jointly audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 969.59 million and net assets of ₹ (554.33) million as at 31 March 2022, total revenues of ₹ 570.61 million and net cash inflows amounting to ₹ 4.77 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by APAS & Co LLP whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the APAS & Co LLP. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the APAS & Co LLP.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 22507568AIGHTI1967

Place: Gurugram
Date: 2 May 2022

For **APAS & Co LLP**
Chartered Accountants
Firm Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 22520078AIGPEI4525

Place: Gurugram
Date: 2 May 2022

CONSOLIDATED BALANCE SHEET

as at 31 March 2022

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

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3A	6,114.62	4,306.74
Capital work-in-progress	3B	68.42	142.75
Right-of-use assets	4	8,910.64	6,660.20
Investment properties	5	351.00	455.89
Goodwill	6	644.45	644.45
Other intangible assets	7	1,534.71	1,855.19
Financial assets			
Other financial assets	8	663.00	602.74
Deferred tax assets (net)	33	482.25	95.78
Income tax assets (net)	33	166.59	80.46
Other non-current assets	9	328.29	194.56
Total non-current assets		**19,263.97**	**15,038.76**
Current assets			
Inventories	10	854.86	621.97
Financial assets			
(i) Trade receivables	11	210.54	168.80
(ii) Cash and cash equivalents	12	574.46	399.62
(iii) Bank balances other than cash and cash equivalents	13	84.36	5.71
(v) Other financial assets	8	1,342.62	247.63
Other current assets	9	294.48	201.58
Total current assets		**3,361.32**	**1,645.31**
Total assets		**22,625.29**	**16,684.07**
Equity and liabilities			
Equity			
Equity share capital	14	1,204.74	1,153.63
Other equity	15	5,658.29	(15.90)
Equity attributable to owners of the Company		**6,863.03**	**1,137.73**
Non-controlling interests	48	(47.42)	(419.15)
Total equity		**6,815.61**	**718.58**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	1,073.76	3,593.65
(ii) Lease liabilities	16	10,305.33	7,936.96
(iii) Other financial liabilities	19	41.31	49.30
Provisions	20	176.58	169.15
Other non-current liabilities	21	10.69	9.74
Total non-current liabilities		**11,607.67**	**11,758.80**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	251.04	1,039.62
(ii) Lease liabilities	16	912.13	787.38
(iii) Trade payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		173.06	150.53
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,790.66	1,468.47
(iv) Other financial liabilities	19	624.78	477.42
Other current liabilities	21	309.66	193.48
Provisions	20	84.11	82.94
Current tax liabilities (net)	33	56.57	6.85
Total current liabilities		**4,202.01**	**4,206.69**
Total equity and liabilities		**22,625.29**	**16,684.07**

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

As per our report of even date attached

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

Nitin Toshniwal
Partner
Membership No.: 507568

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078

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

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

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

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	23	20,840.10	11,348.38
Other income	24	161.21	640.57
Total income		**21,001.31**	**11,988.95**
Expenses			
Cost of materials consumed	25	5,886.64	3,386.93
Purchases of stock-in-trade	26	111.83	59.67
Employee benefits expense	27	2,482.36	1,543.32
Finance costs	28	1,269.94	1,494.76
Depreciation and amortisation expense	29	2,213.33	2,294.54
Impairment of non-financial assets	30	35.28	480.05
Other expenses	31	7,599.48	4,012.34
Total expenses		**19,598.86**	**13,271.61**
Profit/(loss) before exceptional items and tax		**1,402.45**	**(1,282.66)**
Exceptional items	32	171.04	(458.74)
Profit/(loss) before tax		**1,231.41**	**(823.92)**
Tax expense	33		
Current tax		66.77	9.75
Deferred tax credit		(386.51)	(20.43)
Total tax expense		**(319.74)**	**(10.68)**
Profit/(loss) from continuing operations after tax (A)		**1,551.15**	**(813.24)**
Profit/(loss) from discontinued operation before tax		**-**	**183.37**
Tax expense of discontinued operations		-	-
Profit from discontinued operation after tax (B)		**-**	**183.37**
Profit/(loss) for the year (A+B)		**1,551.15**	**(629.87)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		1.26	(12.94)
Income tax relating to above mentioned item		(0.04)	(0.14)
		1.22	**(13.08)**
Items that will be reclassified to profit or loss			
Exchange difference in translating financial statements of foreign operations		140.19	124.14
Exchange differences on translation of discontinued operations		-	(58.86)
		140.19	**65.28**
Other comprehensive income for the year		**141.41**	**52.20**
Total comprehensive income for the year		**1,692.56**	**(577.67)**
Profit/(loss) attributable to:			
Owners of the Company		1,563.36	(552.08)
Non controlling interest	48	(12.21)	(77.79)
Profit/(loss) for the year		**1,551.15**	**(629.87)**
Other comprehensive income attributable to:			
Owners of the Company		103.32	9.61
Non controlling interest	48	38.09	42.59
Other comprehensive income for the year		**141.41**	**52.20**
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		1,666.68	(542.47)
Non controlling interest	48	25.88	(35.20)
Total comprehensive income/(loss) for the year		**1,692.56**	**(577.67)**
Earnings/(loss) per equity share from continuing operations	34		
Basic (₹)		1.32	(0.67)
Diluted (₹)		1.32	(0.67)
Earnings per equity share from discontinued operations	34		
Basic (₹)		-	0.17
Diluted (₹)		-	0.17

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

As per our report of even date attached

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

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

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

Nitin Toshniwal
Partner
Membership No.: 507568

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 02 May 2022

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 March 2022

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Cash flows from operating activities**		
	Profits/(loss) before tax from :		
	Continuing operations	1,231.41	(823.92)
	Discontinued operations	-	183.37
	Adjustments for:		
	Depreciation and amortisation expense	2,213.33	2,356.94
	Impairment of non-financial assets	35.28	529.90
	Liabilities no longer required written back	(28.65)	(43.09)
	Loss on disposal of property plant and equipment	18.36	87.38
	Gain on extinguishment of financial liabilities	(32.53)	-
	Loss allowance	5.63	12.36
	Unrealised foreign exchange (gain)/loss	140.77	(19.63)
	Finance costs	1,269.94	1,621.75
	Derivatives at fair value through profit and loss	(0.72)	(6.75)
	Employee stock option expenses	64.87	22.62
	Interest income	(90.12)	(103.95)
	Gain on termination of leases	(13.49)	(611.39)
	Gain on modification of leases	(8.08)	(52.71)
	Rent concession [refer note 36 A (ii)]	(358.82)	(1,158.89)
	Operating profit before working capital changes	**4,447.18**	**1,993.99**
	Adjustments for changes in:		
	- trade receivables	(47.37)	4.19
	- inventories	(232.89)	126.01
	- loans, other financial assets, and other assets	(520.96)	163.94
	- trade payables, other financial liabilities and other liabilities	963.07	102.60
	Cash generated from operating activities	**4,609.03**	**2,390.73**
	Income tax refund/(paid) (net)	(103.14)	4.85
	Net cash generated from operating activities	**4,505.89**	**2,395.58**
B.	**Cash flows from investing activities**		
	Payment for acquisition of stores under business combination	-	(2,300.00)
	Payment for property, plant and equipment and other intangible assets other than above	(3,062.50)	(1,373.37)
	Acquisition of non controlling interest in subsidiary	(0.74)	-
	Proceeds from sale of property plant and equipment	132.74	43.94
	Deposits made with banks	(915.32)	22.35
	Proceeds from of term deposits	2.97	-
	Interest received	90.12	7.52
	Proceeds from transfer of business	-	13.60
Net cash used in investing activities		**(3,752.73)**	**(3,585.96)**

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 March 2022

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity share capital	4,486.14	3,476.43
	Share issue expenses	(146.29)	-
	Proceeds from non-current borrowings	609.17	2,355.86
	Repayment of non-current borrowings	(3,729.28)	(2,401.08)
	Repayment of cash credit facilities from banks (net)	(206.53)	(693.46)
	Payment of lease liabilities- principal	(366.35)	-
	Payment of lease liabilities- interest	(1,083.38)	(825.69)
	Interest paid	(146.99)	(492.24)
	Net cash (used in)/ generated from financing activities	**(583.51)**	**1,419.82**
D.	**Effect of foreign currency fluctuation arising out of consolidation**	**5.19**	**37.93**
	Net increase in cash and cash equivalents during the year (A+B+C+D)	**174.84**	**267.37**
E.	**Cash and cash equivalents at the beginning of the year**	**399.62**	**132.26**
F.	**Cash and cash equivalents as at the end of the year (refer note 12)**	**574.46**	**399.62**

Notes:

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

2. Significant non cash transactions: Acquisition of right-of-use assets and investment properties (refer note 4 and 5).

As per our report of even date attached

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

Nitin Toshniwal
Partner
Membership No.: 507568

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078

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

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

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

A. Equity share capital

	Note	As at 31 March 2022		As at 31 March 2021	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year		1,153,634,990	1,153.63	1,061,666,660	1,061.67
Issue of equity share capital	14	51,101,388	51.11	91,968,330	91.96
Balance at the end of the year		1,204,736,378	1,204.74	1,153,634,990	1,153.63

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

B. Other equity

	Attributable to owners of the Company								
	Reserves and surplus				Items of Other comprehensive income		Total attributable to owners of the Company	Attributable to Non controlling interest (NCI)	Total
	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	Exchange difference of translation of foreign operations	Other item of other comprehensive income*			
Balance as at 01 April 2020	**4,632.61**	**101.24**	**5.47**	**(8,317.00)**	**625.00**	**-**	**(2,952.68)**	**(391.14)**	**(3,343.82)**
Loss for the year	-	-	-	(552.08)	-	-	(552.08)	(77.79)	(629.87)
Other comprehensive profit/(loss) for the year	-	-	-	-	22.69	(13.08)	9.61	42.59	52.20
Reclassified on account of disposal of foreign operations	-	-	-	-	64.67	-	64.67	-	64.67
Total comprehensive loss for the year	**-**	**-**	**-**	**(552.08)**	**87.36**	**(13.08)**	**(477.80)**	**(35.20)**	**(513.00)**
Securities premium received during the year	3,384.47	-	-	-	-	-	3,384.47	-	3,384.47
Transferred to securities premium on exercise of stock options	109.46	(109.46)	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	(13.08)	-	13.08	-	-	-
Employee stock options expense	-	22.62	-	-	-	-	22.62	-	22.62
Transactions with NCI	-	-	-	7.49	-	-	7.49	7.19	14.68
Balance as at 31 March 2021	**8,126.54**	**14.40**	**5.47**	**(8,874.67)**	**712.36**	**-**	**(15.90)**	**(419.15)**	**(435.05)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

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

B. Other equity (Contd.)

	Attributable to owners of the Company								
	Reserves and surplus				Items of Other comprehensive income		Total attributable to owners of the Company	Attributable to Non controlling interest (NCI)	Total
	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	Exchange difference of translation of foreign operations	Other item of other comprehensive income*			
Balance as at 1 April 2021	8,126.54	14.40	5.47	(8,874.67)	712.36	-	(15.90)	(419.15)	(435.05)
Profit/(loss) for the year	-	-	-	1,563.36	-	-	1,563.36	(12.21)	1,551.15
Other comprehensive income for the year	-	-	-	-	102.39	0.93	103.32	38.09	141.41
Total comprehensive income for the year	**-**	**-**	**-**	**1,563.36**	**102.39**	**0.93**	**1,666.68**	**25.88**	**1,692.56**
Securities premium received during the year	4,435.03	-	-	-	-	-	4,435.03	-	4,435.03
Share issue expenses (refer note 53)	(146.29)	-	-	-	-	-	(146.29)	-	(146.29)
Transferred to retained earnings	-	-	-	0.93	-	(0.93)	-	-	-
Employee stock options expense	-	64.87	-	-	-	-	64.87	-	64.87
Transferred to securities premium on exercise of stock options	35.00	(35.00)	-	-	-	-	-	-	-
Transactions with NCI	-	-	-	(346.10)	-	-	(346.10)	345.36	(0.74)
Contribution during the period	-	-	-	-	-	-	-	0.49	0.49
Balance as at 31 March 2022	**12,450.28**	**44.27**	**5.47**	**(7,656.48)**	**814.75**	**-**	**5,658.29**	**(47.42)**	**5,610.87**

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

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

As per our report of even date attached

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

Nitin Toshniwal
Partner
Membership No.: 507568

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078

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

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

1. Company information/overview

Devyani International Limited (the 'Company' or 'the Holding Company') is a public limited company domiciled in India, having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi - 110020. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 16 August 2021.These consolidated financial statements comprise the financial statements of the Company, its subsidiaries (collectively referred to as the 'Group') and its joint venture.

The Group is primarily engaged in the business of developing, managing and operating quick service restaurants and food courts for brands such as Pizza Hut, KFC, Costa Coffee, Vaango, etc.

For details regarding subsidiaries and joint venture of the Group, refer note 38.

2.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The consolidated financial statements are prepared on accrual and going concern basis. The Board of Directors can permit revision to the consolidated financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act. On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 1 April 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

The consolidated financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 02 May 2022

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or amortized cost, defined benefit obligations and share based payments.

(c) Critical accounting estimates and judgements

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

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

- Note 2.2 (h) and 45 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2.2 (a) and (b) - useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets;
- Note 2.2 (j) - judgment required to determine probability of recognition and estimates for recoverability of deferred tax assets;
- Note 2.2 (m) and 35 - fair value measurement of financial instruments;
- Note 2.2 (f), 37 and 42 - impairment assessment of non-financial assets key assumptions underlying recoverable amount;
- Note 2.2 (m) - impairment assessment of financial assets (goodwill, property, plant and equipment and investment property)
- Note 42 - measurement of share based payments;
- Note 2.2(g) and 39 - measurement of provisions and contingent liabilities;
- Note 2.2 (d) and 36 - judgment required to ascertain lease classification, lease term, incremental borrowing rate, lease and non-lease component, and impairment of ROU;
- Note 2.2 (g) and 39 - judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

- Note 2.2 (b) and 51 - measurement of consideration and assets acquired as part of business combination;

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

(d) Fair value measurement

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

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

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

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

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

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

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

Fair value of financial instruments measured at fair value through profit and loss and amortised cost.

(e) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of joint venture.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The standalone financial statements of the Company and financial statements of the subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and any unrealised incomes and expenses arising from intra-group transactions. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interest ("NCI") which represents part of consolidated net Statement of profit and loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded and presented in the consolidated Balance Sheet separately within Equity.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the consolidated Statement of profit and loss.

The equity accounted investee

The Group's interest in equity accounted investee comprise interest in joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Interest in joint venture is accounted for by using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of joint venture until the date on which joint control ceases.

Unrealised gains arising from transactions with equity accounted investee are eliminated against the investment to the extent of Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its equity accounted investee. At each reporting date, the Group determines whether there is objective evidence that the equity accounted investee is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity accounted investee and its carrying value, and then recognises the loss in the consolidated Profit or Loss.

In case, Group's share of losses of equity accounted investee equals or exceeds the interest in equity accounted investee (carrying value of investment), the Group discontinues recognising its share of future losses.

The Group and its joint venture considered in these consolidated financial statements are as follows:

i) Subsidiaries

Name of the company	Country of incorporation	% voting power held as at 31 March 2022	% voting power held as at 31 March 2021
Devyani International (Nepal) Private Limited	Nepal	100%	100%
Devyani Food Street Private Limited	India	100%	100%
RV Enterprizes Pte. Limited	Singapore	87%	87%
Devyani International (Nigeria) Limited (subsidiary of RV Enterprizes Pte. Limited)	Nigeria	78.75%	78.75%
Devyani Airport Services (Mumbai) Private Limited.	India	100%	51%

ii) Equity accounted investee

Name of the company	Country of incorporation	% voting power held as at 31 March 2022	% voting power held as at 31 March 2021
The Minor Food Group (India) Private Limited (till 25th March 2021)	India	-	-

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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2.2 Significant accounting policies

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

(a) Property, plant and equipment

Recognition and measurement

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

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

Expenditure which are directly attributable to commissioning of quick service restaurants are capitalised. Other expenditure incurred during the commissioning phase, which is not directly attributable, is charged off to consolidated Profit and Loss.

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

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

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

Subsequent cost

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

Depreciation

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

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

Freehold land is not depreciated.

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

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

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

Capital work-in-progress

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Investment properties

(Recognition and initial measurement)

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

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

Subsequent measurement

(depreciation and useful lives)

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

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

De-recognition

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

(b) Business combination and intangible assets

Business combination and goodwill

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

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

Any goodwill that arises is not amortised but is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows.

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

Other intangible assets

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The other intangible assets are recorded at

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

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

i. Subsequent cost

Subsequent cost is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on other intangible assets is recognised in consolidated Statement of profit and loss, as incurred.

ii. Amortisation

Amortisation of Intangible assest is calculated over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased /disposed during the year.

Amortisation has been charged based on the following useful lives:

Asset description	Useful life (in years)
License fee	10
Franchisee rights	10
Computer software	6

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

(c) Inventories

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

(d) Leases

The Group as a lessee

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

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group assessese whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which

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

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

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

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment property on the face of balance sheet below 'property, plant and equipment' and lease liabilities under 'financial liabilities' in the balance sheet.

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

The Group as a lessor

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

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

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

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

. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Lease payments

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

(e) Borrowing costs

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

(f) Impairment - non-financial assets

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

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

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

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

(g) Provisions and contingent liabilities and assets

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that

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an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

(h) Employee benefits

Short-term employee benefits

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

Post-employment benefit plans

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

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

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

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

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

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

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

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

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

Other long-term employee benefits

Compensated absences

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

(i) Share based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to eligible employees of the Group under the Employee Stock Option Scheme ('ESOS') is recognised as employee stock option scheme expenses in the consolidated Statement

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of profit and loss, in relation to options granted to employees of the Group (over the vesting period of the awards), with a corresponding increase in other equity. The amount recognised as an expense to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Group revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

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

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

(j) Income taxes

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

Current tax

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

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

Deferred tax

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

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

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

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

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured

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reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgment is required to determine the probability of recognition of MAT credit entitlement.

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

(k) Foreign currency transactions and translations

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

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

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the consolidated Statement of profit and loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the consolidated Statement of profit and loss, within finance costs.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupees (₹), the functional currency of the Group at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (₹) at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as applicable.

(l) Revenue recognition

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

Sale of products

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

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

Service income and management fee

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

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Rental income

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

Scrap sale

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

Interest income

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

(m) Financial instruments

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

Financial assets

Recognition and initial measurement

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

Classification

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

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit and loss (FVTPL)

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

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

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

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

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

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

Subsequent measurement

Financial assets at amortised cost

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

Financial assets at FVTPL

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

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership

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of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the consolidated Statement of profit and loss.

Impairment of financial assets (other than at fair value)

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

Financial liabilities

Recognition and initial measurement

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

Classification and subsequent measurement

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

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

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

Compound financial instruments

Compound financial instruments are bifurcated into liability and equity components based on the terms of the contract.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of the compound financial instrument is not measured subsequently.

Interest on liability component is recognised in consolidated Statement of profit and loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

Offsetting of financial instruments

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

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Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Such derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in consolidated Statement of profit and loss.

(n) Earnings per share

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

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

(o) Current and non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

Operating cycle

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

(p) Cash and cash equivalents

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

(q) Segment reporting

As the Group's business activity primarily falls within a single business and the geographical segments considered are "within India" and "outside India" and the Chief Operating Decision Maker monitors the operating results of its business units not separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements, accordingly the relevant disclosures has been provided under Ind

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AS 108 –"Segment Reporting". The management considers that the various goods and services provided by the Group constitutes single business segment, since the risk and rewards from these services are not different from one another. The analysis of geographical segments is based on geographical location of the customers.

(r) Functional and presentation currency

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

(s) Exceptional items

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

(t) Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

(u) Discontinued operations

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

(v) Share issue expense

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

(w) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

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3A. Property, plant and equipment

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross carrying amount											
As at 31 March 2020	**103.91**	**431.93**	**2,452.05**	**3,148.43**	**500.19**	**139.27**	**195.11**	**392.40**	**278.17**	**65.46**	**7,706.92**
Acquisitions through business combination (refer note 51)	-	-	216.80	98.96	10.83	-	0.03	8.51	23.23	2.34	360.70
Additions other than above	-	23.39	275.43	415.77	42.66	6.13	26.49	80.95	54.21	13.47	938.50
Disposals	-	-	603.92	590.78	171.74	39.79	32.05	87.69	106.68	36.35	1,669.00
Exchange differences on translation of foreign operations	-	-	(28.02)	(19.36)	(12.41)	-	(0.70)	-	-	(0.23)	(60.72)
As at 31 March 2021	**103.91**	**455.32**	**2,312.34**	**3,053.02**	**369.53**	**105.61**	**188.88**	**394.17**	**248.93**	**44.69**	**7,276.40**
Additions	-	3.01	736.06	1,295.32	111.43	28.64	87.35	247.77	189.46	6.67	2,705.71
Disposals	-	-	66.07	109.95	34.29	3.72	5.43	12.96	37.99	6.39	276.80
Exchange differences on translation of foreign operations	-	-	(20.44)	(14.92)	(9.47)	-	(0.55)	-	-	(0.31)	(45.69)
As at 31 March 2022	**103.91**	**458.33**	**2,961.89**	**4,223.47**	**437.20**	**130.53**	**270.25**	**628.98**	**400.40**	**44.66**	**9,659.62**
Accumulated depreciation											
As at 31 March 2020	**-**	**41.20**	**915.63**	**1,001.74**	**248.48**	**58.73**	**57.22**	**158.58**	**101.85**	**45.61**	**2,629.04**
Depreciation	-	14.16	260.55	365.88	65.03	11.70	22.37	63.68	37.02	7.69	848.08
Disposals	-	-	253.20	241.84	98.90	26.33	15.47	73.00	59.33	32.77	800.84
Exchange differences on translation of foreign operations	-	-	(17.57)	(11.22)	(6.58)	-	(0.54)	-	-	(0.07)	(35.98)
As at 31 March 2021	**-**	**55.36**	**905.41**	**1,114.56**	**208.03**	**44.10**	**63.58**	**149.26**	**79.54**	**20.46**	**2,640.30**
Depreciation	-	14.49	305.99	352.17	46.26	12.59	22.30	82.84	49.87	7.38	893.89
Disposals	-	-	35.45	83.14	32.04	2.91	3.22	9.23	33.61	5.25	204.85
Exchange differences on translation of foreign operations	-	-	(13.70)	(9.05)	(5.29)	-	(0.48)	-	-	(0.10)	(28.62)
As at 31 March 2022	**-**	**69.85**	**1,162.25**	**1,374.54**	**216.96**	**53.78**	**82.18**	**222.87**	**95.80**	**22.49**	**3,300.72**
Accumulated impairment											
As at 31 March 2020	**-**	**24.17**	**89.54**	**142.12**	**10.44**	**4.02**	**5.27**	**6.40**	**6.55**	**2.83**	**291.34**
Impairment loss	22.65	1.90	216.39	165.23	10.70	10.91	19.56	10.82	45.95	2.46	506.57
Impairment (reversal)	-	-	(16.69)	(29.69)	(1.07)	(1.07)	(0.58)	(1.99)	(0.41)	(0.01)	(51.51)
Disposals	22.65	-	246.97	63.90	9.57	8.74	10.43	7.78	43.56	3.44	417.04
As at 31 March 2021	**-**	**26.07**	**42.27**	**213.76**	**10.50**	**5.12**	**13.82**	**7.45**	**8.53**	**1.84**	**329.36**
Impairment loss	-	-	20.70	36.52	0.93	0.64	1.15	3.33	3.32	0.13	66.72
Impairment (reversal)	-	(16.62)	(32.60)	(76.40)	(3.21)	(1.60)	(1.83)	(2.46)	(2.66)	(0.46)	(137.84)
Disposals	-	-	4.63	5.45	0.82	0.49	0.37	0.28	1.29	0.63	13.96
As at 31 March 2022	**-**	**9.45**	**25.74**	**168.43**	**7.40**	**3.67**	**12.77**	**8.04**	**7.90**	**0.88**	**244.28**
Net carrying amount											
As at 31 March 2021	**103.91**	**373.89**	**1,364.66**	**1,724.70**	**151.00**	**56.39**	**111.48**	**237.46**	**160.86**	**22.39**	**4,306.74**
As at 31 March 2022	**103.91**	**379.03**	**1,773.90**	**2,680.50**	**212.84**	**73.08**	**175.30**	**398.07**	**296.70**	**21.29**	**6,114.62**

Note:

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

ii) For details regarding capitalisation of expenses incurred during construction periodt- refer note 41

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

vi) For details regarding impairment - refer note 42

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3B. Capital work-in-progress (CWIP)

Particulars	As at 31 March 2022	As at 31 March 2021
As at 1 April 2020	142.75	135.27
Additions	2,505.75	909.12
Transfers to property, plant and equipment	(2,580.08)	(901.64)
As at 31 March 2021	**68.42**	**142.75**

CWIP ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years*	
Projects in progress					
As on 31 March 2022	21.50	0.73	0.08	46.11	68.42
As on 31 March 2021	66.67	12.78	0.02	63.28	142.75

In one of the subsidiaries, it had started a few store's constructions more than 3 years ago but could not complete because of uncertain business circumstances and pandemic for the last two years. It plans to complete all the pending stores in the coming financial years.

Further, apart from the above there are no other projects (new stores) as on each reporting period where activity had been suspended except few projects in the previous year which were temporarily suspended due to Covid 19 restrictions. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

4. Right-of-use assets (refer note 36)

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2022	As at 31 March 2021
Right-of-use assets		
Leasehold property*	11,090.14	7,204.70
Accumulated amortisation	(2,029.80)	(424.26)
Accumulated impairment	(149.70)	(120.24)
Net carrying amount	**8,910.64**	**6,660.20**

* includes the addition of ₹ 3,440.91 (31 March 2021 : ₹ 2,848.57)

5. Investment properties (refer note 37)

	Leasehold Investment Properties	Owned Investment Properties	Total
Gross carrying amount			
As at 1 April 2020	**467.49**	**-**	**467.49**
Additions	11.96	169.63	181.59
Disposals	(122.73)	-	(122.73)
As at 31 March 2021	**356.72**	**169.63**	**526.35**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2022	**356.72**	**169.63**	**526.35**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

	Leasehold Investment Properties	Owned Investment Properties	Total
Accumulated depreciation			
As at 1 April 2020	**52.73**	**-**	**52.73**
Depreciation	46.74	1.41	48.15
Disposals	(31.19)	-	(31.19)
As at 31 March 2021	**68.28**	**1.41**	**69.69**
Depreciation	33.81	5.65	39.46
Disposals	-	-	-
As at 31 March 2022	**102.09**	**7.06**	**109.15**
Accumulated impairment			
As at 1 April 2020	**0.77**	**-**	**0.77**
Impairment loss (refer note 37)	-	-	-
As at 31 March 2021	**0.77**	**-**	**0.77**
Impairment loss (refer note 37)	65.43	-	65.43
As at 31 March 2022	**66.20**	**-**	**66.20**
Net carrying amount			
As at 31 March 2021	**287.67**	**168.22**	**455.89**
As at 31 March 2022	**188.43**	**162.57**	**351.00**

6 Goodwill

	Goodwill on consolidation	Goodwill on business combination	Amount
Gross carrying amount			
As at 1 April 2020	**206.17**	**84.46**	**290.63**
Acquisitions through business combination (refer note 51)	-	420.11	420.11
As at 31 March 2021	**206.17**	**504.57**	**710.74**
Acquisitions	-	-	-
As at 31 March 2022	**206.17**	**504.57**	**710.74**
Accumulated impairment			
As at 1 April 2020	**66.29**	**-**	**66.29**
Impairment loss	-	-	-
As at 31 March 2021	**66.29**	**-**	**66.29**
Impairment loss	-	-	-
As at 31 March 2022	**66.29**	**-**	**66.29**
Net carrying amount			
As at 31 March 2021	**139.88**	**504.57**	**644.45**
As at 31 March 2022	**139.88**	**504.57**	**644.45**

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Impairment testing for goodwill

Goodwill on consolidation

The Group tests goodwill on consolidation for impairment annually. For the purposes of impairment testing, goodwill on consolidation is allocated to respective subsidiary entity "CGU" within the Group.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Devyani Food Street Private Limited	139.88	139.88
Devyani Airport Services (Mumbai) Private Limited	-	-
RV Enterprizes Pte. Limited	-	-
Total	**139.88**	**139.88**

For CGU's containing goodwill, management conducts impairment assessment and compares the carrying amount of such CGU with its recoverable amount. Recoverable amount is value in use of the CGU computed based upon discounted cash flow projections. The key assumptions used for computation of value in use are the sales growth rate and discount rate as specified below. The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

Key assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	18.50%	19.00% - 21.00%
Average sales growth rate	25.00%	32 -36%

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

The Group, for CGU, has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a 5 years (approximately) cash flow forecast and applicable terminal growth rate. Terminal growth is used to extrapolate the cash flows beyond the projected period.

Goodwill on business combination

During the previous years, the Group had acquired 73 stores from Yum Restaurants (India) Private Limited ("Yum") in the States of Goa, Kerala, Karnataka, Andhra Pradesh and Telangana (except in the city of Hyderabad). The Group acquired goodwill of ₹ 504.57 through business combinations which is attributable to the operational synergies and expansion on market share. In order to further expand its business operations, the Group has opened new stores in these States.

The Group has tested goodwill for impairment on the basis of acquired stores as well as new stores. Management periodically assesses whether there is an indication that such goodwill may be impaired. For goodwill, where impairment indicators exists, management compares the carrying amount of such goodwill with its recoverable amount. As on the reporting date, the recoverable amount of this cash generating unit is determined at ₹ 1,704.57 (31 March 2021: ₹ 892.48). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 5%-20% (31 March 2021: Nil-5%) and salary growth rate of 6% (31 March 2021: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 12.15% p.a (31 March 2021: 12.17% p.a.). As the recoverable amount is in excess of the carrying amount of goodwill, hence no impairment loss has been recorded on the aforesaid goodwill during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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7. Other intangible assets

	Franchisee rights	License fees	Computer softwares	Total
Gross carrying amount				
As at 1 April 2020	**143.61**	**563.88**	**109.59**	**817.08**
Acquisitions through business combination (refer note 51)	916.22	198.79	-	1,115.01
Additions other than above	-	343.31	5.14	348.45
Disposals/adjustments	-	51.36	8.97	60.33
Exchange differences on translation of foreign operations	-	(2.04)	-	(2.04)
As at 31 March 2021	**1,059.83**	**1,052.58**	**105.76**	**2,218.17**
Additions	-	146.90	58.83	205.73
Disposals/adjustments	-	326.41	1.62	328.03
Exchange differences on translation of foreign operations	-	(6.37)	-	(6.37)
As at 31 March 2022	**1,059.83**	**866.70**	**162.97**	**2,089.50**
Accumulated amortisation				
As at 1 April 2020	**-**	**145.15**	**68.92**	**214.07**
Amortisation	48.46	80.34	14.54	143.34
Disposals	-	19.91	8.37	28.28
Exchange differences on translation of foreign operations	-	(1.21)	-	(1.21)
As at 31 March 2021	**48.46**	**204.37**	**75.09**	**327.92**
Amortisation	105.50	87.84	9.77	203.11
Disposals	-	14.31	0.93	15.24
Exchange differences on translation of foreign operations	-	(5.82)	-	(5.82)
As at 31 March 2022	**153.96**	**272.08**	**83.93**	**509.97**
Accumulated impairment				
As at 1 April 2020	**-**	**17.93**	**7.66**	**25.59**
Impairment loss	-	41.17	0.35	41.52
Impairment (reversal)	-	(4.07)	-	(4.07)
Disposals	-	27.37	0.61	27.98
As at 31 March 2021	**-**	**27.66**	**7.40**	**35.06**
Impairment loss	-	25.93	-	25.93
Impairment (reversal)	-	(10.45)	(3.97)	(14.42)
Disposals	-	1.70	0.05	1.75
As at 31 March 2022	**-**	**41.44**	**3.38**	**44.82**
Net carrying amount				
As at 31 March 2021	**1,011.37**	**820.55**	**23.27**	**1,855.19**
As at 31 March 2022	**905.87**	**553.18**	**75.66**	**1,534.71**

Notes:

i) There are no internally generated/ developed intangible assets.

ii) For details regarding impairment- refer note 42.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

8 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good				
Security deposits^	529.85	435.36	144.34	141.57
Bank deposits * #	7.23	14.95	841.49	0.07
Lease rental receivables	41.22	56.27	20.27	11.73
Finance lease receivables	84.70	96.16	11.64	10.03
Other receivables	-	-	324.88	84.23
	663.00	**602.74**	**1,342.62**	**247.63**
Other receivables and security deposits (credit impaired)	-	-	13.76	4.50
Less: loss allowance	-	-	(13.76)	(4.50)
	663.00	**602.74**	**1,342.62**	**247.63**

^ Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item as per amended Schedule III of the Companies Act, 2013. Previously, these deposits were included in 'loans' line item.

* Bank deposits include ₹ 7.23 (31 March 2021 : ₹ 14.95) as deposits with banks under lien. These deposits are used for issuing letter of credit/standby letter of credit/ bank guarantees.

Includes interest accrued but not due on bank deposits amounting to ₹ 14.92 (31 March 2021: ₹ 0.01)

9 Other assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Capital advances	289.80	147.42	-	-
Other advances:				
- Amount paid under protest	7.41	-	-	-
- Prepaid expenses	4.21	15.13	54.01	33.01
- Prepaid rent	5.83	5.73	1.43	7.47
- Balance with statutory/government authorities	20.71	26.13	134.76	72.21
- Advances to employees	-	-	37.95	25.07
- Advance to suppliers	0.33	0.15	73.14	70.10
	328.29	**194.56**	**301.29**	**207.86**
Less: loss allowance	-	-	(6.81)	(6.28)
	328.29	**194.56**	**294.48**	**201.58**

10 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at the lower of cost and net realisable value)		
Raw materials including packaging materials	854.86	621.97
	854.86	**621.97**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

11 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
- Considered good- unsecured	210.54	168.80
- Credit impaired	26.83	34.00
	237.37	**202.80**
Less: loss allowance (refer note 35)	(26.83)	(34.00)
	210.54	**168.80**

Sub notes:

Trade receivables includes receivables from related parties. Refer note 38

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

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

Trade receivables ageing schedule on 31 March 2022

Particulars	Outstanding for following periods from due dates						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	178.94	26.43	0.58	4.53	0.06	-	210.54
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade rreceivables – credit impaired	-	-	1.74	6.90	3.48	4.61	16.73
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	0.25	1.48	5.47	2.90	10.10
Total	**178.94**	**26.43**	**2.57**	**12.91**	**9.01**	**7.51**	**237.37**

Trade receivables ageing schedule on 31 March 2021

Particulars	Outstanding for following periods from due dates						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	143.33	20.01	4.08	0.74	0.64	-	168.80
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed trade receivables – credit impaired	-	0.05	8.00	19.41	1.41	1.40	30.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Particulars	Outstanding for following periods from due dates						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(iii) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables-credit impaired	-	-	0.12	0.71	0.38	2.52	3.73
Total	**143.33**	**20.06**	**12.20**	**20.86**	**2.43**	**3.92**	**202.80**

12 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks :		
- On current accounts	331.35	351.16
- in deposits accounts	180.35	-
Cash on hand	45.98	38.97
Cash in transit	16.78	9.49
	574.46	**399.62**

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Other bank balances*		
- On deposit account ^	84.36	5.71
	84.36	**5.71**
* Bank deposits ₹ 4.73 (31 March 2021: ₹ 5.71) as deposits with banks under lien. ^ Includes interest accrued but not due on bank deposits amounting to ₹ 0.49 (31 March 2021: ₹ 0.01)		
Note: Details of bank deposits summarised below:		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' (refer note 12)	180.35	-
Bank deposits due for maturity after 3 months and within 12 months of the original maturity included under 'Other Balances with banks' (refer note 13)	84.36	5.71
Bank deposits due for maturity after 12 months of the original maturity have been disclosed as 'Other financial assets' (refer note 8)	848.72	15.02
	1,113.43	**20.73**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

14 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
5,000,000,000 (31 March 2021 : 1,250,000,000) equity shares of ₹ 1/- each*	5,000.00	1,250.00
	5,000.00	**1,250.00**
Issued, subscribed and fully paid -up		
1,204,736,378 (31 March 2021 : 1,153,634,990) equity shares of ₹ 1/- each*	1,204.74	1,153.63
	1,204.74	**1,153.63**

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

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and paid up				
At the beginning of the year	1,153,634,990	1,153.63	106,166,666	1,061.67
Issued during the year	51,101,388	51.11	9,196,833	91.96
At the end of the year	**1,204,736,378**	**1,204.74**	**115,363,499***	**1,153.63**
*Equity shares of ₹ 1/- each as at 31 March 2021 pursuant to share split with effect from 25 March 2021	-	-	1,153,634,990	1,153.63

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 1/- per share (pursuant to the share split from ₹ 10/- to ₹ 1/- per share with effect from 25 March 2021). Each holder of the equity share is entitled to one vote per share and is entitled to dividend declared, if any. The paid up equity shares of the Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholder.

During the previous year, Yum Restaurants India Private Limited ("YRIPL") has been allotted 5,308,333 (pre-split of shares) equity shares of ₹ 10/- each of the Company. Further, Dunearn Investments (Mauritius) Pte Limited ("Dunearn"), and YRIPL, both the investors in the Company, enjoyed certain exit rights as defined in their respective Shareholder's Agreements executed with the Company. By virtue of amendment cum termination agreement entered on 3 May 2021, their rights were terminated on the listing date i.e. 16 August 2021.

c) Shares reserved for issue under options and contracts

For terms and other details of shares reserved for issue and options exercised during the year under Employee Stock Option Scheme ("ESOS") of the Company- refer note 40.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
- RJ Corp Limited, India, holding and ultimate holding company				
Equity shares of ₹ 1/- each fully paid-up*	714,821,970	59.33	804,821,970	69.76
	714,821,970	**59.33**	**804,821,970**	**69.76**

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
- RJ Corp Limited, India, holding company				
Equity shares of ₹ 1/- each	714,821,970	59.33	804,821,970	69.76
- Dunearn Investments (Mauritius) Pte Limited				
Equity shares of ₹ 1/- each	98,000,000	8.13	163,333,330	14.16
- Mr. Varun Jaipuria				
Equity shares of ₹ 1/- each	39,625,617	3.29	70,047,260	6.07

f) Shareholding of Promoters

	As at 31 March 2022			As at 31 March 2021		
	No. of shares	% holding	% Change During the year	No. of shares	% holding	% Change During the year
- RJ Corp Limited, India, holding company						
Equity shares of ₹ 1/- each	714,821,970	59.33	(10.43)	804,821,970	69.76	(6.64)
- Mr. Varun Jaipuria						
Equity shares of ₹ 1/- each	39,625,617	3.29	(2.78)	70,047,260	6.07	(0.53)
- Mr. Ravi Kant Jaipuria						
Equity shares of ₹ 1/- each	2,114,103	0.18	(1.31)	17,114,100	1.48	(0.13)

g) For the period of five years immediately preceding the date of the consolidated Balance Sheet, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding 31 March 2022 and 31 March 2021.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

a) Reserves and Surplus (attributable to owners of the Company)

Particulars	As at 31 March 2022	As at 31 March 2021
Share application money pending allotment	-	-
Securities premium	12,450.28	8,126.54
General reserve	5.47	5.47
Retained earnings	(7,656.48)	(8,874.67)
Employee stock options outstanding account (refer note 40)	44.27	14.40
Exchange difference of translation of foreign operations	814.75	712.36
Total	**5,658.29**	**(15.90)**

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

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

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

iv) Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer note 40 for further details of these plans.

b) Other comprehensive income - Exchange differences of translation of foreign operations

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

ii) Exchange differences on translation of foreign operations are foreign currency translation differences which are recognised in other comprehensive income.

16 Lease liabilities (refer note 36)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease liabilities	10,305.33	7,936.96	912.13	787.38
	10,305.33	**7,936.96**	**912.13**	**787.38**

17 Borrowings

Particulars	Non-current		Current*	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Term loans (secured) from banks:				
Indian rupee term loans	609.17	2,923.83	0.11	447.12
Foreign currency term loans	-	143.90	-	111.68

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

Particulars	Non-current		Current*	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured term loans from others:	-		-	
Redeemable, non-cumulative, non-convertible preference shares	-	77.23	-	24.18
Bodies corporate (refer note 38)	464.59	448.69	246.36	245.54
	1,073.76	**3,593.65**	**246.47**	**828.52**

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

* Current portion of long-term borrowings includes interest accrued of ₹ 0.11 (31 March 2021: ₹ 0.88). The same has been included in 'Current borrowings' (refer note 18).

Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of borrowings and lease liabilities:		
Indian rupee term loans	3,370.95	3,365.85
Term loan- unsecured	694.23	713.86
Foreign currency term loans	255.58	349.07
Redeemable, non-cumulative, non-convertible preference shares	101.41	107.59
Lease liabilities	8,724.34	12,881.87
Cash credit facilities from banks	211.10	904.56
Cash flows		
Proceeds from non-current borrowings	609.17	2,355.86
Repayment of non-current borrowings	(3,729.28)	(2,401.07)
(Repayments)/proceeds of cash credit and overdraft facilities from banks (net)	(206.53)	(693.46)
Finance cost paid	(146.99)	(492.24)
Payment of lease liabilities- principal #	(366.36)	-
Payment of lease liabilities- interest	(1,083.38)	(825.69)
Non-cash changes		
Foreign currency exchange fluctuations due to reinstatement	0.57	(28.87)
Exchange difference of translation of foreign operations	16.69	(9.80)
Changes in loans received at amortisation cost	32.53	(3.79)
Finance cost expense	1,269.95	1,577.59
Gain on modification of financial instrument	(32.53)	-
Gain on modification of leases	(8.08)	(52.71)
Gain on termination of leases	(13.49)	(611.39)
Rent concession	(358.82)	(1,158.89)
Additions/remeasurement of lease liabilities	3,233.74	(2,620.73)
Closing balance of loans		
Indian rupee term loans	609.28	3,370.95
Term loan- unsecured	710.95	694.23
Foreign currency term loans	-	255.58
Redeemable, non-cumulative, non-convertible preference shares	-	101.41
Lease liabilities	11,217.46	8,724.34
Cash credit facilities from banks	4.57	211.10

\# Nil on account of adjustment for rent concessions for the year ended 31 March 2021

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for the year ended 31 March 2022

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

Terms of borrowings and security from banks

Sr. no	Bank/Party	Description	31 March 2022		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
1	RBL Bank Limited	₹ Term loan - 10	-	-	Prepaid on 16 August 2021	-	-	Monthly	-
2	RBL Bank Limited	₹ WCTL Term loan - II	609.17	0.11	- 9 instalments during FY 2023-24 - ₹ 12.69 each - 12 instalments during FY 2024-25 - ₹ 12.69 each - 12 instalments during FY 2025-26 - ₹ 12.69 each - 12 instalments during FY 2026-27 - ₹ 12.69 each - 3 instalments during FY 2027-28 - ₹ 12.69 each	62	48	Monthly	6.00% -6.42%
3	Axis Bank Limited	₹ Term loan - 1	-	-	Prepaid on 16 August 2021	-	-	Quarterly	-
4	Axis Bank Limited	₹ Term loan - 8	-	-	Prepaid on 16 August 2021	-	-	Quarterly	-
5	Yes Bank Limited	USD Term loan - 1	-	-	Prepaid on 18 August 2021	-	-	Quarterly	-
6	Yes Bank Limited	USD Term loan - 2	-	-	Prepaid on 18 August 2021	-	-	Quarterly	-
7	IndusInd Bank Limited	₹ Term loan - 4	-	-	Prepaid on 16 August 2021	-	-	Quarterly	-
8	IndusInd Bank Limited	₹ Term loan - 6	-	-	Prepaid on 16 August 2021	-	-	Quarterly	-
9	IndusInd Bank Limited	₹ Term loan - 9	-	-	Prepaid on 16 August 2021	-	-	Quarterly	-
10	SBM Bank Limited	₹ Term loan - 7	-	-	Repaid on 2 April 2021	-	-	Quarterly	-
11	High Street Food Services Private Limited	₹ Term Loan	-	-	Fully Repaid on 15th July 2021	-	-	Quarterly	-
12	High Street Food Services Private Limited	Prefrence Share*	-	-	The Group purchased the preference shares on 12th July 2021 from High Street Food Services Private Limited.	-	-	-	-
13	Everest Bank Limited	NPR Term Loan 1	-	-	Fully Repaid on 10th September 2021	-	-	Quarterly	-
14	Everest Bank Limited	NPR Term Loan 2	-	-	Fully Repaid on 10th September 2021	-	-	Quarterly	-
15	Chellarams Plc	NGN Unsecured loan	1.55	1.03	The term loan rescheduled in financial year 2021-22 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2022-23- ₹ 0.52 each - 2 instalments during 2023-24- ₹ 0.52 each - 1 instalment during 2024-25- ₹ 0.50	27	5	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2022		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
16	Chellarams Plc	NGN Unsecured loan	6.10	4.07	The term loan rescheduled in financial year 2021-22 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2022-23- ₹ 2.03 each - 2 instalments during 2023-24- ₹ 2.03 each - 1 instalment during 2024-25- ₹ 2.015	27	5	Quarterly	5.00%
17	Chellarams Plc	NGN Unsecured loan	7.69	5.12	The term loan rescheduled in financial year 2021-22 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2022-23- ₹ 2.56 each - 2 instalments during 2023-24- ₹ 2.56 each - 1 instalment during 2024-25- ₹ 2.57	27	5	Quarterly	5.00%
18	Chellarams Plc	NGN Unsecured loan	11.30	5.65	The term loan rescheduled in financial year 2021-22 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 1.41 each - 4 instalments during 2023-24- ₹ 1.41 each - 3 instalments during 2024-25- ₹ 1.41 each - 1 instalment during 2024-25- ₹ 1.44	36	12	Quarterly	5.00%
19	Chellarams Plc	USD Unsecured loan	107.39	53.70	The term loan rescheduled in financial year 2021-22 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 13.42 each - 4 instalments during 2023-24- ₹ 13.42 each - 3 instalments during 2024-25- ₹ 13.42 each - 1 instalment during 2024-25- ₹ 13.47	36	12	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2022		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
20	Chellarams Plc	USD Unsecured TL	91.27	45.64	The term loan rescheduled in financial year 2021-22 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 11.41 each - 4 instalments during 2023-24- ₹ 11.41 each - 3 instalments during 2024-25- ₹ 11.41 each - 1 instalment during 2024-25- ₹ 11.40	36	12	Quarterly	5.00%
21	Chellarams Plc	USD Unsecured loan	42.95	21.48	The term loan rescheduled in financial year 2021-22 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 5.37 each - 4 instalments during 2023-24- ₹ 5.37 each - 3 instalments during 2024-25- ₹ 5.37 each - 1 instalment during 2024-25- ₹ 5.36	36	12	Quarterly	5.00%
22	Chellarams Plc	USD Unsecured loan	42.95	21.47	The term loan rescheduled in financial year 2021-22 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 5.37 each - 4 instalments during 2023-24- ₹ 5.37 each - 3 instalments during 2024-25- ₹ 5.37 each - 1 instalment during 2024-25- ₹ 5.35	36	12	Quarterly	5.00%
23	Chellarams Plc	USD Unsecured loan	64.43	32.21	The term loan rescheduled in financial year 2021-22 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 8.05 each - 4 instalments during 2023-24- ₹ 8.05 each - 3 instalments during 2024-25- ₹ 8.05 each - 1 instalment during 2024-25- ₹ 8.09	36	12	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2022		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
24	Chellarams Plc	USD Unsecured loan	69.00	46.00	The term loan rescheduled in financial year 2021-22 and repayable in 10 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 11.50 each - 4 instalments during 2023-24- ₹ 11.50 each - 2 instalments during 2024-25- ₹ 11.50	28	10	Quarterly	5.00%
25	Chellarams Plc	USD Unsecured loan	19.97	9.99	The term loan rescheduled in financial year 2021-22 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2022-23- ₹ 2.50 each - 4 instalments during 2023-24- ₹ 2.50 each - 3 instalments during 2024-25- ₹ 2.50 each - 1 instalment during 2024-25- ₹ 2.46	36	12	Quarterly	5.00%

* The Company purchased the preference shares of Devyani Airport Services Mumbai Private Limited (DASMPL) held by High Street Food Services Private Limited for a consideration of ₹ 68.30 on 12 July 2021.

Sr. No	Terms of security
2	Second Pari Passu Charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. and equitable mortgage on the immovable property, plant and equipment of the Company's industrial.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
1	Axis Bank Limited	₹ Term loan - 1	-	59.80	- 1 instalment during FY 2021-22 - ₹ 60	9	1	Quarterly	7.30%
2	Yes Bank Limited	₹ Term loan - 2	-	-	The loan is fully repaid on 30th December 2020	-	-	Annualy	-
3	Ratnakar Bank Limited	₹ Term loan - 3	-	-	The loan is fully repaid on 19th March 2021	-	-	Quarterly	-
4	Ratnakar Bank Limited	₹ Term loan - 10	836.25	55.90	- 3 instalments during FY 2021-22 - ₹ 18.58 each - 12 instalments during FY 2022-23 - ₹ 18.58 each - 12 instalments during FY 2023-24 - ₹ 18.58 each - 12 instalments during FY 2024-25 - ₹ 18.58 each - 9 instalments during FY 2025-26 - ₹ 18.58 each	57	48	Monthly	6.00%
5	Yes Bank Limited	USD Term loan - 1	70.68	56.47	- 4 instalments during FY 2021-22- USD 0.19 million each - 4 instalment during FY 2022-23- USD 0.19 million each - 1 instalments during FY 2023-24- USD 0.19 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme.	27	9	Quarterly	5.25%
6	Yes Bank Limited	USD Term loan - 2	60.91	48.58	- 4 instalments during FY 2021-22- USD 0.17 million each - 4 instalment during FY 2022-23- USD 0.17 million each - 1 instalments during FY 2023-24- USD 0.17 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme.	27	9	Quarterly	5.50%
7	IndusInd Bank Limited	₹ Term loan - 4	550.00	0.11	- 1 instalment during FY 2022-23- ₹ 62.5 - 3 instalments during FY 2023-24- ₹ 62.5 each - 1 instalment during FY 2023-24- ₹ 75 - 3 instalments during FY 2024-25- ₹ 75 each Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme. Further prepayment of ₹ 87.50 made in July-20.	43	8	Quarterly	7.50%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
8	IDFC First Bank Limited	₹ Term loan - 5	-	-	The loan is fully repaid on 26th March 2021	-	-	Quarterly	-
9	IndusInd Bank Limited	₹ Term loan - 6	650.00	0.13	- 1 instalments during FY 2022-23- ₹ 40 each - 4 instalments during FY 2023-24- ₹ 40 each - 1 instalment during FY 2024-25- ₹ 40 - 3 instalments during FY 2024-25- ₹ 50 each - 4 instalments during FY 2025-26- ₹ 50 each - 1 instalment during FY 2026-27- ₹ 60	61	14	Quarterly	7.50%
10	SBM Bank Limited	₹ Term loan - 7	-	198.87	- ₹ 200 of loan is paid on 19 March 2021 - remaining 50% of loan to be paid in 1 instalments on 1st April 2021 - ₹ 200	1	1	Quarterly	9.30%
11	Axis Bank Limited	₹ Term loan - 8	440.19	98.99	- 3 instalments during FY 2021-22 - ₹ 34.375 each - 4 instalments during FY 2022-23 - ₹ 34.375 each - 4 instalments during FY 2023-24 - ₹ 34.375 each - 4 instalments during FY 2024-25 - ₹ 34.375 each - 1 instalment during FY 2025-26 - ₹ 34.375 each	51	16	Quarterly	7.30%
12	IndusInd Bank Limited	₹ Term loan - 9	447.39	33.31	- 3 instalments during FY 2021-22 - ₹ 12.50 each - 4 instalments during FY 2022-23 - ₹ 12.50 each - 1 instalment during FY 2023-24 - ₹ 12.50 - 3 instalments during FY 2023-24 - ₹ 18.75 each - 4 instalments during FY 2024-25 - ₹ 18.75 each - 1 instalment during FY 2025-26 - ₹ 18.75 - 3 instalments during FY 2025-26 - ₹ 31.25 each - 4 instalments during FY 2026-27 - ₹ 31.25 each - 1 instalment during FY 2027-28 - ₹ 31.25	74	24	Quarterly	7.50%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
13	High Street Food Services Private Limited	₹ Term Loan	-	0.95	The term loan is repayable in 1 quarterly instalment as below mentioned : - 1 instalment during 2021-22- ₹ 0.39	3	1	Quarterly	12.00%
14	High Street Food Services Private Limited	Prefrence Share	77.23	24.18	2.25 million redeemable preference shares were issued during the year 2017-2018 as fully paid with a par value of ₹ 10/-. The redeemable preference shares are mandatorily redeemable at par and the Group is obliged to pay holders of these shares dividends at the rate of 8 % of the par amount per annum, subject to availability of distributable profits. The terms of redemption of preference shares (which were due for redemption) has been extended for further period of five years in the current year.	-	-	-	8.00%
15	Yes Bank Limited	₹ Term Loan	-	-	The term loan is fully repaid in the month of December 2020	-	-	Quarterly	-
16	Everest Bank Limited	NPR Term Loan 1	6.26	3.93	The term loan is repayable in 11 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 0.984 each - 4 instalments during 2022-23- ₹ 0.984 each - 2 instalments during 2023-24- ₹ 0.984 each - 1 instalment during 2023-24-of ₹ 0.35 each	33	11	Quarterly	8.52%
17	Everest Bank Limited	NPR Term Loan 2	6.06	2.70	The term loan is repayable in 13 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 0.674 each - 4-installments during 2022-23- ₹ 0.674 each - 4-installments during 2023-24- ₹ 0.674 each - 1-installments during 2023-24- ₹ 0.664 each	33	13	Quarterly	8.52%
18	Chellarams Plc	NGN Unsecured TL	1.63	1.09	The term loan rescheduled in financial year 2020-21 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2021-22- ₹ 0.54 each - 2 instalments during 2022-23- ₹ 0.54 each - 1 instalment during 2023-24- ₹ 0.54 each	27	5	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
19	Chellarams Plc	NGN Unsecured TL	6.00	4.80	The term loan rescheduled in financial year 2020-21 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2021-22- ₹ 2.16 each - 2 instalments during 2022-23- ₹ 2.16 each - 1 instalment during 2023-24- ₹ 2.1	27	5	Quarterly	5.00%
20	Chellarams Plc	NGN Unsecured TL	7.56	6.04	The term loan rescheduled in financial year 2020-21 and repayable in 5 semi-annual instalments as below mentioned : - 2 instalments during 2021-22- ₹ 2.72 each - 2 instalments during 2022-23- ₹ 2.72 each - 1 instalment during 2023-24- ₹ 2.72	27	5	Quarterly	5.00%
21	Chellarams Plc	NGN Unsecured TL	12.00	6.00	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 1.50 each - 4 instalments during 2022-23- ₹ 1.50 each - 4 instalments during 2023-24- ₹ 1.50 each	36	12	Quarterly	5.00%
22	Chellarams Plc	USD Unsecured TL	104.19	52.06	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 13.02 each - 4 instalments during 2022-23- ₹ 13.02 each - 4 instalments during 2023-24- ₹ 13.02 each	36	12	Quarterly	5.00%
23	Chellarams Plc	USD Unsecured TL	88.50	44.25	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 11.06 each - 4 instalments during 2022-23- ₹ 11.06 each - 4 instalments during 2023-24- ₹ 11.06 each	36	12	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank/Party	Description	31 March 2021		Terms of repayment				
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest rates range (p.a.)
24	Chellarams Plc	USD Unsecured TL	41.65	20.83	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- 5.21 each - 4 instalments during 2022-23- ₹ 5.21 each - 4 instalments during 2023-24- ₹ 5.21 each	36	12	Quarterly	5.00%
25	Chellarams Plc	USD Unsecured TL	41.64	20.82	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 5.21 each - 4 instalments during 2022-23- ₹ 5.21 each - 4 instalments during 2022-24- ₹ 5.21 each	36	12	Quarterly	5.00%
26	Chellarams Plc	USD Unsecured TL	62.47	31.23	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 7.81 each - 4 instalments during 2022-23- ₹ 7.81 each - 4 instalments during 2023-24- ₹ 7.81 each	36	12	Quarterly	5.00%
27	Chellarams Plc	USD Unsecured TL	63.72	47.79	The term loan rescheduled in financial year 2020-21 and repayable in 10 quarterly instalments as below mentioned is repayable in 10 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 11.15 each - 4 instalments during 2022-23- ₹ 11.15 each - 2 instalment during 2023-24- ₹ 11.15 each	28	10	Quarterly	5.00%
28	Chellarams Plc	USD Unsecured TL	19.34	9.68	The term loan rescheduled in financial year 2020-21 and repayable in 12 quarterly instalments as below mentioned : - 4 instalments during 2021-22- ₹ 2.42 each - 4 instalments during 2022-23- ₹ 2.42 each - 4 instalments during 2023-24- ₹ 2.42 each	36	12	Quarterly	5.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Sl.No	Terms of security
1 to 3 & 5 to 12	First Pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.
1 to 3 & 5 to 12	First Pari passu charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.
1 to 2 & 4 to 12	Second pari passu charge by way of hypothecation on the entire current assets of the Company both present and future.
4	Second Pari Passu Charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future. and equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.
4	100% Guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC)
10 to 12 & 16 to 17	Personal guarantee of Mr. Ravi Kant Jaipuria
11	Corporate guarantee of RJ Corp Limited
12	Personal guarantee Ravi Kant Jaipuria and sons (HUF)
16 & 17	Primary security: First pari passu charge on the entire moveable fixed and current assets of the Company and the loan is secured by the corporate guarantee of Devyani International Limited and personal guarantee of the directors

17 (i) Utilisation of borrowings

(a) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(b) The quarterly returns/statements of current assets filed by the Group with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

18 Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Cash credit facilities from banks (secured) (repayable on demand)	4.57	211.10
Current portion of long-term borrowings (refer note 17)*	246.47	828.52
	251.04	**1,039.62**

Details for Cash credit facilities from banks:

Terms of loan	As at 31 March 2022	As at 31 March 2021
The credit facility taken from Standard Chartered Bank carries interest rate of Nil (31 March 2022 : 18% p.a.) The facility is secured by: - Charge on all the assets of Devyani International (Nigeria) Limited - Corporate Guarantee from Chellarams Plc - Corporate Guarantee from RV Enterprises Pte Ltd	-	75.06
The credit facility taken from Titan Trust Bank carries interest rate of LIBOR +10%p.a. (31 March 2021: Nil) The facility is secured by LC cover margin.	4.57	-
The credit facility taken from HDFC Bank Limited carries interest rate, currently 7.50% p.a. (31 March 2021: 7.75 % p.a), (interest payable on monthly rests). The credit facility is secured by: - First pari passu charge on entire current assets of the company with IDBI Bank. - Second pari passu charge on all property, plant and equipment of the Company.	-	136.04

* The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item as per amended Schedule III of the Companies Act, 2013. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

19 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Security deposits payable	41.31	42.07	16.56	13.62
Derivatives (interest rate swap)	-	7.23	-	-
Employee related payables	-	-	300.10	110.29
Capital creditors	-	-	261.53	341.26
Other payables	-	-	46.59	12.25
	41.31	**49.30**	**624.78**	**477.42**

20 Provisions

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Gratuity (refer note 45)	107.58	110.66	54.62	54.63
Compensated absences	69.00	58.49	29.49	28.31
	176.58	**169.15**	**84.11**	**82.94**

21 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Deferred income	10.69	9.74	0.55	5.05
Advances from customers*	-	-	7.13	31.72
Statutory dues payable				
Goods and service tax/ value added tax payables	-	-	91.41	85.80
VAT payable	-	-	11.84	-
Tax deducted at source payable	-	-	140.04	36.88
Other statutory dues payable	-	-	50.26	33.09
Other payable	-	-	8.43	0.94
	10.69	**9.74**	**309.66**	**193.48**

***Contract balances**

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

Contract liabilities (advances from customers against sale of goods)	As at 31 March 2022	As at 31 March 2021
Opening balance	31.72	32.40
Revenue recognized that was included in the contract liability balance at the beginning of the year	(31.72)	(32.40)
Closing balance	7.13	31.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

22 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Micro enterprises and small enterprises (refer note below)	173.06	150.53
Other than micro enterprises and small enterprises*	1,790.66	1,468.47
	1,963.72	**1,619.00**

* Includes payable to related parties. Refer note 38.

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

Dues to micro and small enterprises

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	162.21	146.53
- Interest	10.85	4.00
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	374.60	231.32
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	6.76	3.16
The amount of interest accrued and remaining unpaid at the end of each accounting year.	6.76	3.46
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	3.39	0.89

Trade payable ageing schedule at 31 March 2022

Particulars	Outstanding for following periods from due dates						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	115.96	48.88	5.33	2.88	0.01	173.06
(ii) Others	652.95	428.05	531.45	49.93	52.59	58.79	1,773.76
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed others dues	16.90	-	-	-	-	-	16.90
Total	**669.85**	**544.01**	**580.33**	**55.26**	**55.47**	**58.80**	**1,963.72**

Trade payable ageing schedule at 31 March 2021

Particulars	Outstanding for following periods from due dates						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.06	91.14	53.12	4.20	0.01	-	150.53
(ii) Others	488.27	505.32	412.24	20.38	7.14	35.12	1,468.47
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	-	-	-	-	-	-	-
Total	**490.33**	**596.46**	**465.36**	**24.58**	**7.15**	**35.12**	**1,619.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

23 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		
Finished goods	20,587.19	11,152.67
Traded goods	53.94	41.27
Other operating revenues		
Marketing and other services	79.22	20.04
Rental and maintenance income	106.67	133.24
Scrap sales	13.08	1.16
	20,840.10	**11,348.38**
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
Revenue recognised at the point of time	20,654.21	11,195.10
Revenue recognised over the period of time	185.89	153.28
Total revenue from contracts with customers	**20,840.10**	**11,348.38**
Revenue disaggregation as per geography has been included in segment information (refer note 46).		
Contract liabilities		
The Group has recognised the following revenue-related contract liabilities:		
Contract liabilities (refer note 21)	7.13	31.72

24 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income under effective interest method from:		
- bank deposits	29.73	2.76
- others	2.96	4.76
Interest income from financial assets at amortized cost	57.43	96.43
Liabilities no longer required written back	28.65	43.09
Net gain on foreign currency transactions and translations	6.23	-
Gain on modification of leases	8.08	52.71
Gain on termination of leases	13.49	-
Rent concession [refer note 36 A (ii)]	-	431.17
Derivatives at fair value through profit and loss	0.72	6.75
Others	13.92	2.90
	161.21	**640.57**

25 Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw material and packing material consumed		
Inventories at the beginning of the year	621.97	539.41
Add: Purchases during the year	6,119.53	3,469.49
Less: Inventories at the end of the year	854.86	621.97
	5,886.64	**3,386.93**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

26 Purchases of stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of stock-in-trade	111.83	59.67
	111.83	**59.67**

27 Employee benefit expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus #	2,238.07	1,369.79
Contribution to provident and other funds	132.54	86.44
Gratuity (refer note 45)	31.92	28.78
Staff welfare expenses	79.83	58.31
	2,482.36	**1,543.32**

The amount includes "Employee stock option expenses/(reversal)" for ₹ 64.87 (31 March 2022: ₹ (22.83)). Refer note 40.

28 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expenses	1,226.37	1,483.87
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost	11.25	-
Others borrowing costs	32.32	10.89
	1,269.94	**1,494.76**

* includes interest on lease liabilities of ₹ 1092.22 (31 March 2021: ₹ 1121.67) (refer note 36).

29 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3A)	893.89	803.74
Depreciation on right-of-use asset	1,076.87	1,299.31
Depreciation on investment properties (refer note 5)	39.46	48.15
Amortisation of other intangible assets (refer note 7)	203.11	143.34
	2,213.33	**2,294.54**

30 Impairment of non-financial assets

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment/(reversal) on property, plant and equipment (refer note 3A)	(71.12)	405.22
Impairment on right-of-use assets	29.46	37.38
Impairment on investment properties (refer note 5)	65.43	-
Impairment/(reversal) of other intangible assets (refer note 7)	11.51	37.45
	35.28	**480.05**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

31 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	1,117.57	651.36
Rent [refer note 36A (ii)]	606.31	-
Repairs and maintenance		
- Plant and equipment	232.85	118.85
- Buildings	363.09	281.53
- Others	126.27	87.58
Rates and taxes	88.89	70.30
Travelling and conveyance	103.23	45.56
Legal and professional	47.20	38.85
Auditor's remuneration (refer note below)	11.18	10.17
Water	42.47	29.63
Insurance	21.60	20.19
Printing and stationery	19.70	11.01
Communication	81.25	60.05
Sitting fee/commission paid to non-executive director (refer note 38)	20.33	2.79
Security and service	89.27	49.92
Bank charges	17.36	17.84
Advertisement and sales promotion	1,095.67	661.79
Commission and brokerage	1,595.73	819.38
Royalty and continuing fees	1,397.39	724.99
Freight including delivery charges	368.58	183.68
Loss on sale of property, plant and equipment (net)	18.36	87.38
Loss allowance	5.63	12.36
General office and other miscellaneous	129.55	27.13
	7,599.48	**4,012.34**

Note: Auditor's remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
Statutory audit and reviews*	10.65	9.17
Tax matters	0.20	0.67
Others matters #	3.24	0.05
Outlays	0.33	0.28
	14.42	**10.17**

* Inclusive of applicable taxes

includes ₹ 3.24 (31 March 2021: ₹ Nil) paid towards assurance services in connection with the Initial Public Offering of equity shares of the Company and included in 'share issue expenses' as shown in Statement of Changes in Equity.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

32 Exceptional items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gain on termination of lease *	-	(568.85)
Foreign currency fluctuation (Nigeria operations) ^	191.47	110.11
IPO expenses (refer note 53)	12.10	-
Gain on extinguishment of financial liabilities #	(32.53)	-
	171.04	**(458.74)**

* The Group has recorded gain on termination of leases for the previous year comprises on account of termination of leases with Airport Authority of India in respect of airports at Trichy, Lucknow, Raipur and Srinagar amounting to ₹ 491.16 and the balance amount in respect of termination of leases of other loss making stores.

During the year ended 31 March 2022, pursuant to Deed of Settlement and Share Transfer Agreement dated 12 July 2021 executed between the Company, its subsidiary Devyani Airport Services (Mumbai) Private Limited (DASMPL) and non-controlling stake holder High Street Food Services Private Limited, the Company has purchased 2,940,000 Equity Shares of face value of ₹ 10/- each and 11,316,693 8% Non-Cumulative Redeemable Preference Shares of Devyani Airport Services (Mumbai) Private Limited (DASMPL) for a total consideration of ₹ 69.04 (including ₹ 0.74 towards purchase of equity shares) from non-controlling stake holder, resulting into a gain of ₹ 12.10. Pursuant to the such acquisition, DASMPL became a wholly owned subsidiary of the Group.

^ Due to significant weakening of Nigerian currency vis-à-vis USD and ₹ during the year ended 31 March 2022, such amount has been shown as “exceptional item” in the financial statement.

33. Tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
The tax expense comprises of :		
Current tax	66.77	9.75
Deferred tax	(386.51)	(20.43)
	(319.74)	**(10.68)**
Income tax recognised in other comprehensive income		
Income tax relating to remeasurement of defined benefit plans	(0.04)	(0.14)
	(0.04)	**(0.14)**
Reconciliation of tax expense and the accounting profit multiplied by India’s tax rate:		
Profit/(loss) for the year	**1,231.41**	**(640.55)**
Tax using the Company's domestic tax rate [25.168% (31 March 2021: 31.20%)]	309.92	199.85
Effect of :		
Difference in tax rate of various entities	2.28	(24.46)
Expenses not deductible under tax laws	-	70.32
Difference in applicable tax rates and tax rates used to measure deferred taxes [refer note (ii) below]	-	(39.39)
Deferred tax utilised during the year	(282.65)	-
Difference in tax rates @	-	(14.42)
Impact of gain on loss of control (non-taxable)	-	(162.80)
Others	61.89	42.54
Deferred tax recognised during the year	(411.19)	(60.96)
	(319.74)	**(10.68)**

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Income tax assets and liabilities:

Particulars	Non-current	
	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provision of tax)	166.59	80.46
	166.59	**80.46**

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Income tax liability(net of provision of advance tax)	-	6.85
	-	**6.85**

Deferred taxes (net)

Particulars	As at 31 March 2022	As at 31 March 2021
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused losses and unabsorbed depreciation	764.44	1,246.18
Expenses allowed on payment/actual basis	106.76	93.95
Employee stock option outstanding account	-	4.52
Derivative instruments	-	1.82
Lease liabilities (net of right of use assets)	492.90	407.41
Property, plant and equipment exceeds its tax base	281.13	333.22
Financial instruments measured at amortised cost	103.00	71.38
Deferred tax assets	**1,748.23**	**2,158.48**
Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(0.22)	(1.28)
Deferred tax liabilities	**(0.22)**	**(1.28)**
Net Deferred tax liabilities	**482.25**	**95.78**

* During the year ended 31 March 2022, the Group has recognized deferred tax assets of ₹ 386.51 based on the business projections of taxable earnings in the near future. While recognizing such deferred tax assets, the Group has been cognizant enough to consider the history of losses they have, uncertainties of business in place and rising input costs. Carrying value of deferred tax assets (net) is ₹ 482.25 as at 31 March 2022.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Notes:

(i) **Movement in deferred tax assets/(liabilities) for year ended 31 March 2022:**

Particulars	As at 31 March 2021	Credited/(charged) Profit or Loss	OCI	As at 31 March 2022
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	1,246.18	(481.74)	-	764.44
Expenses allowed on payment/actual basis	93.95	12.85	(0.04)	106.76
Employee stock option outstanding account	4.52	(4.52)	-	-
Derivative instruments	1.82	(1.82)	-	-
Lease liabilities (net of right of use assets)	407.41	85.49	-	492.90
Property, plant and equipment exceeds its tax base	333.22	(52.09)	-	281.13
Financial instruments measured at amortised cost	71.38	31.62	-	103.00
Deferred tax assets	**2,158.48**	**(410.21)**	**(0.04)**	**1,748.23**
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost	(1.28)	1.06	-	(0.22)
Deferred tax liabilities	**(1.28)**	**1.06**	**-**	**(0.22)**
Net deferred tax assets/(liabilities)	2,157.20	(409.15)	(0.04)	1,748.01
Deferred tax assets recognised (net)*				**482.25**
Deferred tax assets not recognised (net)				**1,265.76**

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

Particulars	As at 31 March 2020	Credited/(charged) Profit or Loss	OCI	As at 31 March 2021
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	1,101.72	144.46	-	1,246.18
Expenses allowed on payment/actual basis	143.55	(49.46)	(0.14)	93.95
Employee stock option outstanding account	25.80	(21.28)		4.52
Derivative instruments	3.52	(1.70)	-	1.82
Lease liabilities (net of right of use assets)	531.61	(124.20)	-	407.41
Property, plant and equipment exceeds its tax base	205.13	128.09	-	333.22
Financial instruments measured at amortised cost and others	66.28	5.10	-	71.38
Total deferred tax assets	**2,077.61**	**81.01**	**(0.14)**	**2,158.48**
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost-liability	(1.66)	0.38	-	(1.28)
Total deferred tax liabilities	**(1.66)**	**0.38**	**-**	**(1.28)**
Net deferred tax assets/(liabilities)	**2,075.95**	**81.39**	**(0.14)**	**2,157.20**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

(ii) The Group has measured its deferred tax assets and liabilities based on the income tax rates that are expected to apply to the period when such assets/liabilities are expected to be realized/settled. As per section 115BBA of the Income-tax Act 1961 (the 'Act'), as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance), the certain companies of the Group incorporated in India and covered under the Act has an option to opt for a lower tax rate of 25.168%, as against current applicable tax rate of 31.20%). The Company has opted for such reduced income tax rate during the year ended 31 March 2022. Hence, deferred tax has been measured at 25.168% in the above reconciliation of tax expense.

(iii) During the previous year, the Group had significant unabsorbed depreciation and other temporary differences. Therefore, in absence of convincing evidences that sufficient taxable profits will be available against which such deferred tax asset shall be utilised at that point in time, the Group only recognised deferred tax asset to the extent of deferred tax liabilities as at the reporting date.

(iv) Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognised tax effects	Gross amount	Unrecognised tax effects
Unabsorbed depreciation				
Never expire	698.25	197.55	4,134.73	1,040.63
Unused tax losses (expiry asessment year wise)				
2024-25	8.66	2.18	-	-
2025-26	19.23	4.84	-	-
2026-27	35.64	8.97	73.21	19.04
2027-28	68.58	17.26	131.06	32.98
2028-29	65.96	16.60	-	-
2029-30	581.41	139.14	659.02	153.53
Other deductible temporary differences (never expire)	3,975.47	879.23	3,619.76	911.02

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/(loss) from continuing operations attributable to equity shareholders for calculation of basic and diluted EPS/(LPS)	1,563.36	(735.45)
Profit/(loss) from discontinued operations attributable to equity shareholders for calculation of basic and diluted EPS/(LPS)	-	183.37
Weighted average number of equity shares for the calculation of basic EPS/(LPS) #	1,184,962,588	1,100,217,249
Effect of dilutive potential equity shares*		
– Employee stock options *	2,,548,985	-
Weighted average number of equity shares for calculation of diluted EPS/(LPS)	**1,187,511,573**	**1,100,217,249**
Earning/(loss) per equity share from continuing operations (₹) (basic and diluted)	1.32	(0.67)
Earning per equity share from discontinued operations (₹) (basic and diluted)	1.32	0.17
Nominal value per shares (₹)#	1.00	1.00

* In respect of continuing/discontinued operations, the outstanding potential equity shares (options granted to employee under various ESOS schemes) had an anti-dilutive effect on the EPS for the year ended 31 March 2021. For the year ended 31 March 2022, they have been included in the calculation of dilutive earnings per share. Refer above.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

35. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

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

(i) As on 31 March 2022

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non current								
Financial assets*	8	-	-	663.00	663.00	-	-	-
Current								
(i) Trade receivables*	11	-	-	210.54	210.54	-	-	-
(ii) Cash and cash equivalents*	12	-	-	574.46	574.46	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	84.36	84.36	-	-	-
(v) Other financial assets*	8	-	-	1,342.62	1,342.62	-	-	-
Total		**-**	**-**	**2,874.98**	**2,874.98**			
Financial liabilities								
Non current								
(i) Lease liabilities#	16	-	-	10,305.33	10,305.33	-	-	-
(ii) Borrowings#	17	-	-	1,073.76	1,073.76	-	-	-
(iii) Other financial liabilities	19	-	-	41.31	41.31	-	-	-
Current**								
(i) Lease liabilities#	16	-	-	912.13	912.13	-	-	-
(ii) Borrowings#	17	-	-	251.04	251.04	-	-	-
(iii) Trade payables*	22	-	-	1,963.72	1,963.72	-	-	-
(iv) Other financial liabilities	19	-	-	624.78	624.78	-	-	-
Total		**-**	**-**	**15,172.07**	**15,172.07**			

(i) As on 31 March 2021

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non current								
Financial assets*	8	-	-	602.74	602.74	-	-	-
Current**								
(i) Trade receivables*	11	-	-	168.80	168.80	-	-	-
(ii) Cash and cash equivalents*	12	-	-	399.62	399.62	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	5.71	5.71	-	-	-
(iv) Other financial assets*	8	-	-	247.63	247.63	-	-	-
Total		**-**	**-**	**1,424.50**	**1,424.50**			
Financial liabilities								
Non current								
(i) Lease liabilities#	16	-	-	7,936.96	7,936.96			-
(ii) Borrowings#	17	-	-	3,593.65	3,593.65	-	-	-
(iii) Other financial liabilities (other than derivatives below)	19	-	-	42.07	42.07	-	-	-
(iv) Derivatives (interest rate swap)		7.23	-	-	7.23	-	7.23	-
Current								
(i) Lease liabilities#	16		-	787.38	787.38			-
(ii) Borrowings#	17	-	-	1,039.62	1,039.62	-	-	-
(iii) Trade payables*	22	-	-	1,619.00	1,619.00	-	-	-
(iv) Other financial liabilities	19	-	-	477.42	477.42	-	-	-
Total		**7.23**	**-**	**15,496.10**	**15,503.33**			

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

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

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

Other notes:

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2022 and 31 March 2021.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Fair value of derivatives using dealer quote for similar instruments (on marked to market value as on balance sheet date of such derivative transaction)
- Fair value of non-derivative financial instruments using present value techniques, which is based on discounting expected cash flows using a risk-adjusted discount rate.

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

Significant inputs

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

b. Financial risk management

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

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

Risk Management Framework

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

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

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

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
(ii) Trade receivables	210.54	168.80
(ii) Cash and cash equivalents	574.46	399.62
(iii) Bank balances other than cash and cash equivalents, above	84.36	5.71
(iv) Other financial assets (current and non-current)	2005.62	850.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents above) and other financial assets is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The other financial assets includes security deposits given to lessors for premises taken on lease. Such deposits will be returned to the Group on vacation of the premises or termination of the agreement whichever is earlier.

The exposure to the credit risk at the reporting date is primarily from security deposit receivables and trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Nepal. Trade receivables also includes receivables from credit card companies and online aggregator platforms, which are generally realisable on fortnightly basis. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

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

For Group's exposure to credit risk for trade receivables is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	34.00	28.66
Bad debts written off	(7.74)	-
Impairment allowances for doubtful receivables	0.57	5.34
Balance at the end of the year	**26.83**	**34.00**

For trade receivables ageing refer note 11.

(ii) Liquidity risk

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

The Group believes that its liquidity position, including total cash and cash equivalent and bank deposits maturing within a year (including bank deposits under lien and excluding interest accrued but not due) of ₹ 658.82 (31 March 2021: ₹ 405.33), anticipated future internally generated funds from operations and its fully available, revolving undrawn credit facility of ₹ 1030.84 (31 March 2021: ₹ 713.97) and other current assets (financial and non-financial) of ₹ 2408.20 (31 March 2021: ₹ 1,038.40) will enable it to meet its future known obligations due in next year in the ordinary course of business.

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

In the current year ended 31 March 2022, the Group has earned a cash inflow from operating activities of ₹ 4,505.89 (31 March 2021 ₹ 2,395.58). Further, the Group generated Earnings before Tax, depreciation and amortisation, impairment and fair valuation gains/losses of ₹ 3651.06 (31 March 2021: ₹ 1,491.94).Based on the projections, the Group expects to earn cash inflow from operating activities, which can be used to settle its liabilities in the near future.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Exposure to liquidity risk

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

As at 31 March 2022

Non-derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,320.23	315.44	1,145.16	38.28	1,498.88
Lease liabilities	11,217.46	1,957.76	7,386.06	9,935.68	19,279.50
Trade Payables	1,963.72	1,963.72	-	-	1,963.72
Security deposits payable	57.87	15.16	47.51	5.82	68.49
Short term borrowings	4.57	4.57	-	-	4.57
Capital creditors	261.53	261.53	-	-	261.53
Others	346.69	346.69	-	-	346.69
	15,172.07	**4,864.87**	**8,578.73**	**9,979.78**	**23,423.37**

Derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Derivatives (interest rate swap)	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

As at 31 March 2021

Non-derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Borrowings	4,422.17	1,094.09	3,814.00	288.85	5,196.94
Lease liabilities	8,724.34	2,181.08	5,482.60	6,062.57	13,726.25
Trade payables	1,619.00	1,619.00	-	-	1,619.00
Security deposits payable	55.69	10.70	55.54	0.60	66.84
Short term borrowings	211.10	211.10	-	-	211.10
Capital creditors	341.26	341.26	-	-	341.26
Others	122.54	122.54	-	-	122.54
	15,496.10	**5,579.77**	**9,352.14**	**6,352.02**	**21,283.93**

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Derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Derivatives (interest rate swap)	7.23	-	-	7.23	7.23
	7.23	**-**	**-**	**7.23**	**7.23**

(iii) Market risk

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

Interest rate risk

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

A. Exposure to interest rate risk

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

Fixed- rate instruments	As at 31 March 2022	As at 31 March 2021
Foreign currency term loans	710.95	694.23
Impact of interest rate swaps	-	236.63
Redeemable, non-cumulative, non-convertible preference shares	-	101.41
	710.95	**1,032.27**

Variable - rate instruments	As at 31 March 2022	As at 31 March 2021
Indian rupee term loans	609.28	3,370.95
Short term borrowings	4.57	211.10
Foreign currency term loan	-	255.58
Hedged foreign currency term loan (via interest rate swap)	-	(236.63)
	613.85	**3,601.00**

Interest rate sensitivity analysis

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

Change in interest rate on loans from banks (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase/(decrease) in consolidated profit or loss and other equity for the year ended 31 March 2022	(6.14)	6.14
Increase/(decrease) in consolidated profit or loss and other equity for the year ended 31 March 2021	(36.01)	36.01

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

Derivative financial instruments:

The Group uses derivative instruments as part of its management of exposure to fluctuations in interest rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage treasury risks. Treasury derivative contracts are normally in the nature of swap contracts and these are subject to the Group's guidelines and policies. Derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on valuations obtained from banks. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within other financial assets/liabilities, as applicable. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks. The use of derivative instruments are subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non qualifying hedges

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

B. Currency risk

Exposure to Foreign currency risk

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

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Exposure to Foreign currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2022 and 31 March 2021 are as below:

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount (in foreign currency)	Amount (in ₹)	Amount (in foreign currency)	Amount (in ₹)
Financial liabilities					
Trade payables	GBP	1.02	78.52	0.07	6.70
Foreign currency loans from banks	USD	-	-	3.23	236.63
Borrowings	NPR	-	-	30.36	18.95
Borrowings	USD	8.82	710.95	8.82	693.28
Total financial liabilities			**789.47**		**962.26**

Sensitivity analysis

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

Particulars	Consolidated profit/ (loss) for the year ended 31 March 2022		Consolidated profit/ (loss) for the year ended 31 March 2021	
	Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	35.55	(35.55)	46.50	(46.50)
NPR	-	-	0.95	(0.95)
GBP	3.93	(3.93)	0.34	(0.34)

Particulars	Other equity As at 31 March 2022		Other equity As at 31 March 2021	
	Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	35.55	(35.55)	46.50	(46.50)
NPR	-	-	0.95	(0.95)
GBP	3.93	(3.93)	0.34	(0.34)

USD: United States Dollar, GBP: Great British Pound, NPR: Nepali Ruppees

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c. Offsetting financial assets and financial liabilities:

The following table represents recignised financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2021 and 31 March 2022.

Variable - rate instruments	As at 31 March 2022	As at 31 March 2021
Amounts subject to master netting arrangements		
Borrowings (non-current and current)	613.85	3,626.53
Lease liabilities (non-current and current)	11,217.46	8,724.34
	11,831.31	**12,350.87**
Financial instruments collateral		
Trade receivables	306.39	167.53
Cash and cash equivalents	557.47	392.50
Other balances with banks	81.01	2.87
Other financial assets	663.00	247.56
	1,607.87	**810.46**
Net amount *	**10,223.44**	**11,540.41**

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

d. Excessive risk concentration

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

36. Leases

A. Leases where the Group is a lessee

The Group leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with minimum guarantee and lease term ranges 1-30 years.

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

i. Lease liabilities

Lease liability included in balance sheet	As at 31 March 2022	As at 31 March 2021
Current	912.13	787.38
Non current	10,305.33	7,936.96

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

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

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on right-of-use assets	29	1,076.87	1,299.31
Impairment of right-of-use assets	30	29.46	37.38
Interest on lease liabilities (included in interest expenses)	28	1,092.22	1,028.32
Expenses relating to short-term leases	31	9.39	13.16
Rent concession		(358.82)	(431.17)
Expense relating to variable lease payments not included in the measurement of the lease liability	31	955.75	244.94
Net impact on statement of profit and loss		**2,804.87**	**2,191.94**

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During the year ended 31 March 2022 and 31 March 2021, consequential to COVID-19 pandemic, the Group has negotiated several rent concessions with the landlords. Further, in view of amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Group has elected to apply the practical expedient of not assessing the rent concessions originally due on or before 30 June 2021 as a lease modification, as per MCA notification dated 24 July 2020, which has been further extended till 30 June 2022 on Ind AS 116 during the current year, for rent concessions received on account of COVID-19 pandemic.

Accordingly, as per requirements of MCA notifications, out of total rent concessions of ₹ 358.83 (31 March 2021: ₹ 1057.26) confirmed till 31 March 2022, ₹ 358.83 (31 March 2021: ₹ 626.09) has been reduced towards rent expenses and balance of ₹ Nil (31 March 2021: ₹ 431.17) reported under other income. Rent concessions for leases in respect of discontinued operations amounted to ₹ Nil (31 March 2021: ₹ 101.63). Total rent concessions amounts to ₹ 330.33 (31 March 2021: ₹ 1158.89).

iii. Amounts recognised in the consolidated statement of cash flow

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Payment of lease liabilities- principal	366.35	-
Payment of lease liabilities- interest	1,083.38	825.69
Total cash outflows	**1,449.73**	**825.69**

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

B. Leases where the Group is a lessor

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

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

During the year ended 31 March 2022 and 31 March 2021, the Group has sub-leased a portion of multiple leased properties that have been presented as part of a right-of-use assets.

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance income on net investment in finance leases	24	10.83	12.58
Income relating to variable lease payments not included in the net investment in finance leases	23	4.06	3.33
Finance lease receivables	8	96.34	106.19

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

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

Amounts receivable under finance leases:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	21.36	24.03
One to five years	83.31	97.79
More than five years	36.77	65.93
Total undiscounted lease payments receivable	**141.44**	**187.75**
Less: Unearned finance income	(45.10)	(81.56)
Net investment in the lease	**96.34**	**106.19**

The incremental borrowings rate range between 9.25% - 11.55% (31 March 2021: 9.25% - 11.55%).

The management of the Group estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime expected credit loss under simplified approach. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 8), the management of the Group consider that no finance lease receivable is impaired.

The Group entered into finance leasing arrangements as a lessor for certain leased properties under sub leasing arrangements. The term of finance leases entered into is ranging from 3.16 - 18.01 (31 March 2021: 3.16-18.01) years. The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in ₹. Residual value risk on such right of use assets under lease is not significant.

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

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

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

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

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease income on operating leases	23	39.64	68.30
Therein lease income relating to variable lease payments that do not depend on an index or rate		28.51	64.94

Amounts receivable under operating leases:

	As at 31 March 2022	As at 31 March 2021
Less than one year	72.00	79.55
One to five years	140.64	216.26
More than five years	4.42	10.28
	217.06	**306.09**

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37. Other disclosures in relation to investment properties:

i. Information regarding income and expenditure of investment properties

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rental income derived from investment properties	**96.30**	**69.82**
Direct operating expenses (including repairs and maintenance) generating rental income	21.34	30.10
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.74	5.23
Profit arising from investment properties before interest, depreciation and indirect expenses	**72.22**	**34.49**
Less: finance cost	(19.22)	(43.26)
Less: depreciation	(39.46)	(48.15)
Less: impairment	(65.43)	-
Loss arising from investment properties before indirect expenses	**(51.89)**	**(56.92)**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Less than one year	72.00	79.55
One to five years	140.64	216.26
More than five years	4.42	10.28

iii. Fair value

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Leasehold Investment Properties *	244.95	306.85
Owned Investment Properties #	175.45	170.63

Estimation of fair value

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

The fair value of investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs and has been arrived at using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental income of 8% to 10% p.a (31 March 2021: 5%) and discount rate of 12.09% (31 March 2021: 10.81%).

As per the valuation report, the recoverable amount is lower than the written down value of the investment property, accordingly an impairment charge of ₹ 65.43 (31 March 2021: Nil) has been made in the current year.

The fair value of owned investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using market prevailing rates applicable to same location.

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Impairment of leasehold investment properties

In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections. As on the reporting date for current year, the recoverable amount of this cash generating unit is determined at ₹ 244.95 (31 March 2021: ₹ 306.85) through an registered independent valuer, based on the value in use calculation which uses cash flow projections based on the projected profitability. The Group has determined an impairment charge of ₹ 65.43 (31 March 2021: Nil) based on the discount rate of 12.09% (31 March 2021: 10.81%) and rental income growth rate of 8% to 10% (31 March 2021: 5%). An analysis of the sensitivity of the computation to a change in key parameters (rental income and discount rates), based on reasonable assumptions, Management is of the view that there would be no material increase to the impairment charge which would impact the decision of the user of the consolidated financial statements.

38. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited (till 16 February 2021)

Devyani Airport Services (Mumbai) Private Limited (effective from 13 July 2021)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)

Devyani Airport Services (Mumbai) Private Limited (till 12 July 2021)

(d) Joint Venture

The Minor Food Group (India) Private Limited (till 25 March 21)

(II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Joint Venture

The Minor Food Group (India) Private Limited (till 25 March 21)

(c) Key management personnel (KMP) # :

Mr. Ravi Kant Jaipuria - Director

Mr. Varun Jaipuria - Director

Mr. Raj. P. Gandhi - Director

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Mr. Virag Joshi- Chief Executive Officer and Whole Time Director

Mrs. Rashmi Dhariwal- Independent Director

Mr. Ravi Gupta - Independent Director

Mr. Naresh Trehan - Independent Director (with effect from 21 April 2021)

Mr. Girish Kumar Ahuja - Independent Director (with effect from 21 April 2021)

Mr. Pradeep Khushachand Sardana - Independent Director (with effect from 21 April 2021)

Mr. Sanjeev Arora- Chief Financial Officer and Director
(with effect from 18 January 2019 to 15 February 2021)

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

Mr. Anil Dwivedi - Company Secretary (with effect from 7 February 2020 to 13 October 2021)

Mr. Jatin Mahajan - Company Secretary (with effect from 01 November 2021 to 10 March 2022)

Mr. Varun Kumar Prabhakar - Company Secretary (with effect from 02 May 2022)

(d) Other related parties - Entities which are joint venture or where control/significant influence exist of parties given in note (I) and (II) above :

S V S India Private Limited

Devyani Food Industries Limited

Alisha Retail Private Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Diagno Labs Private Limited

High Street Food Services Private Limited (till 12 July 2021)

Chellarams Plc

Arctic International Private Limited

Global Health Limited (converted into Public Limited with effect from 11 August 2021 formerly known as Global Health Private Limited)

Medanta Holdings Private Limited

(e) Relative of KMP:

Mrs. Dhara Jaipuria (wife of Mr. Ravi Kant Jaipuria - Director)

As per section 203 of the Companies Act, 2013, definition of Key Managerial Personnel includes Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary.

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(III) Transactions with related parties during the year ended 31 March 2022 and 31 March 2021:

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(i)	**Sale of products (Finished goods)**		
	Champa Devi Jaipuria Charitable Trust	3.95	0.88
	RJ Corp Limited	0.01	-
	Devyani Food Industries Limited	46.02	34.11
	Varun Beverages Limited	-	1.41
	Mala Jaipuria Foundation	-	0.30
	Global Health Limited	0.03	-
(ii)	**Sale of products (Traded goods)**		
	RJ Corp Limited	2.25	-
	Varun Beverages Limited	0.50	-
	Lineage Healthcare Limited	-	0.03
(iii)	**Marketing and other services**		
	Lineage Healthcare Limited	0.09	0.02
	RJ Corp Limited	2.72	-
(iv)	**Sale of property, plant and equipment (PPE)**		
	Varun Beverages Limited	-	0.12
	Devyani Food Industries Limited	-	0.68
(v)	**Purchase of raw materials and other items**		
	Varun Beverages Limited	62.08	36.26
	Devyani Food Industries Limited	6.64	4.33
	RJ Corp Limited	0.31	-
(vi)	**Purchase of PPE and intangible assets**		
	Devyani Food Industries Limited	-	0.05
(vii)	**Payment to gratuity trust**		
	DIL Employee Gratuity Trust	29.90	5.00
(viii)	**Expenses incurred by other company on behalf of the Group**		
	Devyani Food Industries Limited	-	0.03
	Varun Beverages Limited	4.11	-
	RJ Corp Limited	-	0.37
(ix)	**Expenses incurred/(collection) on behalf of other company**		
	Diagno Labs Private Limited	-	0.04
	RJ Corp Limited	0.07	(2.29)
(x)	**Rent expense**		
	S V S India Private Limited	0.08	0.08
	Alisha Retail Private Limited	-	0.03
	Global Health Limited	25.57	-
	Medanta Holdings Private Limited	5.21	-
(xi)	**Rent Income**		
	RJ Corp Limited	0.24	-
(xii)	**Professional Fees - Expenses**		
	RJ Corp Limited	2.09	-
(xiii)	**Repair and maintenance - others**		
	Varun Beverages Limited	2.01	-
(xiv)	**Power and Fuel**		
	Medanta Holdings Private Limited	0.58	-

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Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(xv)	**Staff welfare Expenses**		
	Global Health Limited	0.13	-
(xvi)	**Acquisition of Immovable property**		
	RJ Corp Limited	-	180.00
(xvii)	**Purchase consideration for transfer of business**		
	RJ Corp Limited**	-	10.00
	**The Company transferred TWG India Business during the previous year.		
(xviii)	**Sale of Investment**		
	Arctic International Private Limited***	-	3.60
	***The Company transferred the equity investment in Devyani international UK private limited for the consideration of 50,000 USD.		
(xix)	**Purchase of investment**		
	High Street Food Services Private Limited	69.04	-
(xx)	**Repayment of loan**		
	High Street Food Services Private Limited	0.39	-
(xxi)	**Finance costs**		
	High Street Food Services Private Limited	0.01	7.93
	Arctic International Pvt Ltd	-	3.86
(xxii)	**Loan taken**		
	Arctic International Pvt Ltd	-	784.94
(xxiii)	**Compensation to KMPs#**		
	Short-term employment benefits		-
	Mr. Virag Joshi	39.61	20.59
	Mr. Manish Dawar	37.48	7.14
	Mr. Sanjeev Arora	-	4.65
	Mr. Anil Dwivedi	1.64	2.49
	Mr. Jatin Mahajan	1.39	-
	Post employment benefits		
	Mr. Virag Joshi	1.42	1.02
	Mr. Sanjeev Arora	-	0.25
	Mr. Manish Dawar	1.80	0.37
	Mr. Anil Dwivedi	0.07	0.09
	Mr. Jatin Mahajan	0.01	-
	Share based payments		
	Mr. Raj. P. Gandhi	-	10.27
	Mr. Virag Joshi	-	12.57
	Mr. Manish Dawar	37.02	1.56
(xxiv)	**Compensation to relative of KMP**		
	Mrs.Dhara Jaipuria	3.00	10.03
# The above remuneration to Key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.			

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Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(xxv)	**Director's Sitting Fees***		
	Mr. Ravi Gupta	2.10	1.20
	Mrs.Rashmi Dhariwal	2.10	1.20
	Mr.Girish Ahuja	1.60	-
	Mr. Pradeep Khushalchand Sardana	1.00	-
	*Excludes applicable taxes.		
(xxvi)	**Commission paid to non-executive director**		
	Mr. Ravi Kant Jaipuria	12.60	-
(xxvii)	**Equity shares allotted (including securities premium)**		
	Mr. Virag Joshi	-	111.70
	Mr. Raj. P. Gandhi	-	33.51
	Mr. Manish Dawar	39.00	-

(IV) Balances as at 31 March 2022 and 31 March 2021:

Particulars		As at 31 March 2022	As at 31 March 2021
(i)	**Trade payables/other payable**		
	Varun Beverages Limited	1.37	8.71
	Global Health Limited	0.08	-
	Chellarams Plc	7.99	9.23
	Mr. Ravi Kant Jaipuria	12.60	-
(ii)	**Employee stock options outstanding account #**		
	Mr. Manish Dawar	37.83	1.56
	# The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/ exercise.		
(iii)	**Trade receivables**		
	RJ Corp Limited	0.06	-
	Champa Devi Jaipuria Charitable Trust	1.61	0.50
	Lineage Healthcare Limited	0.01	0.03
	Mala Jaipuria Foundation	-	0.48
	Diagno Labs Private Limited	-	0.02
	Devyani Food Industries Limited	0.97	8.57
(iv)	**Other financial assets - Other receivables/security deposit**		
	RJ Corp Limited	-	7.46
	Global Health Limited	0.50	-
	Medanta Holdings Private Limited	0.50	-
(v)	**Borrowings**		
	High Street Food Services Private Limited	-	0.95
	Chellarams Plc	710.95	693.29
(vi)	**Redeemable, non-cumulative, non-convertible preference shares (unsecured)**		
	High Street Food Services Private Limited	-	101.41
(vii)	**Guarantees/security given by the other party on behalf of the subsidiaries**		
	Ravi Kant Jaipuria @ ^^	-	1,237.70
	Ravi Kant Jaipuria and sons (HUF) #	-	480.70
	RJ Corp Limited **	-	539.18

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@ Mr. Ravi Kant Jaipuria had given a personal gaurantee to Everest Bank Limited in respect of term loans of ₹ Nil (31 March 2021: ₹ 18.95) taken during the earlier years by Devyani International (Nepal) Private Limited.

^^ Mr. Ravi Kant Jaipuria had given a personal gaurantee to IndusInd Bank Limited, SBM Bank Limited and Axis Bank Limited in respect of term loan outstanding on 31 March 2022 of ₹ Nil (31 March 2021: ₹1,218.75) taken by the Group.

'Ravi Kant Jaipuria and sons (HUF) had given a personal gaurantee to IndusInd Bank Limited in respect of term loan outstanding on 31 March 2022 of ₹ NIL (31 March 2021: 480.70) taken by the Group.

** RJ Corp Limited had given a corporate gaurantee to Axis Bank Limited in respect of term loan outstanding on 31 March 2022 of ₹ Nil (31 March 2021: 539.18) taken by the Group.

(V) Terms and Conditions

All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured and settlement is generally done in cash.

39. Contingent liabilities, commitments and other claims

Contingent liabilities and other claims:

(a) Claims against the Group not acknowledged as debts

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Claims made by Sales tax authorities, Service tax authorities and Income tax authorities*		
- Goods and service tax	138.45	-
- Value added tax	33.07	44.17
- Service tax	15.37	10.37
- Income tax	282.56	184.73
	469.46	**239.27**
(ii) Others (miscellaneous claims in relation to the Group's operations)#	17.75	30.25

* Against the total tax demand of ₹ 469.45, the Group has filed appeals before various tax authorities. Based on management assessment and upon consideration of advice from the independent legal counsels, the management believes that the Group has reasonable chances of succeeding before the tax authorities and does not foresee any material liability. Pending the final decision on this matter, no adjustment has been made in the financial statements.

#The Group is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the consolidated financial statements and hence no provision has been recorded against these legal proceedings at this stage. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. Accordingly, the above mentioned contingent liabilities are disclosed at an undiscounted amount.

(b) Bank guarantee give to custom department, Nepal

Particulars	As at 31 March 2022	As at 31 March 2021
Bank guarantee give to custom department, Nepal	0.19	0.19

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(c) Others

Particulars	As at 31 March 2022	As at 31 March 2021
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 282.80 (31 March 2021: ₹ 136.98)]	1,115.68	494.40

40. Share based payments

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

ESOS - 2011

On 20 September 2011 and 20 December 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was approved by the shareholders on 20 December 2011 and subsequently on 18 May 2012 for increasing the ceiling limit to 4,900,000 Options ("Ceiling Limit") with condition at any given point of time no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 111.70. ESOS 2011 was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

Further, ESOS 2011 was amended subsequently and was approved by the shareholders on 17 March 2021. The resolution provides the delinking of vesting schedule of the Options from filing of the RHP by the Company and for aligning the Scheme in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 (“SEBI SBEB Regulations”) and accordingly all Options under ESOS 2011 were vested immediately on the day of passing the said resolution and the exercise window for ESOS 2011 was opened by the Nomination and Remuneration Committee on 17 March 2021. The Company received the exercise letters from the Options holders and allotted 1,581,500 equity shares pursuant to exercise of Options.

ESOS - 2018

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time (“Ceiling Limit”) and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 306.12.

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

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ESOS- 2021

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

ESOS 2021 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting by way of a special resolution. As per ESOS 2021 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 433.28.

Note: The aforementioned schemes have been defined prior to giving effect to stock split from ₹ 10 to ₹ 1 dated 25 March 2021.

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

Scheme	Grant Date	Number of Options granted^	Exercise Price (₹) (Post Split)	Vesting Condition	Vesting period	Contractual period
ESOS - 2011	19 May 2012	20,882,000	11.17	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022*	0 years to 4 years (Previous year: 0 years to 5 years)
ESOS - 2011	31 May 2014	3,000,000	11.17	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022*	0 years to 4 years (Previous year: 0 years to 5 years)
ESOS - 2018	21 September 2018	5,060,000	30.61	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	1 January 2023# (remaining 255,000 options)	0 years to 4.76 years (Previous year: 0.25 years to 5.76 years)
ESOS - 2021	17 March 2021	7,200,000	43.33	Graded vesting over 4 years being first vesting due on 17 March 2022	17 March 2023 to 17 March 2025	0 years to 8 years (Previous year: 1 year to 9 years)

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

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

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

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b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

Particulars	Options granted on 17 March 2021	Options granted on 21 September 2018	Options granted on 31 May 2014	Options granted on 19 May 2012
Fair value per Option at grant date (in ₹)	18.35 - 23.94	10.53 - 13.30	12.32	5.64 - 5.72
Share price at grant date (in ₹)	43.30	26.90	15.11	9.32
Exercise price (in ₹)	43.33	30.61	11.17	11.17
Expected volatility	45.60% - 50.50%	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	3.50 - 6.50	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	5.39% - 6.31%	8.06% - 8.11%	9.19%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

c. Effect of employee stock option schemes on the consolidated statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee stock option scheme (reversal)/expense*	64.87	22.62
	64.87	**22.62**

*included in Salaries, wages and bonus (refer note 28)

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes are as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Number of Options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	8,580,000	40.47	19,855,000	12.40
Add: Options granted during the year	-	-	7,200,000	43.33
Less: Options exercised during the year	2,212,500	38.93	15,815,000	11.17
Less: Options forfeited/ lapsed during the year	1,040,000	43.33	2,660,000	12.92
Options outstanding as at the end of the year	**5,327,500**	**40.55**	**8,580,000**	**40.47**
Options exercisable at the end of the year	**452,500**	**17.74**	**-**	**-**
Weighted average share price at exercise date (₹)		**159.80**		**43.33**

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Particulars	As at 31 March 2022	As at 31 March 2021
Weighted average remaining life of options outstanding at the end of year (in years)	5.58	7.62

41. Capitalisation of expenditure incurred during construction period (refer Note 3B)

The Group has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2022 and 31 March 2021. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. This cost has been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee benefits expense	82.56	20.60
Other expenses (includes rent, freight and architect fees etc.)	75.09	35.99
	157.65	**56.59**

42. Impairment of non-financial assets

In accordance with Ind AS 36 "Impairment of Assets", the Group has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. In view of higher operating costs or decline in projected sales growth, certain stores have been impaired in the current and previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment, right-of-use assets and other intangible assets, carrying value of these stores aggregating ₹ 542.05 (net of opening provision for impairment of ₹ 5.05) (31 March 2021: ₹ 568.65 net of opening impairment provision of ₹ 96.11) have been reduced to the recoverable amount aggregating to ₹ 409.97 (31 March 2021: ₹ 14.80) by way of impairment charge of ₹ 132.07 (31 March 2021: ₹ 553.74). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil to 5% (31 March 2021: Nil-5%) and salary growth rate of 6% (31 March 2021: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 12.15 % p.a. (31 March 2021: 12.17% p.a.). Carrying value of a store includes property, plant and equipment, intangible assets used at a store and right-of-use assets and allocated corporate assets. Further carrying value and recoverable value of each store is calculated net of lease liabilities.

Moreover, the impairment reversal of ₹ 162.24 (31 March 2021: ₹ 73.69) is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to ₹ 2837.03 (31 March 2021: ₹ 277.72) has exceeded the written down value of these stores aggregating ₹ 1860.89 (after considering impairment charge recorded in previous years amounting to ₹ 403.92) (31 March 2021: ₹ 204.03 after considering impairment charge recorded in preceding previous year amounting to ₹ 183.21).

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

Management has identified that a reasonably possible change in the three key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/(reversal) would increase/ (decrease) on change in these assumptions by 1%. All other factors remaining constant.

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Impairment (reversal)/charge	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment charge for non financial assets	132.08	553.74
Impairment reversal for non financial assets	(162.23)	(73.69)
Impairment (reversal)/charge	**(30.15)**	**480.05**

Sensitivity analysis	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount Rate		
(Increase by 1%)	3.34	2.15
(Decrease by 1%)	(3.43)	(1.93)
Sales Growth Rate		
(Increase by 1%)	(15.86)	(9.25)
(Decrease by 1%)	16.84	11.96
Salary Growth Rate		
(Increase by 1%)	5.37	1.97
(Decrease by 1%)	(5.41)	(1.81)

43. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

44. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders of the Company and combination of both long-term and short-term borrowings. The Group's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Group. Group determines the capital requirement based on annual operating plan and other strategic investment plans. Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. The Group raises long term loans mostly for its expansion requirements and based on the working capital requirement utilise the working capital facilities. Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.

Sensitivity analysis	As at 31 March 2022	As at 31 March 2021
Borrowings (non-current and current)	1,324.80	4,633.27
Total debt (a)	**1,324.80**	**4,633.27**
Equity share capital	1,204.74	1,153.63
Other equity	5,658.29	-15.90
Non-controlling interests	(47.42)	(419.15)
Total equity (b)	**6,815.61**	**718.58**
Debt equity ratio (c=a/b)	0.19	6.45

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45. Employee benefits

I. Defined contribution plans

An amount of ₹ 132.54 (31 March 2021: ₹ 86.44) has been recognised as an expense in respect of the Group's contribution to the Employees' Provident Fund and other fund deposited with the relevant authorities and has been charged to the Consolidated Statement of Profit and Loss.

II. Defined benefit plans

The Group operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by law of India.

The funding requirements of the plan are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose for which assumptions may differ from the assumptions set out in (iii) below. Employees do not contribute to the plan.

The Group has defined that, in accordance with the terms and conditions of the aforesaid plan and in accordance with statutory requirements (including minimum funding requirements) of the plan of relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less than total present value of obligations.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - 'Employee Benefits'

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at beginning of year	165.71	117.53
Acquisition adjustment	-	30.36
Interest cost	8.15	6.50
Current service cost	23.78	22.92
Benefits paid	(15.91)	(24.00)
Actuarial (gain)/loss recognised in other comprehensive income	0.70	-
- changes in demographic assumption	-	-
- changes in financial assumption	(0.97)	0.84
- experience adjustment	(0.35)	12.03
Exchange differences on translation	(0.59)	(0.47)
Present value of obligation as at end of year	**180.52**	**165.71**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	0.24	14.02
Return on plan assets recognised in other comprehensive income	0.72	0.62
Fund Charges	(0.08)	(0.05)
Contribution paid into the plan	29.90	5.00
Benefits paid	(12.65)	(19.35)
Balance at the end of the year	**18.13**	**0.24**
Net defined benefit liability/ (asset)	**162.39**	**165.47**

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iii. Actuarial Assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows.

Particulars	31 March 2022	31 March 2021
Discounting rate	4% - 13%	4% - 14%
Future salary increase	6% - 11%	6% - 11%

B. Demographic assumptions

Particulars	31 March 2022	31 March 2021
(i) Retirement age (years)	58-60	58-60
(ii) Ages	Withdrawal rate	Withdrawal rate
	per annum(%)	per annum(%)
Up to 30 years	50	50
From 31 to 44 years	37	37
Above 44 years	30	30

(iii) Assumptions regarding future mortality are not based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a retiring employee.

iv. Information for funded plans with a defined benefit obligation:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Defined benefit obligations	165.71	147.89
Fair value of plan assets	18.13	0.24
	147.58	**147.65**

v. Information for non funded plans with a defined benefit obligation:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Defined benefit obligation	14.81	17.82
	14.81	**17.82**

vi (a) Expense recognised in Consolidated Profit or Loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee benefit expenses:		
(a) Current service cost	23.78	22.99
(b) Interest cost	8.15	6.50
(c) Interest income on plan assets	(0.01)	(0.71)
	31.92	**28.78**

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(b) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain/(loss) on defined benefit obligation	0.63	(12.81)
Actuarial gain/(loss) on plan assets	0.64	(0.13)
	1.27	**(12.94)**
Expense recognised in the consolidated statement of profit and loss	30.65	41.72

vii. Reconciliation statement of expense in Consolidated Statement of Profit and Loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of obligation as at the end of the year	180.32	165.52
Present value of obligation as at the beginning of the year	(165.52)	(117.43)
Benefits paid	15.91	24.00
Actual return on plan assets	(0.65)	(0.57)
Acquisition adjustment	-	(30.36)
Exchange differences on translation	0.59	0.56
Expenses recognised in the Consolidated Statement of Profit and Loss	**30.65**	**41.72**

The Group expects to contribute ₹ 30 (31 March 2022 ₹ 31.37) to gratuity in the next year.

viii. Change in fair value of plan assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening fair value of plan assets	0.24	14.02
Actual return on plan assets	0.72	0.62
Fund charges	(0.08)	(0.05)
Contribution by employer	29.90	5.00
Benefits paid	(12.65)	(19.35)
Fair value of plan assets as at year end	**18.13**	**0.24**

ix. The Group's expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
31 March 2022	60.61	42.06	69.95	102.12
31 March 2021	54.86	40.00	63.80	113.22

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current liability (amount due within one year)	54.62	54.63
Non-current liability (amount due over one year)	107.58	110.66
	162.20	**165.29**

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xi. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact due to increase of 1%	(3.12)	(2.79)
b) Impact due to decrease of 1%	3.04	2.86

Impact of the change in salary on defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact due to increase of 1%	3.00	2.75
b) Impact due to decrease of 1%	(3.10)	(2.77)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Consolidated Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease is discount yield will increase plan liabilities

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in a increase in plan liabilities.

III. Compensated absences

(a) Expense recognised in the consolidated statement of profit or loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee benefit expenses:		
(a) Current service cost	20.71	27.00
(b) Interest cost	4.09	2.84
(c) Net actuarial loss recognized in the year	0.85	20.23
	25.65	**50.07**

IV. Code of Social Security

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will be notified and will come into effect.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

46. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

The Group's business activity falls within a single business i.e. Food and Beverages in terms of Ind AS 108 on Segment Reporting. Information about secondary segment (Consolidated basis) The geographical segments considered are "within India" and "outside India". The relevant disclosure are as follows:

Information about geographical area - Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Food and beverage segment #		
(i) Within India	18,938.29	10,194.80
(ii) Outside India	1,901.81	1,153.58
b. Other income (refer note 24) @	161.21	640.57
Total	**21,001.31**	**11,988.95**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Non-current assets ^		
(i) Within India	16,721.03	13,342.89
(ii) Outside India	1,231.10	916.89
Total	**17,952.13**	**14,259.78**

No single external customer amounts to 10% or more of the Group's revenue.

Revenue from food and beverage segment is directly attributed to within India and outside India operations.

@ Other income is not allocated as the underlying assets/ liabilities/income are used interchangeably.

^ Non-current assets, other than financial instruments and income tax assets (net)/deferred tax asset (net), primarily comprises property, plant and equipment.

47. Interest in joint venture

Joint Venture

During the previous year, the Group had transferred the entire investment in equity shares to MGF International Holding (Singapore) Pte Limited at ₹ 73 (absolute) with effect from 26 March 2021 and therefrom, it ceases to be the joint venture of the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

48. Non-controlling interests (NCI)

The following table summarises the financial information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations:

Particulars	RV Enterprizes Pte. Limited *		Devyani Airport Services (Mumbai) Private Limited	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
NCI Percentage	13%	13%	49% #	49%
Summary of balance sheet				
Non-current assets	524.09	544.92	-	645.47
Current assets	686.62	175.31	-	15.69
Non-current liabilities	(662.35)	(1,771.63)	-	(1,353.21)
Current liabilities	(1,125.52)	(654.10)	-	(85.81)
Net assets	**(577.17)**	**(1,705.50)**	**-**	**(777.86)**
Accumulated NCI	(47.42)	(86.83)	(345.36)	(332.32)
Reversal of NCI	-	-	345.36	-
Net NCI	**(47.42)**	**(86.83)**	**-**	**(332.32)**
Summary of statement of profit and loss				
Total revenue	1,433.28	937.01	26.23	192.98
Profit/(loss) for the year	1.05	(82.39)	(26.47)	(105.60)
Other comprehensive (loss(/income for the year	138.11	122.49	(0.14)	(0.18)
Total comprehensive (loss)/income for the year	**1,572.44**	**40.10**	**(26.61)**	**(105.78)**
Profit/(loss) allocated to NCI	0.76	(26.05)	(12.97)	(51.74)
Other comprehensive income allocated to NCI	38.16	42.68	(0.07)	(0.09)
Total comprehensive income allocated to NCI	**38.92**	**16.63**	**(13.04)**	**(51.83)**
Summary of cash flow statement				
Cash flows generated from/(used in) operating activities	412.39	249.35	2.06	82.09
Cash flows used in investing activities	(200.56)	(80.55)	1.24	0.94
Cash flows generated from financing activities	(195.56)	(130.48)	(7.28)	(77.21)
Net increase/(decrease) in cash and cash equivalents	**16.27**	**38.32**	**(3.98)**	**5.82**

* Post consolidation of Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)

on 12 July 2021 the Company purchased the shares of Devyani Airport Services Mumbai Private Limited (DASMPL), held by High Street Food Services Private Limited (49% shares) for a consideration of ₹ 0.74.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Transactions with NCI (adjustments with in other equity)

Particulars	As at 31 March 2022	As at 31 March 2021
Acquisition of shares from non-controlling stake holder	0.74	-
Distributions of non reciprocal capital contributions	-	7.19
Reversal of NCI on acquiring 100% stake in Devyani Airport Services (Mumbai) Private Limited	(346.10)	-
	(345.36)	**7.19**

49. Additional information required by Schedule III to the Act:

As at 31 March 2022

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated Net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive income/(loss)	Amount	As % of consolidated total comprehensive income/(loss)	Amount
Parent								
Devyani International Limited (DIL)	131.04%	8,931.25	98.88%	1,533.83	1.17%	1.66	90.72%	1,535.49
Subsidiaries								
(Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	(-1.53%)	(104.03)	-0.95%	(14.80)	0.08%	0.11	(-0.87%)	(14.69)
Devyani Airport Services (Mumbai) Private Limited	(-6.61%)	(450.30)	-6.39%	(99.09)	0.15%	0.21	(-5.84%)	(98.88)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	1.90%	129.39	2.51%	38.98	(-0.34%)	(0.48)	2.27%	38.50
RV Enterprizes Pte. Limited	(-8.32%)	(567.36)	0.02%	0.31	70.68%	99.95	5.92%	100.27
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-	-	(-0.84%)	(12.97)	(-0.05%)	(0.07)	(-0.77%)	(13.04)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	(-0.70%)	(47.42)	0.05%	0.76	26.98%	38.16	2.30%	38.91
Inter group eliminations	(-15.79%)	1,075.92)	6.71%	104.13	1.32%	1.87	6.26%	106.00
As at 31 March 2022	**100.00%**	**6,815.61**	**100.00%**	**1,551.15**	**100.00%**	**141.41**	**100.00%**	**1,692.56**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

As at 31 March 2021

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated Net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive income/(loss)	Amount	As % of consolidated total comprehensive income/(loss)	Amount
Parent								
Devyani International Limited (DIL)	416.24%	2,991.05	103.68%	(653.05)	-22.84%	(11.92)	115.11%	(664.97)
Subsidiaries								
(Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	(-26.69%)	(191.77)	10.05%	(63.30)	0.78%	0.41	10.89%	(62.89)
Devyani Airport Services (Mumbai) Private Limited	(-108.25%)	(777.86)	16.77%	(105.61)	(-0.34%)	(0.18)	18.31%	(105.79)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	5.60%	40.26	(-1.43%)	9.03	0.50%	0.26	(-1.61%)	9.29
Devyani International (UK) Private Limited	-	-	41.82%	(263.43)	(-112.76%)	(58.86)	55.79%	(322.29)
RV Enterprizes Pte. Limited	(-191.10%)	(1,373.17)	8.94%	(56.34)	152.89%	79.81	(-4.06%)	23.47
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	(-46.25%)	(332.32)	8.21%	(51.74)	(-0.17%)	(0.09)	8.97%	(51.83)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	(-12.08%)	(86.83)	4.14%	(26.05)	81.76%	42.68	(-2.88%)	16.63
Inter group eliminations	62.52%	449.24	(-92.18%)	580.62	0.17%	0.09	(-100.53%)	580.71
At 31 March 2021	**100.00%**	**718.58**	**100.00%**	**(629.87)**	**100.00%**	**52.20**	**100.00%**	**(577.67)**

50. The Board of Directors of the Company ("Board") in its meeting dated 13 December 2021 approved the scheme of amalgamation for amalgamation of Devyani Food Street Private Limited and Devyani Airport Services (Mumbai) Private Limited (both are wholly owned subsidiary companies) with the Company subject to approval of shareholders, creditors, stock exchanges, National Company Law Tribunal (NCLT) and any other statutory/applicable authorities as may be required. The Company is yet to file the Scheme of amalgamation with NCLT.

51. Business Combination

During the year ended 31 March 2020, the Group executed a Business Transfer Arrangement dated 11 December 2019 ('BTA') with Yum Restaurants (India) Private Limited ("Yum") for acquiring 61 KFC stores (60 stores as amended) in multiple tranches. Till 31 March 2020, the Group had acquired 9 KFC stores on 01 March 2020 from Yum on a slump sale basis for an estimated purchase consideration of ₹ 339.34 and the remaining 51 stores were acquired during the year ended 31 March 2021 for a purchase consideration of ₹ 1,960.66, an aggregate consideration of ₹ 2,300. Yum is the franchiser of KFC, Pizza Hut, Taco Bell brand and the Group has acquired KFC stores from Yum in order to expand its operations in Karnataka, Andhra Pradesh and Telangana.

Assets acquired and liabilities assumed

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	As at 31 March 2021
Assets	
Property, plant and equipment (refer note 3A)	360.70
License fee (refer note 7)	198.79
Franchisee rights (refer note 7)	916.22
Inventories	27.11
Other assets	69.05
	1,571.87
Liabilities	31.32
	31.32
Total identifiable net assets (at fair value)	**1,540.55**
Purchase consideration to be transferred/transferred in cash	**1,960.66**
Goodwill (refer note 6)	**420.11**

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

Transaction costs of ₹ 0.42 have been expensed for the year ended 31 March 2021 and was included in "Other expenses" in the consolidated statement of Profit and Loss and are part of the operating cash flows in the consolidated statement of cash flow.

From the date of acquisition, during the year ended 31 March 2021, acquired stores under business combination contributed ₹ 1,479.64 of revenue and profit of ₹ 223.21 to profit/(loss) before tax from continuing operations of the Group. If the combination had taken place at the beginning of an acquisition year, the Group revenue from continuing operations would have been ₹ 1,754.45 for the year ended 31 March 2021 and since the details on profit after tax is not available at individual store level separately, such information had not been disclosed for the year ended 31 March 2021.

52. Discontinued Operations.

The Group has business of tea trading in the brand name of TWG which has operations in India through two stores, in the Group ('TWG India') and in UK [through its subsidiary - Devyani International (UK) Private Limited ('DIL UK or TWG UK')]. During the year ended 31 March 2021, the Group has sold TWG India business by way of slump sale to RJ Corp Limited (the holding Group) on 1 March 2021. Further, the Group has also sold its entire shareholding in DIL UK to Arctic International Private Limited (Mauritius) (a fellow subsidiary Group) on 17 February 2021. Accordingly, both TWG India and TWG UK have been reported as discontinued operation during the current year up to 28 February 2021 and 16 February 2021, respectively. Financial information relating to the discontinued operation for the period to the date of disposal are set out as below:-

(i) Financial performance and cash flow information

TWG India (A)	For the period ended 28 February 2021
Revenue from operations	22.44
Other income	12.26
Total income	**34.70**
Purchase of stock-in-trade	-
Changes in inventories of stock-in-trade	55.31
Employee benefits expense	5.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

TWG India (A)	For the period ended 28 February 2021
Finance costs	3.93
Depreciation and amortisation expense	18.06
Impairment of non-financial assets	49.87
Other expenses	11.25
Total expenses	**144.38**
Loss before tax	**(109.68)**
Gain on transfer of business operations (refer to (ii) below)	17.05
Loss from discontinued operation	**(92.63)**

TWG UK (B)	For the period ended 16 February 2021
Revenue from operations	65.08
Other income	121.25
Total income	**186.33**
Expenses	
Purchase of stock-in-trade	11.47
Changes in inventories of stock-in-trade	36.09
Employee benefits expense	59.52
Finance costs *	89.79
Depreciation and amortisation expense	172.47
Other expenses	62.81
Total expenses	**432.15**
Loss from discontinued operation	**(245.82)**
Other comprehensive income from discontinued operation	
Exchange differences to be reclassified to statement of profit and loss	(58.86)
Total comprehensive income from discontinued operation	**(304.68)**
Gain on transfer of business operations (refer to (ii) below)	521.81
Net loss from discontinued operation	**217.13**
Total Profit/(loss) from discontinued operation (A) + (B)	**124.50**

* Net of intra group elimination

Cash Flow Statement for discontinued Operations	For the period ended 28 February 2021*
Net cash inflow/(outflow) from;	
Net cash outflow from operating activities	(70.07)
Net cash inflow from investing activities	6.05
Net cash inflow from financing activities	712.97
Effect of exchange rate change	(13.15)
Net cash used in discontinued operations*	**635.80**

(ii) **Details of the sale of discontinued Operations**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

	TWG India	TWG UK
Date of Transfer	1 March 2021	17 Feburary 2021
Consideration received in cash	10.00	3.60
Carrying amount of net assets transferred (refer to (iii) below)	(7.05)	(582.88)
Exchange difference Gain/ (loss) on translation of discontinued operation	-	64.67
Gain/ (loss) on sale of discontinued Operations	**17.05**	**521.81**

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

	TWG India	TWG UK
Date of Transfer	1 March 2021	17 Feburary 2021
Assets		
Non Current Assets		
Property, plant and equipment	0.70	309.56
Right-of- use assets	30.67	2,507.94
Loans	-	9.77
Current Assets		
Inventories	0.46	90.06
Financial assets	-	3.10
Other current assets	16.74	9.55
Total assets (A)	**48.57**	**2,929.98**
Liabilities		
Non Current Liabilities		
Lease liabilities	47.72	2,620.35
Borrowings	-	784.93
Other financial liabilities	-	4.05
Current Liabilities		
Trade Payable	-	47.80
Other financial liabilities	-	55.72
Other current liabilities	7.90	0.01
Total liabilities (B)	**55.62**	**3,512.86**
Net assets (A-B)	**(7.05)**	**(582.88)**

53. Initial Public Offering (IPO)

The Company has completed its Initial Public Offer ("IPO") of 204,222,218 Equity Shares of Face Value of ₹ 1/- each ("equity shares") for a price of ₹ 90/- per Equity Share (including a share premium of ₹ 89/- per Equity Share) aggregating to ₹ 18,380 comprising a fresh issue of 48,888,888 Equity Shares for ₹ 4,400 (the "fresh issue") and an Offer for Sale of 155,333,330 Equity Shares for ₹ 13,980. The Equity Shares of the Company got listed with BSE Limited and National Stock Exchange of India Limited on 16 August 2021.

The utilisation of the fresh issue proceeds is summarised below:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Objects of the issue as per prospectus	Utilization planned as per prospectus	Total utilized upto 31 March 2022*	Amount pending for utilization as at 31 March 2022
Payment of share issue expenses	151.81	158.40	-
Repayment/prepayment of borrowings	3,240.00	3,419.70	-
General corporate purposes	1,008.19	821.90	-
Total	**4,400.00**	**4,400.00**	**-**

* Excess utilization towards offer related expenses and borrowings repayments has been adjusted with general corporate purposes of the fresh issue.

The Company has incurred expenses of ₹ 158.40 during the year ended 31 March 2022 in connection with public offer of equity shares. Out of this, ₹ 146.29 have been adjusted against securities premium as permissible under section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO) and listing expenses of ₹ 12.10 have been shown as IPO expenses under exceptional items (refer note 32).

54. Additional regulatory information not disclosed elsewhere in the financial information

(a) The Company and its Indian subsidiaries do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(b) The Company and its Indian subsidiaries do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31 March 2022	Relationship with the struck off company	Balance outstanding as at 31 March 2021	Relationship with the struck off company
Ranjoli Textile Private Limited	Trade payables	0.26	Not Applicable	-	Not Applicable
Ranjoli Textile Private Limited	Security deposits receivables	0.66	Not Applicable	0.66	Not Applicable
Radical Infraone Private Limited	Capital creditors	0.20	Not Applicable	0.20	Not Applicable
Sakha Services Private Limited	Trade payables	0.01	Not Applicable	0.01	Not Applicable

(c) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(d) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(e) The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Group have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

(g) The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(h) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

55. During the year, the Company has paid remuneration to a whole-time director of ₹ 138.70, which is in excess of the limits laid down under the provisions of the section 197 read with Schedule V of the Companies Act, 2013 by ₹ 75.73 which has also resulted in exceeding the overall limit of remuneration payable by the Company to its directors by ₹ 53.79. Such remuneration exceeded by virtue of exercise of employee stock options. The Company has obtained approval from the Nomination and Remuneration Committee of the Company for the excess managerial remuneration paid and is in process of obtaining necessary approvals from its shareholders by way of a special resolution as per the provisions of section 197 and Schedule V to the Act at the ensuing Annual General Meeting (AGM).

56. During FY 2020-21, Company has renewed Development Agreements with Yum Restaurant India Pvt. Ltd. (franchiser) with revised store opening targets and accordingly franchiser has agreed to give certain incentives to the Company in the form of initial fee waiver and certain other operational incentives. The Company has achieved the targets of new stores opening for both KFC and PH brands and received incentives during the year as per the aforesaid Development Agreement, which have been accounted as per Ind AS in the financial statements.

57. The amounts of previous reported period have been regrouped/reclassified pursuant to changes notified in Schedule-III, during the year ended 31 March 2022 and wherever considered necessary in order to comply with financial reporting requirements.

As per our report of even date attached

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

Nitin Toshniwal
Partner
Membership No.: 507568

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078

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

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

ANNEXURE - 1

Form AOC-1

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

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

Part "A": Subsidiaries

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

S. No.	Particulars	Details	Details	Details	Details	Details
1	Name of the subsidiary	Devyani Food Street Private Limited	Devyani Airport Services (Mumbai) Private Ltd.	Devyani International Nepal Private Limited	RV Enterprizes Pte. Ltd.	Devyani International (Nigeria) Limited – Step down subsidiary (Subsidiary of RV Enterprizes Pte. Ltd.)
2	The date since when subsidiary was acquired	14.04.2010	01.05.2013	02.07.2008	31.01.2011	31.01.2011
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01.04.2021 to 31.03.2022	From 01.04.2021 to 31.03.2022	From 01.04.2021 to 31.03.2022	From 01.04.2021 to 31.03.2022	From 01.04.2021 to 31.03.2022
4	Reporting currency	INR (₹)	INR (₹)	INR (₹)	INR (₹)	INR (₹)
5	Share capital	89.09	499.48	99.46	926.47	127.96
6	Other equity	(193.12)	(949.78)	29.93	206.80	1876.01
7	Total assets	352.60	616.99	642.14	1494.35	1024.78
8	Total Liabilities	352.60	616.99	642.14	1494.35	1024.78
9	Investments	-	-	-	184.05	-
10	Revenue from operations and other income	292.17	278.44	478.39	12.60	1450.54
11	Profit /(Loss) before tax	15.72	(112.06)	57.62	(2.31)	45.23
12	Tax expense	30.52	-	18.64		41.86
13	Provision for taxation		-	-		
14	Other Comprehensive Income	0.11	0.14	(0.48)	28.84	109.27
15	Total comprehensive income/ (loss) for the year	14.69	(111.92)	38.50	26.53	112.63
16	Proposed Dividend	-	-	-	-	-
17	% of shareholding	100%	100%*	100%	87%	68.51%^

* Devyani Airport Services (Mumbai) Pvt. Ltd. is a wholly owned subsidiary of Devyani International Limited with effect from 12 July 2021.

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

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

Part "B": Associates and Joint Ventures – NIL

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary & Compliance Officer
Membership No. 30496

Place: Gurugram
Date: May 2, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Devyani International Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Devyani International Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Recognition of deferred tax assets As detailed in Note 33 to the accompanying Standalone financial statements, the Company has unused tax benefits (losses and depreciation) amounting to ₹ 1,378.26 million (approx.) as at 31 March 2022 which are available for set off against the future taxable income of the Company. 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 carried forward unabsorbed depreciation and business losses can be utilized.	Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following: a) Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws in accordance with the requirements of Ind AS 12, 'Income Taxes'. b) Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors.

Key audit matters	How our audit addressed the key audit matter
The Company's ability to recover the deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits that Company expects to earn within the period by which the brought forward losses can be adjusted against such taxable profits as governed by the Income-tax Act, 1961, and expected future reversals of other existing taxable temporary differences. The determination of business projections underlying aforesaid taxable profit forecasts involve use of assumptions and estimates are judgmental, subjective and depend on future market and economic conditions and materialization of the Company's expansion plans. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. Owing to the materiality of the balances, complexities and judgements involved as described above, we have identified the recoverability of deferred tax assets recognized on brought forward tax losses and unabsorbed depreciation and other timing difference as a key audit matter for the current year audit.	c) Tested the assumptions used in aforesaid future projections relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on actual historical results, other relevant existing conditions, external data and market conditions. d) Tested the mathematical accuracy of the projections including sensitivity analysis performed by management e) Performed independent sensitivity analysis to test the impact of possible variations in key assumptions mentioned above to determine inputs that involved high estimation uncertainty of future projections. f) Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income taxes g) Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in respect of deferred tax assets in accordance with applicable accounting standards
Impairment of investments (including loans) in subsidiaries Refer note 2(q) of Summary of significant accounting policies and other explanatory information and the note 32 of the standalone financial statements of the Company for the year ended 31 March 2022. The Company has investments (including loans) in subsidiary companies amounting to ₹ 1,719.94 million as at 31 March 2022 and has recognized impairment of ₹ 197.19 million as on 31 March 2022 (refer Note 6A & 6B and 7 of the Standalone Financial Statements). The recoverability of the aforesaid amounts is dependent on the operational performance of aforesaid subsidiary companies, and for certain subsidiary companies, the actual business performance has been lower than anticipated performance which has been identified by the management as possible impairment indicators under the principles of Ind AS 36, Impairment of Assets ('Ind AS 36').	Our audit procedures to test impairment of loans given to and investment in subsidiary companies included, but were not limited to, the following procedures: a) Obtained an understanding from the management with respect to process and controls implemented by the Company to identify possible impairment indicators and to determine recoverability of the amounts from its subsidiary companies including testing of such controls; b) Assessed the professional competence, objectivity and capabilities of the external valuation expert engaged by the management for performing the required valuations to estimate the recoverable value of the amounts receivable from the subsidiary companies; c) Involved auditor's valuation experts for review of the valuation methodology including appropriateness of valuation assumptions used by the management's expert; d) Traced the future cash flow projections to approved business plans of the subsidiary companies and evaluates the reasonableness of the inputs used in the projections by comparing past projections with actual results, and considering our understanding of the business and market conditions, as relevant;

Key audit matters	How our audit addressed the key audit matter
Management has assessed the recoverability of the aforesaid amounts by carrying out a valuation of the subsidiary's business with the help of an external valuation expert using the discounted cashflow method, which requires management to make significant estimates and assumptions related to forecast of future revenue, operating margins, growth rate, expansion plans and selection of the discount rates to determine the recoverable value to be considered for impairment testing of the carrying value of the aforesaid balances. Considering the materiality of the above matter to the standalone financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.	e) Evaluated sensitivity analysis performed by the management and further performed independent sensitivity analysis on these key assumptions to determination estimation uncertainty involved and impact on conclusions drawn basis headroom available; and f) Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements in accordance with the applicable accounting standard
Impairment assessment of goodwill and non-current assets Refer note 2(f) of Summary of significant accounting policies and other explanatory information and note 30 of the standalone financial statements of the Company for the year ended 31 March 2022. As at 31 March 2022 the Company is carrying Goodwill amounting to ₹ 504.57 million and Non-current assets aggregating to ₹ 15,012.57 million in its standalone financial statements. In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company performs an annual impairment assessment of goodwill associated with the cash generating units (CGUs) identified in the Company, and of other non-current assets of CGUs where impairment indicators have been identified, in order to determine whether the recoverable value is below the carrying amount as at 31 March 2022. The management has determined that each store constitutes a separate CGU which is tested for impairment as above. For the purpose, the Company determines recoverable value of CGUs using Discounted Cash Flow Model (DCF Model) which require determination of certain assumptions and estimates of future trading performance, operating margins, future growth rates and discount rates. The assessment of the recoverable amount requires significant judgment relating to estimates of cash flow projections, growth rates and discount rates.	Our audit procedures for impairment assessment of goodwill and non-current assets included but were not limited to the following: a) Obtained an understanding of impairment testing of goodwill and non-current assets process, evaluated the design, implementation and tested the operative effectiveness of key internal financial controls relating to identification of indicators of impairment, identification of CGUs and the recoverable amounts of CGUs; b) Evaluated appropriateness of identification of CGUs basis our understanding of the business and the model used in determining the value-in-use of the CGUs involving auditor's valuation experts including assessment of valuation assumptions such as discount rates; c) Analyzed the performance of the CGUs and evaluated the reasonableness of the assumptions used in computation of business projections and value-in-use as at 31 March 2022 basis our understanding of the business including current and expected market and economic conditions, and traced such projections to approved business plans; d) Performed sensitivity analysis in respect of the key assumptions used including revenue growth rates and discount rate to verify appropriateness of such assumptions; e) Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; and f) Assessed the appropriateness of the disclosures included in note 45 in respect of impairment of non-current assets including goodwill.

Key audit matters	How our audit addressed the key audit matter
Consequent to such impairment assessment the Company has recorded an impairment charge of ₹ NIL against Goodwill and ₹ 57.20 million against non-current assets. Due to the significant level of judgments and subjectivity involved in determining recoverable amount and their significance to the Company's financial position, we have identified this as a key audit matter in the current year audit	

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

8. In preparing the standalone financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

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

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act, we report that the remuneration paid to its whole-time director for the year ended 31 March 2022 is in excess of the limits laid down under Section 197 read with Schedule V of the Act and consequently exceeded the overall limit of remuneration payable by the Company to its directors. As explained in note 57 to the accompanying standalone financial statements, the Company is in the process of seeking an approval from the shareholders by way of a special resolution in the ensuing Annual General Meeting.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

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

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to standalone financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

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

        i. the Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

        iv.

            a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 60(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in the note 60(f) to the accompanying standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 22507568AIGHTZ2847

Place: Gurugram
Date: 2 May 2022

For **APAS & Co LLP**
Chartered Accountants
Firm Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 22520078AIGOYO9517

Place: Gurugram
Date: 2 May 2022

ANNEXURE A

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Devyani International Limited, on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

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

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, for title deeds of immovable properties in the nature of land and buildings thereon, situated at Plot no.18, Sector 35, Industrial Estate, Gurgaon and with gross carrying value of ₹ 540.21 million as at 31 March 2022, which have been pledged as security for loan taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the lender.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

(b) The Company has a working capital limit in excess of ₹ 50.00 million sanctioned by a bank based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such bank and such statements are in agreement with the books of account of the Company for the respective periods.

(iii) (a) The Company has provided a loan to one of its subsidiary company. The details of the same are given below:

Particulars	Loan (₹ million)
Aggregate amount provided/ granted during the year during the year - Subsidiary	6.00
Balance outstanding as at balance sheet in respect of above cases - Subsidiary	6.00

(b) The Company has not provided any guarantee or given any security or advances in the nature of loans during the year. In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies.

(e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments and loans, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

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

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Statement of Disputed Dues

Name of the statute	Nature of dues	Gross Amount (₹ million)	Amount paid under Protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax	Value Added Tax	9.62	0.73	Financial Year ('F.Y.') 2009-10, F.Y. 2010-11 and F.Y. 2011-12	Hon'ble Rajasthan High Court & Rajasthan Tax Board
Telangana Value Added Tax	Value Added Tax	0.70	-	January 2013 - September 2014	High Court of Judicature at Hyderabad for the State of Telangana and the state of Andhra Pradesh
Gujarat Value Added Tax	Value Added Tax	1.84	0.11	F.Y. 2014-15 F.Y. 2015-16	Dy. Commissioner Appeals (First Appellate Authority)
Gujarat Value Added Tax	Value Added Tax	0.94	0.06	F.Y. 2016-17 F.Y. 2017-18	Dy. Commissioner Appeals (First Appellate Authority)
Service Tax (Finance Act 1994)	Service Tax	11.36	1.11	F.Y. 2007-08 to F.Y. 2012-13	Excise and Service Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	0.28	-	Assessment Year ('A.Y.') 2011-12	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income-tax	36.75	-	AY 2006-07 AY 2007-08 AY 2008-09	Hon'ble Delhi High Court

Name of the statute	Nature of dues	Gross Amount (₹ million)	Amount paid under Protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	8.00	-	AY 2009-10 AY 2011-12	Income Tax Appellate Tribunal
Income-tax Act, 1961	Income-tax	1.58	-	AY 2007-08	Hon'ble Delhi High Court
Income-tax Act, 1961	Income-tax	0.23	-	AY 2018-19	Commissioner of Tax (Appeals)
Goods and Service Tax Act, 2016	Goods and Services Tax	138.45	5.34	F.Y. 2018-19	Appellate Authority, Goods & Services tax

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under

Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one CIC as part of the Group.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities , our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 22507568AIGHTZ2847

Place: Gurugram
Date: 2 May 2022

For **APAS & Co LLP**
Chartered Accountants
Firm Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 22520078AIGOYO9517

Place: Gurugram
Date: 2 May 2022

ANNEXURE B

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

1. In conjunction with our audit of the standalone financial statements of **Devyani International Limited** ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

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

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 22507568AIGHTZ2847

Place: Gurugram
Date: 2 May 2022

For **APAS & Co LLP**
Chartered Accountants
Firm Registration No.: 000340C/C400308

Sumit Kathuria
Partner
Membership No.: 520078
UDIN: 22520078AIGOYO9517

Place: Gurugram
Date: 2 May 2022

STANDALONE BALANCE SHEET

as at 31 March 2022

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

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3A	5,553.84	3,858.48
Capital work-in-progress	3B	6.57	72.39
Right-of-use assets	3C	7,614.55	5,446.99
Investment properties	3D	351.00	455.89
Goodwill	4	504.57	504.57
Other intangible assets	5	1,493.18	1,821.90
Financial assets			
(i) Investments	6A & 6B	1,105.01	876.17
(ii) Loans	7	579.59	619.88
(iii) Other financial assets	8	562.19	510.59
Deferred tax assets (net)	33	410.78	-
Income tax assets (net)	33	166.43	72.22
Other non-current assets	9	295.65	149.85
		18,643.36	**14,388.93**
Current assets			
Inventories	10	731.20	535.37
Financial assets			
(i) Trade receivables	11	306.39	387.05
(ii) Cash and cash equivalents	12	399.98	281.85
(iii) Bank balances other than cash and cash equivalents	13	7.11	2.88
(iv) Loans	7	35.34	-
(v) Other financial assets	8	1,329.41	214.82
Other current assets	9	223.31	163.32
Total current assets		**3,032.74**	**1,585.29**
Total assets		**21,676.10**	**15,974.22**
Equity and liabilities			
Equity			
Equity share capital	14	1,204.74	1,153.63
Other equity	15	7,726.51	1,837.41
Total equity		**8,931.25**	**2,991.04**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	609.17	3,055.42
(ii) Lease liabilities	16	8,736.39	6,441.41
(iii) Other financial liabilities	19	37.55	56.88
Provisions	20	159.90	150.23
Other non-current liabilities	21	10.22	9.67
Total non-current liabilities		**9,553.23**	**9,713.62**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	0.11	688.19
(ii) Lease liabilities	16	724.21	621.66
(iii) Trade payables	22		
(a) total outstanding dues of micro and small enterprises		170.41	148.11
(b) total outstanding dues of creditors other than micro and small enterprises		1,383.65	1,124.15
(iv) Other financial liabilities	19	574.05	448.34
Other current liabilities	21	263.74	162.01
Provisions	20	75.45	77.10
Total current liabilities		**3,191.62**	**3,269.56**
Total equity and liabilities		**21,676.10**	**15,974.22**

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

As per our report of even date attached

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

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

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

Nitin Toshniwal
Partner
Membership No.: 507568

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

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

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	23	18,532.72	9,987.64
Other income	24	160.09	485.66
Total income		**18,692.81**	**10,473.30**
Expenses			
Cost of materials consumed	25	5,199.38	2,950.70
Purchases of stock-in-trade	26	111.83	59.67
Employee benefits expense	27	2,227.61	1,356.44
Finance costs	28	1,058.67	1,265.41
Depreciation and amortisation expense	29	1,852.76	1,914.68
Impairment of non-financial assets	30	57.20	452.51
Net (gain)/loss on investment carried at fair value through profit or loss		(3.28)	(2.91)
Other expenses	31	7,052.43	3,634.60
Total expenses		**17,556.60**	**11,631.11**
Profit/(loss) before exceptional items and tax		**1,136.21**	**(1,157.81)**
Exceptional items	32	13.16	(457.53)
Profit/(loss) before tax		**1,123.05**	**(700.28)**
Tax expense	33		
Current tax		-	-
Deferred tax credit		(410.78)	-
Total tax expense		**(410.78)**	**-**
Profit/(loss) from continuing operations (A)		**1,533.83**	**(700.28)**
Profit from discontinued operations before tax	54	**-**	**47.23**
Tax expense of discontinued operations		-	-
Profit from discontinued operations after tax (B)		**-**	**47.23**
Profit/(loss) for the year (A+B)		**1,533.83**	**(653.05)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		1.66	(11.92)
Income tax relating to above mentioned item		-	-
Other comprehensive income for the year		**1.66**	**(11.92)**
Total comprehensive income for the year		**1,535.49**	**(664.97)**
Earnings/(loss) per equity share from continuing operations	34		
Basic (₹)		1.29	(0.64)
Diluted (₹)		1.29	(0.64)
Earnings per equity share from discontinued operations	34		
Basic (₹)		-	0.04
Diluted (₹)		-	0.04

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

As per our report of even date attached

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

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

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

Nitin Toshniwal
Partner
Membership No.: 507568

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31 March 2022

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Cash flows from operating activities**		
	Profits/(loss) before tax from :		
	Continuing operations	1,123.05	(700.28)
	Discontinued operations	-	47.23
	Adjustments for:		
	Depreciation and amortisation expense	1,852.76	1,932.74
	Impairment of non-financial assets	57.20	502.38
	Liabilities no longer required written back	(21.00)	(25.30)
	Loss on disposal of property, plant and equipment	15.21	82.69
	Bad debts and advances written off	7.01	-
	Loss allowance	5.66	10.28
	Unrealised foreign exchange gain	(11.54)	(8.52)
	Derivatives at fair value through profit and loss	(0.72)	(6.75)
	Finance costs	1,058.67	1,269.34
	Employee stock option expense	64.12	22.64
	Interest income	(114.98)	(125.20)
	Guarantee commission	(0.45)	(0.23)
	Gain on investments carried at fair value through profit or loss	(3.28)	(2.91)
	Provision for impairment loss in the value of investments	1.06	111.31
	Gain on modification of leases	-	(52.71)
	Gain on termination of leases	(8.08)	(585.89)
	Rent concession [refer note 36 A (ii)]	(271.49)	(813.68)
	Dividend income	(1.25)	(1.25)
	Operating profit before working capital changes	**3,751.95**	**1,655.91**
	Adjustments for changes in:		
	- trade receivables	(34.44)	(58.82)
	- inventories	(195.83)	5.07
	- loans, other financial assets and other assets	(400.91)	(20.90)
	- trade payables, other financial liabilities and other liabilities	822.86	1.20
	Cash generated from operating activities	**3,943.63**	**1,582.47**
	Income tax (paid)/refund (net)	(91.95)	(1.59)
	Net cash generated from operating activities	**3,851.68**	**1,580.88**
B.	**Cash flows from investing activities**		
	Payment for acquisition of stores under business combination	-	(2,300.00)
	Payment for purchase of property, plant and equipment and other intangible assets	(2,847.54)	(1,251.14)
	Proceeds from sale of property, plant and equipment	131.25	12.94
	Proceeds from of term deposits	2.97	22.51
	Deposits made with banks	(848.75)	-
	Interest received	9.85	40.56
	Proceeds from transfer of business	-	10.00
	Purchase of non-current investments	(124.18)	-
	Proceeds from sale of investments	-	3.60
	Loans given	(6.00)	(269.45)
	Dividend received	1.25	1.25
	Repayment of loans received	46.50	706.70
	Net cash used in investing activities	**(3,634.65)**	**(3,023.04)**

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31 March 2022

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

		For the year ended 31 March 2022	For the year ended 31 March 2021
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity share capital	4,486.14	3,476.43
	Share issue expenses	(146.29)	-
	Proceeds from non-current borrowings	609.17	2,355.86
	Repayment of non-current borrowings	(3,638.94)	(2,294.43)
	Repayment of cash credit facilities from banks	(136.03)	(641.05)
	Payment of lease liabilities- principal	(259.05)	-
	Payment of lease liabilities- interest	(884.08)	(725.60)
	Interest paid	(129.82)	(470.30)
	Net cash (used in)/ generated from financing activities	**(98.90)**	**1,700.91**
	Net increase in cash and cash equivalents during the year (A+B+C)	**118.13**	**258.75**
D.	**Cash and cash equivalents at the beginning of the year**	**281.85**	**23.10**
E.	**Cash and cash equivalents as at the end of the year (refer note 12)**	**399.98**	**281.85**

Notes:

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

2. Significant non-cash transactions;

   - acquisition of right-of-use assets and investment properties (refer note 3C and 3D).

   - the Company converted the loan given to Devyani International UK Private Limited to equity investment during the previous year (refer note 52).

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

As per our report of even date attached

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

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

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

Nitin Toshniwal
Partner
Membership No.: 507568

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
CEO and Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

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

A. Equity share capital

	Note	As at 31 March 2022		As at 31 March 2021	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year		1,153,634,990	1,153.63	1,061,666,660	1,061.67
Issue of equity share capital	14	51,101,388	51.11	91,968,330	91.96
Balance at the end of the year		**1,204,736,378**	**1,204.74**	**1,153,634,990**	**1,153.63**

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

B. Other equity

	Reserves and surplus				Other comprehensive income*	Total
	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings		
Balance as at 1 April 2020	**4,632.61**	**101.22**	**5.47**	**(5,644.03)**	**-**	**(904.73)**
Loss for the year	-	-	-	(653.05)	-	**(653.05)**
Other comprehensive loss for the year	-	-	-	-	(11.92)	**(11.92)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(653.05)**	**(11.92)**	**(664.97)**
Transferred to retained earnings	-	-	-	(11.92)	11.92	**-**
Securities premium received during the year	3,384.47					**3,384.47**
Employee stock options expense	-	22.64	-	-	-	**22.64**
Transferred to securities premium on exercise of stock options	109.46	(109.46)	-	-	-	**-**
Balance as at 31 March 2021	**8,126.54**	**14.40**	**5.47**	**(6,309.00)**	**-**	**1,837.41**
Balance as at 1 April 2021	**8,126.54**	**14.40**	**5.47**	**(6,309.00)**	**-**	**1,837.41**
Profit for the year	-	-	-	1,533.83	-	**1,533.83**
Other comprehensive income for the year	-	-	-	-	1.66	**1.66**
Total comprehensive loss for the year	**-**	**-**	**-**	**1,533.83**	**1.66**	**1,535.49**
Transferred to retained earnings	-	-	-	1.66	(1.66)	**-**
Securities premium received during the year	4,435.03	-	-	-	-	**4,435.03**
Share issue expenses (refer note 55)	(146.29)	-	-	-	-	**(146.29)**
Employee stock options expense	-	64.87	-	-	-	**64.87**
Transferred to securities premium on exercise of stock options	35.00	(35.00)	-	-	-	**-**
Balance as at 31 March 2022	**12,450.28**	**44.27**	**5.47**	**(4,773.51)**	**-**	**7,726.51**

* Other comprehensive income/(loss) represents remeasurement of defined benefit plans.
The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

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

Nitin Toshniwal
Partner
Membership No.: 507568

For **APAS & Co LLP**
Chartered Accountants
Firm's Registration No.: 000340C/C400308

Sumit Kathuria
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Manish Dawar
CFO and Director
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: 30496

Place: Gurugram
Date: 02 May 2022

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

1. Company information/overview

Devyani International Limited (the 'Company') is a public limited company domiciled in India and its corporate office is at Plot No. 18, Sector 35, Gurugram - 122001. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 16 August 2021. The Company is primarily engaged in the business of developing, managing and operating quick service restaurants and food courts for brands such as Pizza Hut, KFC, Costa Coffee, Vaango, etc.

Basis of preparation

a. Statement of compliance

The standalone financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The standalone financial statements are prepared on accrual and going concern basis. The Board of Directors can permit revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act. On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from 1 April 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 2 May 2022.

b. Basis of measurement

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

c. Critical accounting estimates and judgments

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

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

- Note 2 (h) and 40 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2 (a) and (b) - useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets;
- Note 2 (j) - judgment required to determine probability of recognition of deferred tax assets;
- Note 2 (n) and 35 - fair value measurement of financial instruments;
- Note 2 (f), 37 and 45 - impairment assessment of non-financial assets (goodwill, property, plant and equipment and investment property) - key assumptions underlying recoverable amount;
- Note 2 (n) - impairment assessment of financial assets;
- Note 42 - measurement of share based payments;
- Note 2 (r), 2(g) and 39 - measurement of financial guarantee contracts, provisions and contingent liabilities;
- Note 2 (d) and 36 -judgment required to ascertain lease classification, lease term, incremental borrowing rate, lease and non-lease component and impairment of ROU;
- Note 2 (g) and 39 - judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim;

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

- Note 2 (b) and 48 - measurement of consideration and assets acquired as part of business combination;

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

2. Significant accounting policies

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

a. Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Subsequent cost

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

Depreciation

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

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

Freehold land is not depreciated.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

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

Capital work-in-progress

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

Investment properties

(Recognition and initial measurement)

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

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

Subsequent measurement (depreciation and useful lives)

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

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

De-recognition

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

b. Business combination and intangible assets

Business combination and goodwill

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

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

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

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

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Other intangible assets

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

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

i. Subsequent cost

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

ii. Amortisation

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

Asset description	Useful life (in years)
License fee	10
Franchisee rights	10
Computer software	6

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

c. Inventories

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

d. Leases

The Company as a lessee

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

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

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

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

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Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

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

The Company as a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset

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arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

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

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

e. Borrowing costs

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

f. Impairment of non-financial assets

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

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

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

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

g. Provisions and contingent liabilities

Provisions

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

Contingent liabilities

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

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h. Employee benefits

Short term employee benefits

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

Post-employment benefit plans

Defined Contribution Plans

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

Defined benefit plans

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

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

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

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

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

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

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

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

Other long term employee benefits

Compensated absences

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

i. Share based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to eligible employees of the Company and its subsidiaries under the Employee Stock Option Scheme ('ESOS') is recognised as an employee stock option scheme expense in the Statement of profit and loss, in relation to options granted to employees of the Company (over the vesting period of the awards) and in relation to options granted to employees of subsidiaries, the amount is disclosed under other financial assets (as receivables from subsidiaries), with a corresponding increase in other equity.

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The amount recognised as an expense /recoverable from subsidiaries is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

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

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

j. Income taxes

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

Current tax

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

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

Deferred tax

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

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

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

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

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting

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date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgment is required to determine the probability of recognition of MAT credit entitlement.

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

k. Foreign currency transactions and translations

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

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

l. Revenue recognition

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

Sale of products

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

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

Service income and management fees

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

Rental income

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

Scrap sale

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

Interest income

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

Dividend income

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

Guarantee commission

Guarantee commission is recognised using the effective interest rate method.

m. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

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transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

n. 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.

<u>Financial assets</u>

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Classification

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

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

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

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

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

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

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash

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flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

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

Subsequent measurement

Financial assets at amortised cost

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

Financial assets at FVTPL

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

iii. Derecognition

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

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

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

Financial liabilities

I. Recognition and initial measurement

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

II. Classification and subsequent measurement

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

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

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

III. Derecognition

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

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

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the new financial liability with modified terms is recognised in the Statement of profit and loss.

IV. **Offsetting of financial instruments**

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

V. **Derivative financial instruments**

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

o. Earnings per share

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

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

p. Current and non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

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

Operating cycle

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

q. **Investment in subsidiaries and joint ventures**

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

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

r. **Financial guarantee contracts**

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

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

s. **Cash and cash equivalents**

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

t. **Segment reporting**

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

u. **Exceptional items**

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

v. **Cash flow statement**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

w. **Functional and presentation currency**

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

x. **Discontinued operations**

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

y. Share issue expense

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

z. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2022

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

3A. Property, plant and equipment

Particulars	Freehold Land (refer note iv)	Buildings (refer note iv)	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross Block											
As at 1 April 2020	**103.91**	**431.93**	**1,801.62**	**2,410.00**	**167.48**	**103.15**	**162.70**	**377.39**	**271.62**	**63.18**	**5,892.98**
Acquisitions through business combinations (refer 48)	-	-	216.80	98.96	10.83	-	0.03	8.51	23.23	2.34	360.70
Additions other than above	-	23.39	252.07	376.81	24.13	5.71	23.17	80.78	53.50	10.05	849.61
Disposals	-	-	466.26	252.42	41.47	29.73	30.48	87.23	106.59	36.35	1,050.53
As at 31 March 2021	**103.91**	**455.32**	**1,804.23**	**2,633.35**	**160.97**	**79.13**	**155.42**	**379.45**	**241.76**	**39.22**	**6,052.76**
Additions	-	3.01	658.31	1,197.44	63.85	22.89	81.37	244.58	182.12	4.85	2,458.42
Disposals	-	-	62.24	98.71	22.24	3.70	5.11	11.99	37.99	5.62	247.60
As at 31 March 2022	**103.91**	**458.33**	**2,400.30**	**3,732.08**	**202.58**	**98.32**	**231.68**	**612.04**	**385.89**	**38.45**	**8,263.58**
Accumulated depreciation											
As at 1 April 2020	**-**	**41.20**	**574.55**	**724.15**	**79.93**	**38.56**	**38.26**	**147.28**	**99.03**	**44.47**	**1,787.43**
Depreciation	-	14.16	202.78	288.53	29.17	8.93	16.23	62.58	36.46	6.69	665.53
Disposals	-	-	191.41	139.70	31.16	17.28	14.42	72.55	59.89	32.77	559.18
As at 31 March 2021	**-**	**55.36**	**585.92**	**872.98**	**77.94**	**30.21**	**40.07**	**137.31**	**75.60**	**18.39**	**1,893.78**
Depreciation	-	14.49	252.15	300.93	27.58	9.65	18.80	81.77	49.11	5.29	759.77
Disposals	-	-	34.25	72.75	20.72	2.90	2.92	8.27	32.99	4.49	179.29
As at 31 March 2022	**-**	**69.85**	**803.82**	**1,101.16**	**84.80**	**36.96**	**55.95**	**210.81**	**91.72**	**19.19**	**2,474.26**
Accumulated impairment											
As at 1 April 2020	**-**	**24.17**	**73.82**	**131.82**	**8.18**	**4.01**	**5.26**	**6.39**	**6.24**	**2.83**	**262.72**
Impairment loss	-	1.90	216.39	164.01	8.07	9.90	19.56	10.81	45.95	2.46	479.05
Impairment (reversal)	-	-	(16.68)	(29.69)	(1.07)	(1.07)	(0.58)	(1.99)	(0.41)	(0.01)	(51.50)
Disposals	-	-	247.10	62.79	6.94	7.73	10.43	7.78	43.56	3.44	389.77
As at 31 March 2021	**-**	**26.07**	**26.43**	**203.35**	**8.24**	**5.11**	**13.81**	**7.43**	**8.22**	**1.84**	**300.50**
Impairment loss	-	-	20.70	36.52	0.93	0.64	1.15	3.33	3.32	0.13	66.72
Impairment (reversal)	-	(16.62)	(22.61)	(68.55)	(1.34)	(1.58)	(1.82)	(2.46)	(2.34)	(0.46)	(117.78)
Disposals	-	-	4.63	5.45	0.82	0.49	0.37	0.28	1.29	0.63	13.96
As at 31 March 2022	**-**	**9.45**	**19.89**	**165.87**	**7.01**	**3.68**	**12.77**	**8.02**	**7.91**	**0.88**	**235.48**
Net carrying amount											
As at 31 March 2021	**103.91**	**373.89**	**1,191.88**	**1,557.02**	**74.79**	**43.81**	**101.54**	**234.71**	**157.94**	**18.99**	**3,858.48**
As at 31 March 2022	**103.91**	**379.03**	**1,576.59**	**2,465.05**	**110.77**	**57.68**	**162.96**	**393.21**	**286.26**	**18.38**	**5,553.84**

Note:

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

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

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

iv) All title deeds of immovable properties are held in the name of Company.

v) For details regarding impairment - refer note 45.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

3B Capital work-in-progress (CWIP)

Particulars	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	72.39	62.97
Additions	2,474.12	848.98
Transfers to property, plant and equipment	2,539.94	839.56
At the end of the year	**6.57**	**72.39**

CWIP ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
As on 31 March 2022	6.57	-	-	-	6.57
As on 31 March 2021	59.67	12.72	-	-	72.39

There are no projects as on each reporting period where activity had been suspended except few projects in the previous year which were temporarily suspended due to Covid-19 restrictions. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

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

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2022	As at 31 March 2021
Right-of-use assets		
Leasehold property*	8,985.76	5,928.58
Accumulated amortisation	(1,221.51)	(362.64)
Accumulated impairment	(149.70)	(118.95)
Net carrying amount	**7,614.55**	**5,446.99**

* includes the addition of ₹ 3,115.30 (31 March 2021 : ₹ 2,560.74)

3D Investment properties (refer note 37)

	Leasehold Investment Properties	Owned Investment Properties*	Total
Gross carrying amount			
As at 1 April 2020	**467.49**	**-**	**467.49**
Additions	11.96	169.63	181.59
Disposals	(122.73)	-	(122.73)
As at 31 March 2021	**356.72**	**169.63**	**526.35**
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2022	**356.72**	**169.63**	**526.35**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

	Leasehold Investment Properties	Owned Investment Properties*	Total
Accumulated depreciation			
As at 1 April 2020	**52.73**	**-**	**52.73**
Depreciation	46.74	1.41	48.15
Disposals	(31.19)	-	(31.19)
As at 31 March 2021	**68.28**	**1.41**	**69.69**
Depreciation	33.81	5.65	39.46
Disposals	-	-	-
As at 31 March 2022	**102.09**	**7.06**	**109.15**
Accumulated impairment			
As at 1 April 2020	**0.77**	**-**	**0.77**
Impairment loss	-	-	-
As at 31 March 2021	**0.77**	**-**	**0.77**
Impairment loss (refer note 37)	65.43	-	65.43
As at 31 March 2022	**66.20**	**-**	**66.20**
Net carrying amount			
As at 31 March 2021	**287.67**	**168.22**	**455.89**
As at 31 March 2022	**188.43**	**162.57**	**351.00**

* All title deeds of immovable properties are held in the name of Company.

4 Goodwill

	Amount
Gross carrying amount	
As at 1 April 2020	**84.46**
Acquisitions through business combinations (refer note 48)	420.11
As at 31 March 2021	**504.57**
Acquisitions	-
As at 31 March 2022	**504.57**
Accumulated impairment	
As at 1 April 2020	**-**
Impairment loss	-
As at 31 March 2021	**-**
Impairment loss	-
As at 31 March 2022	**-**
Net carrying amount	
As at 31 March 2021	**504.57**
As at 31 March 2022	**504.57**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

5 Other intangible assets

	Franchisee rights	License fees	Computer softwares	Total
Gross carrying amount				
As at 1 April 2020	**143.61**	**507.54**	**98.98**	**750.13**
Acquisitions through business combinations (refer note 48)	916.22	198.79	-	1,115.01
Additions other than above	-	342.82	2.81	345.63
Disposals	-	51.35	1.29	52.64
As at 31 March 2021	**1,059.83**	**997.80**	**100.50**	**2,158.13**
Additions	-	130.67	58.35	189.02
Disposals/adjustments	-	320.76	0.91	321.67
As at 31 March 2022	**1,059.83**	**807.71**	**157.94**	**2,025.48**
Accumulated depreciation				
As at 1 April 2020	**-**	**122.80**	**66.03**	**188.83**
Amortisation	48.46	74.14	11.42	134.02
Disposals	-	19.91	0.69	20.60
As at 31 March 2021	**48.46**	**177.03**	**76.76**	**302.25**
Amortisation	105.50	82.31	7.81	195.62
Disposals/adjustments	-	9.55	0.82	10.37
As at 31 March 2022	**153.96**	**249.79**	**83.75**	**487.50**
Accumulated impairment				
As at 1 April 2020	**-**	**16.85**	**7.66**	**24.51**
Impairment loss	-	41.17	0.35	41.52
Impairment (reversal)	-	(4.07)	-	(4.07)
Disposals	-	27.37	0.61	27.98
As at 31 March 2021	**-**	**26.58**	**7.40**	**33.98**
Impairment loss	-	25.92	-	25.92
Impairment (reversal)	-	(9.87)	(3.97)	(13.84)
Disposals	-	1.21	0.05	1.26
As at 31 March 2022	**-**	**41.42**	**3.38**	**44.80**
Net carrying amount				
As at 31 March 2021	**1,011.37**	**794.19**	**16.34**	**1,821.90**
As at 31 March 2022	**905.87**	**516.50**	**70.81**	**1,493.18**

Note:

i) For details regarding impairment - refer note 45.

6A Investments in subsidiaries

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Investment in unquoted equity shares (valued at cost)		
Devyani International (Nepal) Private Limited, a wholly owned subsidiary. Principal place of business - Nepal.^		
1,591,346 (previous year: 427,966) equity shares of NPR 100/- each, fully paid up [includes bonus shares of 333,380 shares (previous year: Nil)]	94.07	42.19

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Particulars	As at 31 March 2022	As at 31 March 2021
Devyani Food Street Private Limited, a wholly owned subsidiary. Principal place of business - India.*		
8,908,900 (previous year: 8,908,900) equity shares of ₹ 10/- each, fully paid up	304.68	202.25
Provision for impairment loss in the value of above investment (refer note 51)	(197.19)	(111.31)
RV Enterprizes Pte. Limited, Singapore, a subsidiary. Principal place of business - Singapore		
2,415,579 (previous year: 2,415,579) equity shares of SGD 1/- each, fully paid up. The Company's shareholding in the above is 87% (refer note 49)	108.93	108.93
Devyani Airport Services (Mumbai) Private Limited, a wholly owned subsidiary. Principal place of business - India.		
49,948,036 (previous year: 3,060,000) equity shares of ₹ 10/- each, fully paid up. The Company's shareholding in the above is 100% with effect from 12 July 2021 (previous year 51%) (refer note 50)	153.87	84.84
Provision for impairment loss in the value of above investment (refer note 50)	-	(84.84)
	464.36	**242.07**
Investment in unquoted preference shares		
Valued at cost		
Investments in subsidiaries		
RV Enterprizes Pte. Limited, Singapore, a subsidiary		
10,997,925 (previous year: 10,953,525) 1% redeemable preference shares of USD 1/- each, fully paid up (refer note 49)**	615.30	612.02
	615.30	**612.02**
Aggregate value of unquoted investments in subsidiaries	**1,079.66**	**854.09**
Aggregate provision for impairment in value of investments in subsidiaries	**197.19**	**196.14**
The Company does not have any quoted investments during the current and previous year.		
Provision for impairment loss in value of investments in subsidiaries		
Opening provision as at the beginning of the year	196.14	507.98
Add: Provision created during the year	85.88	111.31
Less: Provision reversed/actualised during the year	(84.84)	(423.15)
Closing provision as at year end	**197.19**	**196.14**

^ The Company had given loan to Devyani International (Nepal) Private Limited, a wholly owned subsidiary, at interest rate which is lower than the market rate of interest. Such loan had been fair valued and recorded as additional investment in the wholly owned subsidiary per generally accepted accounting principles in India and also the Company had given financial guarantee to Everest Bank Limited on behalf of Devyani International (Nepal) Private Limited, a wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee had been fair valued and recorded as an additional investment in the wholly owned subsidiary.

* The Company had given financial guarantee to Yes Bank Limited on behalf of Devyani Food Street Private Limited, a wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee had been fair valued and recorded as an additional investment in the wholly owned subsidiary per generally accepted accounting principles in India. During the year ended 31 March 2022, the Company has waived ₹ 102.43 receivables of its wholly owned subsidiary, which is in substance being treated as capital contribution (investment) made towards the subsidiary.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

6B Investments

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in unquoted preference shares (valued at fair value through profit or loss)		
Investments in subsidiaries		
Devyani Airport Services (Mumbai) Private Limited, a subsidiary#		
Nil (previous year: 32,631,344) 8% redeemable, non cumulative and non convertible preference share of ₹ 10/- each, fully paid up (refer note 50)	-	-
Devyani International (Nepal) Private Limited, a wholly owned subsidiary		
400,000 (previous year: 400,000) 5% redeemable, non cumulative and non convertible preference shares of NPR 100/- each, fully paid up	25.35	22.08
	25.35	**22.08**
Aggregate value of unquoted investments	**25.35**	**22.08**

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

Such investments have been fair valued and a fair valuation loss through profit and loss has been recorded as at 31 March 2021 ₹ Nil.

7 Loans

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Loans to related parties [considered good, unsecured (refer note 38)]*	579.59	619.88	35.34	-
	579.59	**619.88**	**35.34**	**-**

*includes interest accrued on loans to related parties amounting to ₹ 64.30 (31 March 21: ₹ 39.04).

Particulars (also refer 43)	As at 31 March 2022 Amount of loan or advance in the nature of loan outstanding	As at 31 March 2021 Amount of loan or advance in the nature of loan outstanding
Loan of ₹ 157.40 (31 March 2021: ₹ 176.40) to Devyani Airport Services (Mumbai) Private Limited	168.65	177.10
(a) The unsecured loan is repayable in 20 quarterly installments after completion of 1 year from date of final disbursement. The quarterly installments will be due on the last day of each quarter. (b) The interest rate applicable is 8% p.a (31 March 2021:12%) w.e.f 1 October 2021 vide addendum loan agreement with the lender (payable on yearly basis). (c) The loan is to be utilised for operational activities carried out by the borrower.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Particulars (also refer 43)	As at 31 March 2022 Amount of loan or advance in the nature of loan outstanding	As at 31 March 2021 Amount of loan or advance in the nature of loan outstanding
Loan of ₹ 303.23 (31 March 2021: ₹ 292.94) to RV Enterprizes Pte. Limited	350.01	328.82
(a) The unsecured loan is repayable in one or more tranches before 31 December 2025. (b) Interest rate is equal to LIBOR plus 3.00% per annum payable at the maturity of the loan term. (c) The loan will be utilised for meeting the working capital requirements of the borrower.		
Loan of ₹ 90.00 (31 March 2021: ₹ 111.50) to Devyani Food Streets Private Limited	96.27	113.96
(a) This term loan is repayable in 12 quarterly installments after the end of moratorium period of three year from the date of disbursement. (b) The interest rate applicable is 8% p.a (31 March 2021:10%) w.e.f 1 October 2021 vide addendum loan agreement with the lender (payable on yearly basis). (c) The loan is to be utilised for operational activities carried out by the borrower.		

8 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good				
Security deposits^	435.33	357.29	135.17	106.69
Bank deposits *#	0.94	0.87	841.49	-
Lease rental receivables	41.22	56.27	20.27	11.73
Finance lease receivables	84.70	96.16	11.64	10.03
Other receivables**	-	-	320.84	86.37
	562.19	**510.59**	**1,329.41**	**214.82**
Other receivables and security deposits (credit impaired)	-	-	13.76	4.50
Less: loss allowance	-	-	(13.76)	(4.50)
	562.19	**510.59**	**1,329.41**	**214.82**

^ Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item as per amended Schedule III of the Companies Act, 2013. Previously, these deposits were included in 'loans' line item.

* Bank deposits include ₹ 0.94 (31 March 21: ₹ 0.87) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

Includes interest accrued but not due on bank deposits amounting to ₹ 14.92 (31 March 21: ₹ 0.01).

** Includes receivables from related party ₹ 0.75 (31 March 21: ₹ 2.53) (refer note 38).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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9 Other assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Capital advances	278.27	136.98	-	-
Other advances:				
- Prepaid expenses	4.14	7.14	31.73	32.53
- Prepaid rent	5.83	5.73	1.43	1.39
- Balance with statutory/government authorities	-	-	128.47	72.21
- Taxes paid under protest	7.41	-	-	-
- Advances to employees	-	-	30.84	19.11
- Advance to suppliers	-	-	36.68	44.36
	298.93	**149.85**	**229.15**	**169.60**
Less: loss allowance	-	-	(5.84)	(6.28)
	295.65	**149.85**	**223.31**	**163.32**

10 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost and net realisable value)		
Raw materials including packaging materials	731.20	535.37
	731.20	**535.37**

11 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
- Considered good- unsecured	306.39	387.05
- Credit impaired	21.64	28.08
	328.03	**415.13**
Less: loss allowance (refer note 35)	(21.64)	(28.08)
	306.39	**387.05**

Sub notes:

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Trade receivables ageing schedule on 31 March 2022

Particulars	Outstanding for following periods from due date						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	186.50	65.47	18.19	24.66	11.57	-	306.39
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	0.93	5.83	2.64	2.14	11.54
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	0.25	1.48	5.47	2.90	10.10
Total	**186.50**	**65.47**	**19.37**	**31.97**	**19.68**	**5.04**	**328.03**

Trade receivables ageing schedule on 31 March 2021

Particulars	Outstanding for following periods from due date						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	163.65	36.74	42.23	94.50	7.57	42.36	387.05
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	5.61	18.40	0.34	-	24.35
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	0.12	0.71	0.38	2.52	3.73
Total	**163.65**	**36.74**	**47.96**	**113.61**	**8.29**	**44.88**	**415.13**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

12 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks :		
- On current accounts	167.50	241.13
- in deposits accounts	180.04	-
Cash on hand	35.66	31.23
Cash in transit	16.78	9.49
	399.98	**281.85**

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Other bank balances*		
- On deposit account ^	7.11	2.88
	7.11	**2.88**
* Bank deposits include ₹ 1.39 (31 March 2021: ₹ 2.81) being bank deposits placed as security under lien with various parties.		
^ Includes interest accrued but not due on bank deposits amounting to ₹ 0.05 (31 March 2021: ₹ 0.01)		
Note: Details of bank deposits summarised below:		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' (refer note 12)	180.04	-
Bank deposits due for maturity after 3 months and within 12 months of the original maturity included under 'Other Balances with banks' (refer note 13)	7.11	2.88
Bank deposits due for maturity after 12 months of the original maturity have been disclosed as 'Other financial assets' (refer note 8)	842.43	0.87
	1,029.58	**3.75**

14 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
5,000,000,000 (31 March 2021 : 1,250,000,000) equity shares of ₹ 1/- each *	5,000.00	1,250.00
	5,000.00	**1,250.00**
Issued, subscribed and fully paid -up		
1,204,736,378 (31 March 2021 : 1,153,634,990) equity shares of ₹ 1/- each *	1,204.74	1,153.63
	1,204.74	**1,153.63**

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and fully paid up				
At the beginning of the year	1,153,634,990	1,153.63	106,166,666	1,061.67
Issued during the year	51,101,388	51.11	9,196,833	91.96
At the end of the year	**1,204,736,378**	**1,204.74**	**115,363,499***	**1,153.63**
* Equity shares of ₹ 1/- each as at 31 March 2021 pursuant to share split with effect from 25 March 2021	-	-	1,153,634,990	1,153.63

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of ₹ 1/- per share (pursuant to the share split from ₹ 10/- to ₹ 1/- per share with effect from 25 March 2021). Each holder of the equity share is entitled to one vote per share and is entitled to dividend declared, if any. The paid up equity shares of the Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholder.

During the previous year, Yum Restaurants India Private Limited ("YRIPL") has been allotted 5,308,333 (pre-split of shares) equity shares of ₹ 10/- each of the Company. Further, Dunearn Investments (Mauritius) Pte Limited ("Dunearn"), and YRIPL, both the investors in the Company, enjoyed certain exit rights as defined in their respective Shareholder's Agreements executed with the Company. By virtue of amendment cum termination agreement entered on 3 May 2021, their rights were terminated on the listing date i.e. 16 August 2021.

c) Shares reserved for issue under options and contracts

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

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
- RJ Corp Limited, India, holding and ultimate holding company				
Equity shares of ₹ 1/- each fully paid-up	714,821,970	59.33	804,821,970	69.76
	714,821,970	**59.33**	**804,821,970**	**69.76**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
- RJ Corp Limited, India, holding company Equity shares of ₹ 1/- each	714,821,970	59.33	804,821,970	69.76
- Dunearn Investments (Mauritius) Pte Limited Equity shares of ₹ 1/- each	98,000,000	8.13	163,333,330	14.16
- Mr. Varun Jaipuria Equity shares of ₹ 1/- each	39,625,617	3.29	70,047,260	6.07

f) **Shareholding of Promoters**

	As at 31 March 2022			As at 31 March 2021		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
- RJ Corp Limited, India, holding company Equity shares of ₹ 1/- each	714,821,970	59.33	(10.43)	804,821,970	69.76	(6.64)
- Mr. Varun Jaipuria Equity shares of ₹ 1/- each	39,625,617	3.29	(2.78)	70,047,260	6.07	(0.53)
- Mr. Ravi Kant Jaipuria Equity shares of ₹ 1/- each	2,114,103	0.18	(1.31)	17,114,100	1.48	(0.13)

g) For the period of five years immediately preceding the reporting date, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding 31 March 2022 and 31 March 2021.

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

a) **Reserves and Surplus**

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium	12,450.28	8,126.54
General reserve	5.47	5.47
Retained earnings	(4,773.51)	(6,309.00)
Employee stock options outstanding account (refer note 42)	44.27	14.40
	7,726.51	**1,837.41**

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

b) Other comprehensive income

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

16 Lease liabilities (refer note 36)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease liabilities	8,736.39	6,441.41	724.21	621.66
	8,736.39	**6,441.41**	**724.21**	**621.66**

17 Borrowings

Particulars	Non-current		Current*	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Term loans (secured) from banks				
Indian rupee term loans	609.17	2,923.83	0.11	447.12
Foreign currency term loans (in USD)	-	131.59	-	105.04
	609.17	**3,055.42**	**0.11**	**552.16**

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

* Current portion of long-term borrowings includes interest accrued of ₹ 0.11 (31 March 2021: ₹ 0.76) and same has been included in 'Current Borrowings' (refer note 18).

Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance of borrowings and lease liabilities		
Indian rupee term loans	3,370.95	3,264.95
Foreign currency term loans	236.63	323.49
Cash credit facilities from banks	136.03	777.09
Lease liabilities	7,063.07	8,408.76
Cash flows		
Proceeds from non-current borrowings	609.17	2,355.86
Repayment of non-current borrowings	(3,638.94)	(2,294.43)
Repayment of cash credit facilities from banks	(136.03)	(641.05)
Finance cost paid	(129.82)	(470.30)
Payment of lease liabilities- principal #	(259.05)	-
Payment of lease liabilities- interest	(884.08)	(725.60)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Non-cash changes		
Finance cost expense	1,044.72	1,269.34
Foreign currency exchange fluctuations	0.65	(8.52)
Additions/remeasurement/(termination) of lease liabilities	2,936.15	(0.62)
Gain on rent concession	(271.49)	(813.68)
Gain on modification of leases	-	(52.71)
Gain on termination of leases	(8.08)	(585.89)
Closing balance of secured loans		
Indian rupee term loans	609.28	3,370.95
Foreign currency term loans	-	236.63
Cash credit facilities from banks	-	136.03
Lease liabilities	9,460.60	7,063.07

Nil on account of adjustment for rent concessions during the year ended 31 March 2021

Terms of borrowings and security from banks

Sr. no	Bank	Description	31 March 2022		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
1	Axis Bank Limited	₹ Term loan - 1	-	-	Prepaid on 16 August 2021	-	-	Quarterly	3M MCLR	-
2	RBL Bank Limited	₹ Term loan - 10	-	-	Prepaid on 16 August 2021	-	-	Monthly	3M Mibor	-
3	RBL Bank Limited	₹ WCTL Term loan - II	609.17	0.11	- 9 instalments during FY 2023-24 - ₹ 12.69 each - 12 instalments during FY 2024-25 - ₹ 12.69 each - 12 instalments during FY 2025-26 - ₹ 12.69 each - 12 instalments during FY 2026-27 - ₹ 12.69 each - 3 instalments during FY 2027-28 - ₹ 12.69 each	62.00	48.00	Monthly	3M Mibor	6.00%-6.42%
4	Yes Bank Limited	USD Term loan - 1	-	-	Prepaid on 18 August 2021	-	-	Quarterly	IRS to Fixed Rate from Libor +Spread	-
5	Yes Bank Limited	USD Term loan - 2	-	-	Prepaid on 18 August 2021	-	-	Quarterly	IRS to Fixed Rate from Libor +Spread	-
6	IndusInd Bank Limited	₹ Term loan - 4	-	-	Prepaid on 16 August 2021	-	-	Quarterly	1 year T- bill	-
7	IndusInd Bank Limited	₹ Term loan - 6	-	-	Prepaid on 16 August 2021	-	-	Quarterly	1 year T- bill	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank	Description	31 March 2022		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
8	SBM Bank Limited	₹ Term loan - 7	-	-	Repaid on 2 April 2021	-	-	Quarterly	12M MCLR	-
9	Axis Bank Limited	₹ Term loan - 8	-	-	Prepaid on 16 August 2021	-	-	Quarterly	3M MCLR	-
10	IndusInd Bank Limited	₹ Term loan - 9	-	-	Prepaid on 16 August 2021	-	-	Quarterly	1 year T- bill	-

Sr. No	Terms of security
3	Second Pari Passu Charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future and equitable mortgage on the immovable property, plant and equipment of the Company's industrial.

Terms of borrowings and security from banks

Sr. no	Bank	Description	31 March 2021		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
1	Axis Bank Limited	₹ Term loan - 1	-	59.80	- 1 instalment during FY 2021-22-₹ 60	9	1	Quarterly	3M MCLR	7.30%
2	Yes Bank Limited	₹ Term loan - 2	-	-	Prepaid on 30 December 2020	-	-	Annualy	-	-
3	RBL Bank Limited	₹ Term loan - 3	-	-	Prepaid on 19 March 2021	-	-	Quarterly	-	-
4	RBL Bank Limited	₹ Term loan - 10	836.25	55.90	- 3 instalments during FY 2021-22-₹ 18.58 each - 12 instalments during FY 2022-23-₹ 18.58 each - 12 instalments during FY 2023-24-₹ 18.58 each - 12 instalments during FY 2024-25-₹ 18.58 each - 9 instalments during FY 2025-26-₹ 18.58 each	57	48	Monthly	3M Mibor	6.00%
5	Yes Bank Limited	USD Term loan - 1	70.68	56.47	- 4 instalments during FY 2021-22- USD 0.19 million each - 4 instalments during FY 2022-23- USD 0.19 million each - 1 instalment during FY 2023-24- USD 0.19 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme.	27	9	Quarterly	IRS to Fixed Rate from Libor +Spread	5.25%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank	Description	31 March 2021		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
6	Yes Bank Limited	USD Term loan - 2	60.91	48.58	- 4 instalments during FY 2021-22- USD 0.17 million each - 4 instalments during FY 2022-23- USD 0.17 million each - 1 instalments during FY 2023-24- USD 0.17 million Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme.	27	9	Quarterly	IRS to Fixed Rate from Libor +Spread	5.50%
7	IndusInd Bank Limited	₹ Term loan - 4	550.00	0.11	- 1 instalment during FY 2022-23- ₹ 62.5 - 3 instalments during FY 2023-24-₹ 62.5 each - 1 instalment during FY 2023-24- ₹ 75 - 3 instalments during FY 2024-25-₹ 75 each Loan instalments are deferred by 3 months as Company opted for RBI Loan moratorium scheme. Further prepayment of ₹ 87.50 made in July 20.	43	8	Quarterly	1 year T-bill	7.50%
8	IDFC First Bank Limited	₹ Term loan - 5	-	-	Prepaid on 26 March 2021	-	-	Quarterly	-	-
9	IndusInd Bank Limited	₹ Term loan - 6	650.00	0.13	- 1 instalment during FY 2022-23- ₹ 40 - 4 instalments during FY 2023-24- ₹ 40 each - 1 instalment during FY 2024-25- ₹ 40 - 3 instalments during FY 2024-25- ₹ 50 each - 4 instalments during FY 2025-26- ₹ 50 each - 1 instalment during FY 2026-227- ₹ 60	61	14	Quarterly	1 year T-bill	7.50%
10	SBM Bank Limited	₹ Term loan - 7	-	198.87	- ₹ 200 of loan is paid on 19 March 2021 - remaining 50% of loan to be paid in 1 instalment on 1 April 2021 - ₹ 200	1	1	Quarterly	12M MCLR	9.30%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Sr. no	Bank	Description	31 March 2021		Terms of repayment					
			Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
11	Axis Bank Limited	₹ Term loan - 8	440.19	98.99	- 3 instalments during FY 2021-22 - ₹ 34.375 each - 4 instalments during FY 2022-23 - ₹ 34.375 each - 4 instalments during FY 2023-24 - ₹ 34.375 each - 4 instalments during FY 2024-25 - ₹ 34.375 each - 1 instalment during FY 2025-26 - ₹ 34.375	51	16	Quarterly	3M MCLR	7.30%
12	IndusInd Bank Limited	₹ Term loan - 9	447.40	33.31	- 3 instalments during FY 2021-22 - ₹ 12.50 each - 4 instalments during FY 2022-23 - ₹ 12.50 each - 1 instalment during FY 2023-24 - ₹ 12.50 - 3 instalments during FY 2023-24 - ₹ 18.75 each - 4 instalments during FY 2024-25 - ₹ 18.75 each - 1 instalment during FY 2025-26 - ₹ 18.75 - 3 instalments during FY 2025-26 - ₹ 31.25 each - 4 instalments during FY 2026-27 - ₹ 31.25 each - 1 instalment during FY 2027-28 - ₹ 31.25	74	24	Quarterly	1 year T-bill	7.50%

Sr.No.	Terms of security
1 to 3 & 5 to 12	First pari passu charge by way of hypothecation of the Company's entire movable property, plant and equipment both present and future.
1 to 3 & 5 to 12	Pari passu first charge by way of equitable mortgage on the immovable property, plant and equipment of the Company's industrial land at Plot No. 18, Sector-35, Industrial estate, Gurugram-122004.
1 to 2 and 4 to 12	Second pari passu charge by way of hypothecation on the entire current assets of the Company both present and future.
4	Second Pari Passu Charge by way of hypothecation of the Company's entire movable property, plant and equipment both present and future. and equitable mortgage on the immovable property, plant and equipment of the Company's industrial.
10 to 12	Personal guarantee of director (Mr. Ravi Kant Jaipuria)
11	Corporate guarantee of RJ Corp Limited
12	Personal guarantee of director (Mr. Ravi Kant Jaipuria) and Ravi Kant Jaipuria and sons (HUF)
4	100% Guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC)

17 (i) Utilisation of borrowings

(a) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(b) The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

18 Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Cash credit facilities from banks (secured) (repayable on demand)	-	136.03
Current portion of long-term borrowings (refer note 17)*	0.11	552.16
	0.11	**688.19**

Details for Cash credit facilities from banks:

Terms of loan	As at 31 March 2022	As at 31 March 2021
The credit facility taken from HDFC Bank Limited carries interest rate of HDFC Bank, currently 7.50% p.a. (31 March 2021: 7.75% p.a),(interest payable on monthly rests). The credit facility is secured by: - First pari passu charge on entire current assets of the Company with IDBI Bank. - Second pari passu charge on all property, plant and equipment of the Company.	-	136.03

* The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item as per amended Schedule III of the Companies Act, 2013. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

19 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Security deposits payable	37.55	41.70	15.01	8.59
Financial guarantee liability	-	7.95	-	0.91
Derivatives (interest rate swap)	-	7.23	-	-
Employee related payables	-	-	278.64	97.12
Capital creditors	-	-	244.89	340.82
Other payables	-	-	35.51	0.90
	37.55	**56.88**	**574.05**	**448.34**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

20 Provisions

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Gratuity (refer note 40)	95.19	96.33	46.92	50.11
Compensated absences	64.71	53.91	28.53	26.99
	159.90	**150.24**	**75.45**	**77.10**

21 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Deferred income	10.22	9.67	0.13	4.93
Statutory dues:				
Goods and services tax payable	-	-	88.83	74.22
Tax deducted at source payable	-	-	132.26	31.46
Other statutory dues	-	-	36.25	20.28
Advances from customers*	-	-	6.27	31.12
	10.22	**9.67**	**263.74**	**162.01**

***Contract balances**

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

Contract liabilities (advances from customers against sale of goods)	As at 31 March 2022	As at 31 March 2021
Opening balance	31.12	31.82
Revenue recognized that was included in the contract liability balance at the beginning of the year	(31.12)	(31.82)
Closing balance	6.27	31.12

22 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Micro enterprises and small enterprises (refer note below)	170.41	148.11
Other than micro enterprises and small enterprises*	1,383.65	1,124.15
	1,554.06	**1,272.26**

* Includes payable to related parties. Refer note 38.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Dues to micro and small enterprises

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	160.26	144.72
- Interest	10.15	3.39
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	374.60	223.03
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	6.76	2.85
The amount of interest accrued and remaining unpaid at the end of each accounting year.	6.76	2.85
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	3.39	0.54

Trade payables ageing schedule on 31 March 2022

Particulars	Outstanding for following periods from the due date						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	115.63	47.20	4.71	2.87	-	170.41
(ii) Others	557.44	388.17	389.28	19.87	5.76	6.23	1,366.75
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	16.90	-	-	-	-	-	16.90
	574.34	**503.80**	**436.48**	**24.58**	**8.63**	**6.23**	**1,554.06**

Trade payables ageing schedule on 31 March 2021

Particulars	Outstanding for following periods from due date						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.08	90.67	51.66	3.70	-	-	148.11
(ii) Others	452.71	387.09	263.66	13.39	3.94	3.36	1,124.15
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	-	-	-	-	-	-	-
	454.79	**477.76**	**315.32**	**17.09**	**3.94**	**3.36**	**1,272.26**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

23 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		
Finished goods	18,235.41	9,768.21
Traded goods	124.59	67.49
Other operating revenues		
Marketing and other services	51.54	9.23
Rental and maintenance income	106.67	133.24
Management fee	1.43	8.31
Scrap sales	13.08	1.16
	18,532.72	**9,987.64**
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenue recognised at the point of time	18,373.08	9,836.86
Revenue recognised over the period of time	159.64	150.78
Total revenue from contracts with customers	**18,532.72**	**9,987.64**
Revenue disaggregation as per geography has been included in segment information (refer note 41).		
Contract liabilities		
The Company has recognised the following revenue-related contract liabilities:		
Contract liabilities (refer note 21)	6.27	31.12

24 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income under effective interest method from:		
- bank deposits	27.08	1.06
- loan to subsidiaries	36.45	35.94
- others	2.26	3.56
Interest income from financial assets at amortized cost	54.02	84.64
Dividend income	1.25	1.25
Liabilities no longer required written back	21.00	25.30
Net gain on foreign currency transactions and translations	8.78	39.61
Gain on termination/modification of lease liabilities	8.08	52.71
Rent concession [refer note 36 A (ii)]	-	233.93
Derivatives at fair value through profit and loss	0.72	6.75
Others	0.45	0.91
	160.09	**485.66**

25 Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw material including packing material consumed		
Inventories at the beginning of the year	535.37	458.02
Add: Purchases during the year	5,395.21	3,028.05
Less: Inventories at the end of the year	(731.20)	(535.37)
	5,199.38	**2,950.70**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

26 Purchases of stock-in-trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchases of stock-in-trade	111.83	59.67
	111.83	**59.67**

27 Employee benefit expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus #	2,014.35	1,204.74
Contribution to provident and other funds	126.92	81.79
Gratuity (refer note 40)	28.34	25.21
Staff welfare expenses	58.00	44.70
	2,227.61	**1,356.44**

The amount includes “Employee stock option expenses” for ₹ 64.12 (31 March 2021: ₹ 21.21). Refer note 42.

28 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expenses*	1,026.35	1,255.52
Other borrowing costs	32.32	9.89
	1,058.67	**1,265.41**

* includes interest on lease liabilities of ₹ 884.08 (31 March 2021: ₹ 832.80) (refer note 36).

29 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3A)	759.77	665.52
Depreciation on right-of-use assets	857.91	1,066.99
Depreciation on investment properties (refer note 3D)	39.46	48.15
Amortisation of other intangible assets (refer note 5)	195.62	134.02
	1,852.76	**1,914.68**

30 Impairment of non-financial assets

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(Reversal)/impairment on property, plant and equipment (refer note 3A)	(51.06)	377.68
Impairment on right-of-use assets	30.75	37.38
Impairment on investment properties (refer note 3D)	65.43	-
Impairment of other intangible assets (refer note 5)	12.08	37.45
	57.20	**452.51**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

31 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	985.87	576.41
Rent [refer note 36 A (ii)]	658.90	-
Repairs and maintenance		
- Plant and equipment	226.98	114.93
- Buildings	338.75	254.14
- Others	102.59	50.40
Rates and taxes	52.60	40.79
Traveling and conveyance	90.83	39.90
Legal and professional	37.44	30.29
Auditor's remuneration (refer note below)	9.13	8.08
Water	40.24	27.33
Insurance	14.92	14.57
Printing and stationery	16.00	8.80
Communication	75.46	54.33
Sitting fee/commission paid to non-executive director [(refer note 38(III)]	20.33	2.79
Security and service	75.53	38.03
Bank charges	9.86	12.28
Advertisement and sales promotion	943.71	559.36
Commission and brokerage	1,589.13	814.84
Royalty and continuing fees	1,321.37	686.56
Freight including delivery charges	327.09	166.12
Loss on sale of property, plant and equipment (net)	15.21	82.69
Bad debts and advances written off	7.01	-
Loss allowance	5.66	10.28
General office and other miscellaneous	87.82	41.67
	7,052.43	**3,634.60**

Note - Auditor's remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
Statutory audit and reviews*	8.60	7.08
Tax matters	0.20	0.67
Others matters #	3.24	0.05
Outlays	0.33	0.28
	12.37	**8.08**

* Inclusive of applicable taxes

includes ₹ 3.24 (31 March 2021: ₹ Nil) paid towards assurance services in connection with the Initial Public Offering of equity shares of the Company and included in 'share issue expenses' as shown in Statement of Changes in Equity.

32 Exceptional items

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Reversal of impairment loss in value of investments in subsidiary (refer note 6A and 50)	(84.84)	-
Provision for impairment loss in value of investments in subsidiary (refer note 6A and 51)	85.89	111.31
Gain on termination of leases *	-	(568.84)
IPO expenses (refer note 55)	12.10	-
	13.16	**(457.53)**

* The gain on termination of leases for the previous year was on account of termination of leases with Airport Authority of India in respect of airports at Trichy, Lucknow, Raipur and Srinagar amounting to ₹ 491.16 and the balance amount in respect of termination of leases of other loss making stores.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

33. Tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
The tax expense comprises of :		
Current tax	-	-
Deferred tax	(410.78)	-
	(410.78)	**-**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit/(loss) for the year	**1,123.05**	**(653.05)**
Tax using the Company's domestic tax rate: 25.168% (31 March 2021: 25.168%)	282.65	(203.75)
Difference in applicable tax rates and tax rates used to measure deferred taxes	-	39.39
Difference in income tax rates @	-	14.42
Deferred tax utilised during the year	(282.65)	-
Others	-	(6.09)
Unrecognised deferred tax asset on deductible temporary differences	-	156.03
Deferred tax recognised during the year	(410.78)	-
	(410.78)	**-**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets (net)		
Advance taxes (net of provision of tax ₹ Nil) (31 March 2021: ₹ Nil)	166.43	72.22
	166.43	**72.22**
Deferred taxes (net)		
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused losses and unabsorbed depreciation	473.66	824.88
Expenses allowed on payment/actual basis	96.65	85.74
Employee stock option outstanding account	-	3.62
Derivative instruments	-	1.82
Provision for impairment of investments	121.34	101.29
Lease liabilities (net of right of use assets)	376.28	292.00
Property, plant and equipment exceeds its tax base	265.42	331.80
Financial instruments measured at amortised cost	44.91	26.66
Deferred tax assets	**1,378.26**	**1,667.81**
Deferred tax assets (restricted to deferred tax liabilities)	**0.22**	**7.96**
Deferred tax assets recongnised*	**410.78**	**-**
Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(0.22)	(7.96)
Deferred tax liabilities	**(0.22)**	**(7.96)**
Net deferred tax assets/(liabilities)	**410.78**	**-**

* During the year ended 31 March 2022, the Company has recognized deferred tax assets of ₹ 410.78 based on the business projections of taxable earnings in the near future. While recognizing such deferred tax assets, the Company has been cognizant enough to consider the history of losses they have, uncertainties of business in place and rising input costs. Carrying value of deferred tax assets (net) is ₹ 410.78 as at 31 March 2022.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Notes:

(i) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2022

Particulars	As at 31 March 2021	Credited/(charged)		As at 31 March 2022
		Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	824.88	(351.22)	-	473.66
Expenses allowed on payment/actual basis	85.74	10.49	0.42	96.65
Employee stock option outstanding account	3.62	(3.62)	-	-
Derivative instruments	1.82	(1.82)	-	-
Provision for impairment of investments	101.29	20.05	-	121.34
Lease liabilities (net of right-of-use assets)	292.00	84.28	-	376.28
Property, plant and equipment exceeds its tax base	331.80	(66.38)	-	265.42
Financial instruments measured at amortised cost	26.66	18.25	-	44.91
Deferred tax assets	**1,667.81**	**(289.97)**	**0.42**	**1,378.26**
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost	(7.96)	7.74	-	(0.22)
Deferred tax liabilities	**(7.96)**	**7.74**	**-**	**(0.22)**
Net deferred tax assets/(liabilities)	**1,659.85**	**(282.23)**	**0.42**	**1,378.04**
Deferred tax assets recognised (net)*				**410.78**
Deferred tax assets not recognised (net)				**967.26**

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

Particulars	As at 31 March 2020	Credited/(charged)		As at 31 March 2021
		Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	513.46	311.42	-	824.88
Expenses allowed on payment/actual basis	135.59	(46.85)	(3.00)	85.74
Employee stock option outstanding account	25.32	(21.70)	-	3.62
Derivative instruments	3.52	(1.70)	-	1.82
Provision for impairment of investments	193.99	(92.70)	-	101.29
Lease liabilities (net of right of use assets)	397.33	(105.33)	-	292.00
Property, plant and equipment exceeds its tax base	219.73	112.07	-	331.80
Financial instruments measured at amortised cost	16.16	10.50	-	26.66
Deferred tax assets	**1,505.10**	**165.71**	**(3.00)**	**1,667.81**
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost	(1.28)	(6.68)	-	(7.96)
Deferred tax liabilities	**(1.28)**	**(6.68)**	**-**	**(7.96)**
Net deferred tax assets/(liabilities)	**1,503.82**	**159.03**	**(3.00)**	**1,659.85**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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(ii) The Company has measured its deferred tax assets and liabilities based on the income tax rates that are expected to apply to the period when such assets/liabilities are expected to be realized/settled. As per section 115BBA of the Income-tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance), the Company has option to opt for a lower tax rate of 25.168%, as against current enacted tax rate of 31.20%). The Company has opted for such reduced income tax rate during the year ended 31 March 2022. Hence, deferred tax has been measured at 25.168% in the above reconciliation of tax expense.

(iii) During the previous year, the Company had significant unabsorbed depreciation and other temporary differences. Therefore, in absence of convincing evidences that sufficient taxable profits will be available against which such deferred tax asset shall be utilised at that point in time, the Company only recognised deferred tax asset to the extent of deferred tax liabilities as at the reporting date.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Unabsorbed depreciation (never expire)		
Gross amount	-	2,667.48
Unrecognised tax impacts	-	671.35
Unused tax losses (expiry AY 2029-2030)		
Gross amount	571.67	659.02
Unrecognised tax impacts	136.69	153.53
Other deductible temporary differences (never expire)		
Gross amount	3300.09	3,317.60
Unrecognised tax impacts	830.57	834.97

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/(loss) from continuing operations attributable to equity shareholders for calculation of basic and diluted EPS/(LPS)	1,533.83	(700.28)
Profit from discontinuing operations attributable to equity shareholders for calculation of basic and diluted EPS/(LPS)	-	47.23
Weighted average number of equity shares for the calculation of basic EPS/(LPS) #	1,184,962,588	1,100,217,249
Effect of dilutive potential equity shares		
- Employee stock options *	2,548,985	-
Weighted average number of equity shares for calculation of diluted EPS/(LPS)	**1,187,511,573**	**1,100,217,249**
Earnings/(loss) per equity share from continuing operations (₹) (basic)	1.29	(0.64)
Earnings/(loss) per equity share from continuing operations (₹) (diluted)	1.29	(0.64)
Earnings per equity share from discontinued operations (₹) (basic and diluted)	-	0.04
Nominal value per shares (₹)#	1.00	1.00

* In respect of continuing/discontinued operations, the outstanding potential equity shares (options granted to employee under various ESOS schemes) had an anti-dilutive effect on the EPS for the year ended 31 March 2021. For the year ended 31 March 2022, they have been included in the calculation of dilutive earnings per share. Refer above.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

35. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

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

(i) As on 31 March 2022

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non - current								
(i) Investments	6B	25.35	-	-	25.35	-	-	25.35
(ii) Loans*	7	-	-	579.59	579.59	-	-	-
(iii) Other financial assets*	8	-	-	562.19	562.19	-	-	-
Current**								
(i) Trade receivables*	11	-	-	306.39	306.39	-	-	
(ii) Cash and cash equivalents*	12	-	-	399.98	399.98	-	-	-
(iii) Bank balances other than cash and cash equivalents, above*	13	-	-	7.11	7.11	-	-	-
(v) Other financial assets*	8	-	-	1,329.41	1,329.41	-	-	-
Total		**25.35**	**-**	**3,220.01**	**3,245.36**			**-**
Financial liabilities								
Non - current								
(i) Lease liabilities	16	-	-	8,736.39	8,736.39	-	-	-
(ii) Borrowings#	17	-	-	609.17	609.17	-	-	-
(iii) Other financial liabilities	19	-	-	37.55	37.55	-	-	-
Current								
(i) Lease liabilities	16	-	-	724.21	724.21	-	-	-
(ii) Borrowings#	18	-	-	0.11	0.11	-	-	-
(iii) Trade payables*	22	-	-	1,554.06	1,554.06	-	-	-
(iv) Other financial liabilities	19	-	-	574.05	574.05	-	-	-
Total		**-**	**-**	**12,235.53**	**12,235.53**			**-**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(i) As on 31 March 2021

Particulars	Note	Carrying value				Fair value measurement using		
		Mandatory at FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets								
Non - current								
(i) Investments	6B	22.08	-	-	22.08	-	-	22.08
(ii) Loans*	7	-	-	619.88	619.88	-	-	-
(iii) Other financial assets*	8	-	-	510.59	510.59	-	-	-
Current**								
(i) Trade receivables*	11	-	-	387.05	387.05	-	-	
(ii) Cash and cash equivalents*	12	-	-	281.85	281.85	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	2.88	2.88	-	-	-
(iv) Other financial assets*	8	-	-	214.82	214.82	-	-	-
Total		**22.08**	**-**	**2,017.07**	**2,039.15**			**-**
Financial liabilities								
Non - current								
(i) Lease liabilities	16	-	-	6,441.41	6,441.41	-	-	-
(ii) Borrowings#	17	-	-	3,055.42	3,055.42	-	-	-
(iii) Other financial liabilities (other than derivatives below)	19	-	-	49.65	49.65	-	-	-
(iv) Derivatives (interest rate swap)		7.23	-	-	7.23	-	7.23	-
Current								
(i) Lease liabilities	16	-	-	621.66	621.66	-	-	-
(ii) Borrowings#	18	-	-	688.19	688.19	-	-	-
(iii) Trade payables*	22	-	-	1,272.26	1,272.26	-	-	-
(iv) Other financial liabilities	19	-	-	448.34	448.34	-	-	-
Total		**7.23**	**-**	**12,576.93**	**12,584.15**			**-**

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

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

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

Other notes:

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

There has been no transfer between level 1, level 2 and level 3 for the year ended 31 March 2022 and 31 March 2021.

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Valuation techniques used to determine fair values:

Specific valuation techniques used to value financial instruments include:

- Fair value of derivatives using dealer quotes for similar instruments (on marked to market value as on balance sheet date of such derivative transaction).
- Fair value of non-derivative financial instruments using present value techniques, which is based on discounting expected cash flows using a risk-adjusted discount rate.

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

Significant inputs

Significant unobservable input used in Level 3 fair values of investments measured at FVTPL is discount rate which is weighted average cost of borrowing of the Company plus spread of corporate guarantee commission which is 7.20% (31 March 2021: 9.56%) and estimated cash flows of respective companies in which investment in preference shares is made.

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

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

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Investments in preference shares		
Balance at the beginning of the year	22.08	19.18
Additions during the year	Nil	Nil
Disposals during the year	Nil	Nil
Unrealised gain recognised in profit or loss*	3.27	2.90
Balance at the end of the year	**25.35**	**22.08**

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

Sensitivity analysis of significant unobservable inputs

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

b. Financial risk management

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

Credit risk;

Liquidity risk;

Market Risk - Interest Rate; and

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Market Risk - Foreign Currency

Risk Management Framework

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

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

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

i. Credit risk

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

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Loans	614.93	619.88
(ii) Investments	1,105.01	876.17
(iii) Guarantee given on behalf of subsidiaries	-	18.95
(iii) Trade receivables	306.39	387.05
(iv) Cash and cash equivalents	399.98	281.85
(v) Bank balances other than cash and cash equivalents, above	7.11	2.88
(vi) Other financial assets (current and non-current)	1,891.60	725.41

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

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

The exposure to the credit risk at the reporting date is primarily from loan to subsidiaries, security deposit receivables and investment in subsidiaries. The Investment and Borrowing Committee monitors the investment in subsidiaries and loans granted to subsidiaries and it evaluates if any impairment is required. As at year end, Investment and Borrowing Committee based on the internal and external valuation and after assessing the performance of the subsidiaries, is of the view that no impairment is required other than investments in Devyani Food Street Private Limited.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Nepal. Trade receivables also includes receivables from credit card companies and online aggregator platforms, which are generally realisable on fortnightly basis. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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

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

Changes in the loss allowance in respect of trade receivables	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	28.08	23.81
Bad debts written off	(7.01)	-
Impairment allowances for doubtful receivables	0.57	4.27
Balance at the end of the year	**21.64**	**28.08**

For trade receivables ageing refer note 11.

(ii) Liquidity risk

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

The Company believes that its liquidity position, including total cash and cash equivalents and bank deposits maturing within a year (including bank deposits under lien) of ₹ 407.09 (31 March 2021: ₹ 284.73), anticipated future internally generated funds from operations, its fully available, revolving undrawn credit facility of ₹ 936.87 (31 March 2021: ₹ 713.97) and certain other current assets (financial and non financial) of ₹ 2,367.00 (31 March 2021: ₹ 1,137.24) will enable it to meet its future known obligations due in next year, in the ordinary course of business.

In the year ended 31 March 2022, the Company has earned a cash inflow from operating activities of ₹ 3,851.16 (31 March 2021: ₹ 1,580.88). Further, the Company generated an earnings before tax, depreciation and amortisation, impairment and fair valuation gains/losses of ₹ 3,042.89 (31 March 2021: ₹ 1,206.48). Based on the projections, the Company expects to earn cash inflow from operating activities, which can be used to settle its liabilities in the near future.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Exposure to liquidity risk

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

As at 31 March 2022

Non-derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Borrowings	609.28	39.11	657.31	38.28	734.70
Lease liabilities	9,460.60	1,651.93	6,299.61	9,181.08	17,132.62
Trade payables	1,554.06	1,554.06	-	-	1,554.06
Security deposits payable	52.56	15.16	42.81	5.82	63.79
Capital creditors	244.89	244.89	-	-	244.89
Others	314.15	314.15	-	-	314.15
	12,235.54	**3,819.31**	**6,999.73**	**9,225.18**	**20,044.21**

Derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Interest rate swap	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

As at 31 March 2021

Non-derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Borrowings	3,607.58	791.72	3,302.45	223.10	4,317.27
Lease liabilities	7,063.07	1,295.70	4,859.10	5,900.96	12,055.75
Trade payables	1,272.26	1,272.26	-	-	1,272.26
Security deposits payable	50.29	8.05	55.54	0.60	64.19
Short term borrowings	136.03	136.03	-	-	136.03
Capital creditors	340.82	340.82	-	-	340.82
Others	106.88	106.88	-	-	106.88
	12,576.93	**3,951.46**	**8,217.08**	**6,124.66**	**18,293.21**

Derivative financial liabilities	Contractual cash flows				
	Carrying amount	Within 1 year	1 to 5 years	More than 5 years	Total
Interest rate swap	7.23	-	7.23	-	7.23
	7.23	**-**	**7.23**	**-**	**7.23**

(iii) Market risk

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

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Interest rate risk

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

A. Exposure to interest rate risk

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

Fixed- rate instruments	As at 31 March 2022	As at 31 March 2021
Indian rupee term loan	-	892.00
Impact of interest rate swaps	-	236.63
	-	**1,128.63**

Variable - rate instruments	As at 31 March 2022	As at 31 March 2021
Indian rupee term loan	609.28	2,478.95
Short term borrowings	-	136.03
Foreign currency term loan	-	236.63
Impact of interest rate swaps	-	(236.63)
	609.28	**2,614.98**

Interest rate sensitivity analysis

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

Change in interest rate on loans from Financial institutions (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2022	(6.09)	6.09
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2021	(26.15)	26.15

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

Derivative Financial Instruments:

The Company uses derivative instruments as part of its management of exposure to fluctuations in interest rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage treasury risks. Treasury derivative contracts are normally in the nature of swap contracts and these are subject to the Company's guidelines and policies. Derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on valuations obtained from banks. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

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The fair values of all derivatives are separately recorded in the balance sheet within other financial assets/ liabilities, as applicable. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks. The use of derivative instruments are subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non qualifying hedges

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

B. Currency risk

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

Exposure to Foreign currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2022 and 31 March 2021 are as below:

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount (in foreign currency)	Amount (in ₹)	Amount (in foreign currency)	Amount (in ₹)
Financial assets					
Loans to related parties	USD	4.62	350.01	4.49	328.82
Total financial assets			**350.01**		**328.82**
Financial liabilities					
Trade payables	GBP	0.06	5.67	0.07	6.70
Foreign currency loans from banks	USD	-	-	3.23	236.63
Total financial liabilities			**5.67**		**243.33**

Sensitivity analysis

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Particulars	Profit/ (Loss) for the year ended 31 March 2022		Profit/ (Loss) for the year ended 31 March 2021	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	(17.50)	17.50	(4.61)	4.61
GBP	0.28	(0.28)	0.34	(0.34)

Particulars	Other equity as at 31 March 2022		Other equity as at 31 March 2021	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	(17.50)	17.50	(4.61)	4.61
GBP	0.28	(0.28)	0.34	(0.34)

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

C. Excessive risk concentration

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

D. Offsetting financial assets and financial liabilities:

The following table represents recognised financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2022 and 31 March 2021.

Variable - rate instruments	As at 31 March 2022	As at 31 March 2021
Amounts subject to master netting arrangements		
Borrowings (non-current and current)	609.28	3,607.58
Lease liabilities (non-current and current)	9,460.60	7,063.07
	10,069.88	**10,670.65**
Financial instruments collateral		
Trade receivables	306.39	387.05
Cash and cash equivalents	399.98	281.85
Other balances with banks	7.11	2.88
Loans	614.93	619.88
Other financial assets	1,891.60	725.41
	3,220.01	**2,017.07**
Net amount *	**6,849.87**	**8,653.58**

Net amount *

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

36. Leases

A. Leases where the Company is a lessee

The Company leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with minimum guarantee and lease term ranges 1-30 years.

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

i. Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current	724.21	621.66
Non-current	8,736.39	6,441.41

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

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

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on right-of-use assets	29	857.91	1,066.99
Impairment of right-of-use assets	30	30.75	37.38
Interest on lease liabilities (included in interest expenses)	28	884.08	832.80
Expenses relating to short-term leases	31	9.39	13.16
Rent concession	24	(271.49)	(233.93)
Expense relating to variable lease payments not included in the measurement of the lease liability	31	921.00	238.21
Net impact on statement of profit and loss		**2,431.64**	**1,954.61**

During the year ended 31 March 2022 and 31 March 2021, consequential to COVID-19 pandemic, the Company has negotiated several rent concessions with the landlords. Further, in view of amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Company has elected to apply the practical expedient of not assessing the rent concessions originally due on or before 30 June 2021 as a lease modification, as per MCA notification dated 24 July 2020, which has been further extended till 30 June 2022 on Ind AS 116 during the current year, for rent concessions received on account of COVID-19 pandemic.

Accordingly, as per requirements of MCA notifications, out of total rent concessions of ₹ 271.49 (31 March 2021: ₹ 801.12) confirmed till 31 March 2022, ₹ 271.49 (31 March 2021: ₹ 567.19) has been reduced towards rent expenses (to the extent available) and balance of ₹ Nil (31 March 2021: ₹ 233.93) reported under other income. Rent concessions for leases in respect of discontinued operations amounted to ₹ Nil (31 March 2021: ₹ 12.16). Total rent concessions amounts to ₹ 271.49 (31 March 2021: ₹ 813.28).

iii. Amounts recognised in the standalone statement of cash flow

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Payment of lease liabilities- principal	259.05	-
Payment of lease liabilities- interest	884.08	725.60
Total cash outflows	**1,143.13**	**725.60**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

B. Leases where the Company is a lessor

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

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

During the year ended 31 March 2022 and year ended 31 March 2021, the Company has sub-leased a portion of multiple leased properties that have been presented as part of a right-of-use assets.

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Finance income on net investment in finance leases	24	10.83	12.58
Income relating to variable lease payments not included in the net investment in finance leases	23	4.06	3.33
Finance lease receivables	8	**96.34**	**106.19**

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

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

Amounts receivable under finance leases:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	21.36	20.79
One to five years	83.31	82.98
More than five years	36.77	58.47
Total undiscounted lease payments receivable	**141.44**	**162.24**
Less: Unearned finance income	(45.10)	(56.05)
Net investment in the lease	**96.34**	**106.19**

ii. The incremental borrowings rate range between 9.25% - 11.55% (31 March 2021: 9.25% - 11.55%).

The management of the Company estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime expected credit loss under simplified approach. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 8), the management of the Company consider that no finance lease receivable is impaired.

The Company entered into finance leasing arrangements as a lessor for certain leased properties under sub leasing arrangements. The term of finance leases entered into is ranging from 3.16 - 18.01 years (31 March 2021: 3.16 - 18.01 years). The Company is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in ₹. Residual value risk on such right of use assets under lease is not significant.

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

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

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

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

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Lease income on operating leases	23	39.64	68.30
Therein lease income relating to variable lease payments that do not depend on an index or rate		28.51	64.94

Amounts receivable under operating leases:

	As at 31 March 2022	As at 31 March 2021
Less than one year	72.00	79.55
One to five years	140.64	216.26
More than five years	4.42	10.28
	217.06	**306.09**

37. Other disclosures in relation to investment properties:

i. Information regarding income and expenditure of investment properties

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rental income derived from investment properties	96.30	69.82
Direct operating expenses (including repairs and maintenance) generating rental income	21.34	30.10
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.74	5.23
Profit arising from investment properties before interest, depreciation and indirect expenses	**72.22**	**34.49**
Less: finance cost	(19.22)	(43.26)
Less: depreciation	(39.46)	(48.15)
Less: impairment	(65.43)	-
Loss arising from investment properties before indirect expenses	**(51.89)**	**(56.92)**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Less than one year	72.00	79.55
One to five years	140.64	216.26
More than five years	4.42	10.28

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

iii. Fair value

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Leasehold Investment Properties *	244.95	306.85
Owned Investment Properties #	175.45	170.63

Estimation of fair value

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

The fair value of investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs and has been arrived at using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental income of 8% to 10% p.a (31 March 2021: 5%) and discount rate of 12.09% (31 March 2021: 10.81%).

The fair value of owned investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using market prevailing rates applicable to same location.

Impairment of leasehold investment properties

In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections. As on the reporting date for current year, the recoverable amount of this cash generating unit is determined at ₹ 244.95 (31 March 2021: ₹ 306.85) through an registered independent valuer, based on the value in use calculation which uses cash flow projections based on the projected profitability. The Company has determined an impairment charge of ₹ 65.43 (31 March 2021: Nil) based on the discount rate of 12.09% (31 March 2021: 10.81%) and rental income growth rate of 8% to 10% (31 March 2021: 5%). An analysis of the sensitivity of the computation to a change in key parameters (rental income and discount rates), based on reasonable assumptions, Management is of the view that there would be no material increase to the impairment charge which would impact the decision of the user of the standalone financial statements.

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38. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited (till 16 February 2021)

Devyani Airport Services (Mumbai) Private Limited (effective from 13 July 2021)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited (till 12 July 2021)

Devyani International (Nigeria) Limited (a subsidiary of R V Enterprizes Pte. Limited)

(d) Joint Venture

The Minor Food Group (India) Private Limited (till 25 March 21)

(II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited (till 16 February 2021)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

(d) Joint Venture

The Minor Food Group (India) Private Limited (till 25 March 21)

(e) Key management personnel #:

Mr. Ravi Kant Jaipuria - Director

Mr. Varun Jaipuria - Director

Mr. Raj. P. Gandhi - Director

Mr. Virag Joshi- Chief Executive Officer and Whole Time Director

Mrs. Rashmi Dhariwal- Independent Director

Mr. Ravi Gupta - Independent Director

Mr. Naresh Trehan - Independent Director (with effect from 21 April 2021)

Mr. Girish Kumar Ahuja - Independent Director (with effect from 21 April 2021)

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Mr. Pradeep Khushachand Sardana - Independent Director (with effect from 21 April 2021)
Mr. Sanjeev Arora- Chief Financial Officer and Director (with effect from 18 January 2019 to 15 February 2021)
Mr. Manish Dawar- Chief Financial Officer and Director (with effect from 17 February 2021)
Mr. Anil Dwivedi - Company Secretary (with effect from 7 February 2020 to 13 October 2021)
Mr. Jatin Mahajan - Company Secretary (with effect from 01 November 2021 to 10 March 2022)
Mr. Varun Kumar Prabhakar - Company Secretary (with effect from 02 May 2022)

(f) Other related parties - Entities which are joint ventures or subsidiaries or where control/significant influence exists of parties as given in (I) and (II) above :

S V S India Private Limited
Devyani Food Industries Limited
Alisha Retail Private Limited
Lineage Healthcare Limited
Modern Montessori International (India) Private Limited
Varun Beverages Limited
Champa Devi Jaipuria Charitable Trust
Mala Jaipuria Foundation
DIL Employee Gratuity Trust
Diagno Labs Private Limited
Arctic International Private Limited
Global Health Limited (converted into Public Limited with effect from 11 August 2021 formerly known as Global Health Private Limited)
Medanta Holdings Private Limited

(g) Relative of Key management personnel

Mrs. Dhara Jaipuria (wife of Mr. Ravi Kant Jaipuria - Director)

As per section 203 of the Companies Act, 2013, definition of Key Managerial Personnel includes Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary.

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(III) Transactions with related parties during the year ended 31 March 2022 and 31 March 2021

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(i)	**Sale of products (Finished goods)**		
	Devyani Food Street Private Limited	10.40	16.25
	Devyani Airport Services (Mumbai) Private Limited	-	1.07
	Champa Devi Jaipuria Charitable Trust	3.95	0.88
	RJ Corp Limited	0.01	-
	Devyani Food Industries Limited	46.02	34.11
	Varun Beverages Limited	-	1.41
	Mala Jaipuria Foundation	-	0.30
	Global Health Limited	0.03	-
(ii)	**Sale of products (Traded goods)**		
	Devyani Food Street Private Limited	26.40	2.67
	Devyani International (Nepal) Private Limited	26.98	15.61
	Devyani Airport Services (Mumbai) Private Limited	17.27	7.95
	RJ Corp Limited	2.25	-
	Varun Beverages Limited	0.50	-
	Lineage Healthcare Limited	-	0.03
(iii)	**Marketing and other services**		
	Lineage Healthcare Limited	0.09	0.02
	RJ Corp Limited	2.72	-
(iv)	**Management fee- income/(reversal)**		
	Devyani International (Nepal) Private Limited	(1.11)	0.46
(v)	**Sale of property, plant and equipment (PPE)**		
	Varun Beverages Limited	-	0.12
	Devyani International (Nepal) Private Limited	2.20	-
	Devyani Airport Services (Mumbai) Private Limited	0.01	-
	Devyani Food Industries Limited	-	0.68
(vi)	**Purchase of raw materials and other items**		
	Varun Beverages Limited	59.77	36.26
	Devyani Food Industries Limited	6.64	4.33
	Devyani Food Street Private Limited	-	3.13
	Devyani Airport Services (Mumbai) Private Limited	-	0.39
	RJ Corp Limited	0.31	-
(vii)	**Purchase of PPE and intangible assets**		
	Devyani Airport Services (Mumbai) Private Limited	-	2.05
	Devyani Food Industries Limited	-	0.05
(viii)	**Loans given**		
	Devyani Airport Services (Mumbai) Private Limited	6.00	24.40
	Devyani Food Street Private Limited	-	111.50
	Devyani International (UK) Private Limited	-	26.20
(ix)	**Loans repaid**		
	Devyani Food Street Private Limited	21.50	-
	Devyani Airport Services (Mumbai) Private Limited	25.00	23.00
	Devyani International (UK) Private Limited	-	759.71

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Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(x)	**Payment to gratuity trust**		
	DIL Employee Gratuity Trust	29.90	5.00
(xi)	**Expenses incurred by other company on behalf of the Company**		
	RJ Corp Limited	-	0.37
	Devyani Food Industries Limited	-	0.03
	Varun Beverages Limited	4.11	-
	Devyani Food Street Private Limited	3.54	-
	Devyani International (Nepal) Private Limited	0.10	-
	RV Enterprizes Pte. Limited	0.46	-
	Devyani Airport Services (Mumbai) Private Limited	-	0.03
(xii)	**Expenses incurred/(collection) on behalf of other company**		
	Devyani Food Street Private Limited	0.66	-
	Diagno Labs Private Limited	-	0.04
	Devyani Airport Services (Mumbai) Private Limited	4.74	-
	RJ Corp Limited	0.07	(2.29)
(xiii)	**Rent expense**		
	S V S India Private Limited	0.06	0.06
	Alisha Retail Private Limited	-	0.03
	Global Health Limited	25.57	-
	Medanta Holdings Private Limited	5.21	-
(xiv)	**Rent Income**		
	RJ Corp Limited	0.24	-
(xv)	**Dividend income**		
	Devyani International (Nepal) Private Limited	1.25	1.25
(xvi)	**Guarantee commission income**		
	Devyani International (Nepal) Private Limited	0.45	0.91
(xvii)	**Royalty and continuing fee recovered**		
	Devyani Food Street Private Limited	5.65	2.79
	Devyani Airport Services (Mumbai) Private Limited	1.46	0.72
(xviii)	**Professional Fees - Expenses**		
	RJ Corp Limited	2.09	-
(xix)	**Repair and maintenance - others**		
	Devyani Airport Services (Mumbai) Private Limited	0.05	-
	Varun Beverages Limited	2.01	-
(xx)	**Power and Fuel**		
	Medanta Holdings Private Limited	0.58	-
(xxi)	**Staff welfare Expenses**		
	Global Health Limited	0.13	-
(xxii)	**Interest income**		
	Devyani Airport Services (Mumbai) Private Limited	17.02	22.37
	Devyani Food Street Private Limited	9.79	2.66
	Devyani International (UK) Private Limited	-	17.61
	RV Enterprizes Pte. Limited	9.64	10.91
(xxiii)	**Conversion of loan to equity share capital**		
	Devyani International (UK) Private Limited	-	189.04

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Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(xxiv)	**Acquisition of Immovable property**		
	RJ Corp Limited	-	180.00
(xxv)	**Purchase consideration for transfer of business**		
	RJ Corp Limited**	-	10.00
	** The Company transferred TWG India Business during the previous year.		
(xxvi)	**Waiver of receivables**		
	Devyani Food Street Private Limited	102.43	-
(xxvii)	**Sale of Investment**		
	Arctic International Private Limited***	-	3.60
	***The Company transferred the equity investment in Devyani international UK Private Limited for the consideration of 50,000 USD.		
(xxviii)	**Compensation to key managerial personnel#**		
	Short-term employment benefits		
	Mr. Virag Joshi	39.61	20.59
	Mr. Sanjeev Arora	-	4.65
	Mr. Manish Dawar	37.48	7.14
	Mr. Anil Dwivedi	1.64	2.49
	Mr. Jatin Mahajan	1.39	-
	Post-employment benefits		
	Mr. Virag Joshi	1.42	1.02
	Mr. Sanjeev Arora	-	0.25
	Mr. Manish Dawar	1.80	0.37
	Mr. Anil Dwivedi	0.07	0.09
	Mr. Jatin Mahajan	0.01	-
	Share based payments		
	Mr. Raj. P. Gandhi	-	10.27
	Mr. Virag Joshi	-	12.57
	Mr. Manish Dawar	37.02	1.56
(xxix)	**Compensation to relative of key managerial personnel**		
	Mrs. Dhara Jaipuria	3.00	10.03
	# The above remuneration to Key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.		
(xxx)	**Director's sitting fee***		
	Mr. Ravi Gupta	2.10	1.20
	Mrs. Rashmi Dhariwal	2.10	1.20
	Mr.Girish Ahuja	1.60	-
	Mr. Pradeep Khushalchand Sardana	1.00	-
	*Excludes applicable taxes.		
(xxxi)	**Commission paid to non-executive director**		
	Mr. Ravi Kant Jaipuria	12.60	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(xxxii)	**Employee stock option scheme expenses recoverable**		
	Devyani Food Street Private Limited	0.75	0.65
(xxxiii)	**Impairment charge/(reversal) of equity investment in subsidiaries**		
	Devyani Airport Services (Mumbai) Private Limited	(84.84)	-
	Devyani Food Street Private Limited	85.89	111.31
(xxxiv)	**Impairment/(reversal) of loans to subsidiary**		
	Devyani International (UK) Private Limited	-	(307.70)
(xxxv)	**Net loss/ (gain) on investment carried at fair value through profit or loss**		
	Devyani International (Nepal) Private Limited	3.28	2.91
(xxxvi)	**Equity shares allotted (including securities premium)**		
	Mr. Virag Joshi	-	111.70
	Mr. Raj. P. Gandhi	-	33.51
	Mr. Manish Dawar	39.00	-
(xxxvii)	**Loss on sale of investment**		
	Devyani International (UK) Private Limited	-	185.45
(xxxviii)	**Investment in preference shares**		
	RV Enterprizes Pte. Limited	3.27	-
(xxxix)	**Investment in equity shares**		
	Devyani International (Nepal) Private Limited	51.88	-

(IV) Balances as at 31 March 2022 and 31 March 2021

Particulars		As at 31 March 2022	As at 31 March 2021
(i)	**Trade payables/other payable**		
	Varun Beverages Limited	0.96	8.61
	Global Health Limited	0.08	-
	Mr. Ravi Kant Jaipuria	12.60	-
(ii)	**Employee stock options outstanding account #**		
	Mr. Manish Dawar	37.83	1.56
	# The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/exercise.		
(iii)	**Trade receivables**		
	Devyani International (Nepal) Private Limited	32.79	34.83
	Devyani Food Street Private Limited (refer note 51)	62.23	179.46
	Devyani Airport Services (Mumbai) Private Limited	11.12	11.30
	Champa Devi Jaipuria Charitable Trust	1.61	0.50
	Lineage Healthcare Limited	0.01	0.03
	Mala Jaipuria Foundation	-	0.48
	Devyani Food Industries Limited	0.97	8.57
	RJ Corp Limited	0.06	-
	Diagno Labs Private Limited	-	0.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

Particulars	As at 31 March 2022	As at 31 March 2021
(iv) Other financial assets - Other receivables/security deposit		
Devyani Food Street Limited	0.75	2.53
Devyani International (Nepal) Private Limited	2.02	2.02
RJ Corp Limited	-	7.46
Global Health Limited	0.50	-
Medanta Holdings Private Limited	0.50	-
(v) Loans and advances*		
Devyani Food Street Private Limited	96.27	113.96
Devyani Airport Services (Mumbai) Private Limited	168.65	177.10
RV Enterprizes Pte. Limited	350.01	328.82
* Includes interest accrued on loans to related parties amounting to ₹ 64.30 (31 March 21: ₹ 39.04)		
(vi) Guarantees given by the Company on behalf of other party		
Devyani International (Nepal) Private Limited^	-	18.95
(vii) Guarantees/security given by the other party on behalf of the subsidiaries		
Ravi Kant Jaipuria ^ ^	-	1,218.75
Ravi Kant Jaipuria and sons (HUF) # #	-	480.70
RJ Corp Limited * *	-	539.18

^ The Company had given guarantee to Everest Bank Limited with a limit of NPR Nil (31 March 2021: NPR 30.34 million) in respect of borrowings of Devyani International Nepal Private Limited.

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

^ ^ Mr. Ravi Kant Jaipuria had given a personal guarantee to IndusInd Bank Limited, SBM Bank Limited & Axis Bank Limited in respect of term loan outstanding on 31 March 22 is ₹ Nil (31 March 2021: ₹ 1,218.75) taken by the Company.

Ravi Kant Jaipuria and sons (HUF) had given a personal guarantee to IndusInd Bank Limited in respect of term loan outstanding on 31 March 2022 of ₹ Nil (31 March 21: ₹ 480.70) taken by the Company.

** RJ Corp Limited had given a corporate guarantee to Axis Bank Limited in respect of term loan outstanding on 31 March 2022 of ₹ Nil (31 March 21: ₹ 539.18) taken by the Company.

During the year ended 31 March 2022, Devyani Airport Services (Mumbai) Private Limited converted its Non-cumulative Redeemable Preference Shares to Compulsorily Convertible Preference Shares ("CCPS") pursuant to provisions of Section 48 of the Companies Act, 2013 as per shareholder's approval in Extra Ordinary General Meeting held on 17 August, 2021. Devyani Airport Services (Mumbai) Private Limited converted its CCPS to equity shares as on 01 October 2021.

(V) Terms and Conditions

All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured and settlement is generally done in cash.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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39. Contingent liabilities, commitments and other claims

(to the extent not provided for)

Contingent liabilities and other claims:

(a) Claims against the Company not acknowledged as debts-:

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Claims made by direct and indirect tax authorities:		
(i) Goods and service tax	138.45	-
(ii) Value added tax	13.10	13.10
(iii) Service tax	11.36	6.36
(iv) Income tax	46.84	0.28
	209.75	**19.74**
(ii) Others (miscellaneous claims in relation to Company's operations)#	17.75	30.44

* Against the total tax demand of ₹ 209.75, the Company has filed appeals before various tax authorities. Based on management assessment and upon consideration of advice from the independent legal counsels, the management believes that the Company has reasonable chances of succeeding before the tax authorities and does not foresee any material liability. Pending the final decision on this matter, no adjustment has been made in the financial statements.

The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial position and hence no provision has been recorded against these legal proceedings at this stage. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. Accordingly, the above mentioned contingent liabilities are disclosed at undiscounted amount.

(b) Guarantees

Particulars	As at 31 March 2022	As at 31 March 2021
Guarantee given to Everest Bank Limited in respect of loan taken by Devyani International (Nepal) Private Limited, wholly owned subsidiary of the Company	-	18.95

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

(c) Others

Particulars	As at 31 March 2022	As at 31 March 2021
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 278.27 (31 March 2021: ₹ 136.98)]	1,112.00	494.40

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

40. Employee benefits

A. Defined contribution plans

An amount of ₹ 126.92 (31 March 2021: ₹ 81.79) has been recognised as an expense in respect of the Company's contribution to provident and other funds deposited with the relevant authorities and has been charged to the Standalone Statement of Profit and Loss.

B. Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by law of India.

The funding requirements of the plan are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose for which assumptions may differ from the assumptions set out in (iii) below. Employees do not contribute to the plan.

The Company has defined that, in accordance with the terms and conditions of the aforesaid plan and in accordance with statutory requirements (including minimum funding requirements) of the plan of relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less than total present value of obligations.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - 'Employee Benefits'

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at beginning of the year	146.68	99.60
Acquisition adjustment	-	30.36
Interest cost	6.45	5.02
Current service cost	21.90	20.89
Benefits paid	(13.77)	(20.98)
Actuarial (gain)/loss recognised in other comprehensive income		
- changes in financial assumption	(0.67)	0.84
- experience adjustment	(0.35)	10.95
Present value of obligation as at end of the year	**160.24**	**146.68**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	0.24	14.02
Return on plan assets recognised in total other comprehensive income	0.72	0.62
Fund charges	(0.08)	(0.05)
Contribution paid into the plan	29.90	5.00
Benefits paid	(12.65)	(19.35)
Balance at the end of the year	**18.13**	**0.24**
Net defined benefit liability	**142.11**	**146.44**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

iii. Actuarial Assumptions

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows:

Particulars	31 March 2022	31 March 2021
Discounting rate	4.97%	4.81%
Future salary increase	6.00%	6.00%

B. Demographic assumptions

Particulars	31 March 2022	31 March 2021
i) Retirement age (years)	58	58
ii) Mortality table	IALM (2012 - 14)	IALM (2012 - 14)
iii) Ages	**Withdrawal rate per annum (%)**	**Withdrawal rate per annum (%)**
Up to 30 years (Store employees/Back office employees)	50/43	50/43
From 31 to 44 years (Store employees/Back office employees)	37/25	37/25
Above 44 years (Store employees/Back office employees)	30/21	30/21

Assumption regarding future mortality have been based on published statistics and mortality tables

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee benefit expenses:		
(a) Current service cost	21.90	20.89
(b) Interest cost	6.45	5.02
(c) Interest income on plan assets	(0.01)	(0.70)
	28.34	**25.21**

(b) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial gain/(loss) on defined benefit obligation	1.02	(11.79)
Actuarial gain/(loss) on plan assets	0.64	(0.13)
	1.66	**(11.92)**
Expense recognised in the standalone statement of profit and loss	**26.68**	**37.13**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of obligation as at the end of the year	160.23	146.68
Present value of obligation as at the beginning of the year	(146.68)	(99.60)
Benefits paid	13.77	20.98
Actual return on plan assets	(0.64)	(0.57)
Acquisition adjustment	-	(30.36)
Expense recognised in the standalone statement of profit and loss	**26.68**	**37.13**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Opening fair value of plan assets	0.24	14.02
Actual return on plan assets	0.72	0.62
Fund charges	(0.08)	(0.05)
Contribution by employer	29.90	5.00
Benefits paid	(12.65)	(19.35)
Fair value of plan assets as at year end	**18.13**	**0.24**

The Company expects to contribute ₹ 30.00 (31 March 2021: ₹ 10.00) to gratuity in the next year.

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

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
31 March 2022	52.91	40.64	56.49	32.49
31 March 2021	50.35	36.21	52.44	27.72

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current liability (amount due within one year)	46.92	50.11
Non-current liability (amount due over one year)	95.19	96.33
	142.11	**146.44**

ix. **Sensitivity analysis**

A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact due to increase of 1%	(4.10)	(3.59)
b) Impact due to decrease of 1%	4.17	3.83

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Impact of the change in salary on defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact due to increase of 1%	4.14	3.74
b) Impact due to decrease of 1%	(4.09)	(3.59)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Standalone Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease is discount yield will increase plan liabilities

Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in plan liabilities.

C. Compensated absences

Expense recognised in the standalone statement of profit or loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee benefit expenses:		
(a) Current service cost	19.94	22.37
(b) Interest cost	3.89	2.52
(c) Net actuarial loss recognized in the year	2.19	19.75
	26.02	**44.64**

D. Code of Social Security

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will be notified and will come into effect.

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41. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

As the Company's business activity primarily falls within a single business and geographical segment, i.e., food and beverages, and in India, thus there are no additional disclosures to be provided under Ind AS 108 – "Operating Segments'. The CODM considers that the various goods and services provided by the Company constitutes single business segment.

Information about geographical area - Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Food and beverage segment#		
(i) Domestic	18,505.74	9,971.57
(ii) International	26.98	16.07
b. Other income (refer note 24)@	160.09	485.66
Total	**18,692.81**	**10,473.30**

No single external customer amounts to 10% or more of the Company's revenue.

Revenue from food and beverage segment is directly attributed to domestic and international operations.

@ Other income is not allocated as the underlying assets/ liabilities/income are used interchangeably.

Non-current assets other than financial instruments and income tax assets (net)/deferred tax asset (net) primarily comprises property, plant and equipment which are located in India.

42. Share based payments

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

ESOS - 2011

On 20 September 2011 and 20 December 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was approved by the shareholders on 20 December 2011 and subsequently on 18 May 2012 for increasing the ceiling limit to 4,900,000 Options ("Ceiling Limit") with condition at any given point of time no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 111.70. ESOS 2011 was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

Further, ESOS 2011 was amended subsequently and was approved by the shareholders on 17 March 2021. The resolution provides the delinking of vesting schedule of the Options from filing of the red herring prospectus (RHP) by the Company and for aligning the Scheme in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015

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dated 16 June 2015 ("SEBI SBEB Regulations") and accordingly all Options under ESOS 2011 were vested immediately on the day of passing the said resolution and the exercise window for ESOS 2011 was opened by the Nomination and Remuneration Committee on 17 March 2021. The Company received the exercise letters from the Options holders and allotted 1,581,500 equity shares pursuant to exercise of Options.

ESOS - 2018

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 306.12.

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

ESOS - 2021

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

ESOS 2021 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting by way of a special resolution. As per ESOS 2021 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of ₹ 433.28.

Note: The aforementioned schemes have been defined prior to giving effect to stock split from ₹ 10/- to ₹ 1/- dated 25 March 2021.

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

Scheme	Grant Date	Number of Options granted	Exercise Price (₹) (Post Split)	Vesting Condition	Vesting period	Contractual period
ESOS -2011	19 May 2012	20,882,000	11.17	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022*	0 years to 4 years (Previous year: 0 years to 5 years)

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Scheme	Grant Date	Number of Options granted	Exercise Price (₹) (Post Split)	Vesting Condition	Vesting period	Contractual period
ESOS -2011	31 May 2014	3,000,000	11.17	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	30 June 2022*	0 years to 4 years (Previous year: 0 years to 5 years)
ESOS -2018	21 September 2018	5,060,000	30.61	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	1 January 2023# (remaining 255,000 options)	0 years to 4.76 years (Previous year: 0.25 years to 5.76 years)
ESOS -2021	17 March 2021	7,200,000	43.33	Graded vesting over 4 years being first vesting due on 17 March 2022	17 March 2023 to 17 March 2025	0 years to 8 years (Previous year: 1 year to 9 years)

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

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

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

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

Particulars	Options granted on 17 March 2021	Options granted on 21 September 2018	Options granted on 31 May 2014	Options granted on 19 May 2012
Fair value per Option at grant date (in ₹)	18.35 - 23.94	10.53 - 13.30	12.32	5.64 - 5.72
Share price at grant date (in ₹)	43.30	26.90	15.11	9.32
Exercise price (in ₹)	43.33	30.61	11.17	11.17
Expected volatility	45.60% - 50.50%	35.27% - 35.77%	64.20%	43.03%
Expected life (in years)	3.50 - 6.50	4.75 - 6.75	8.59	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	5.39% - 6.31%	8.06% - 8.11%	9.19%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

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c. Effect of employee stock option schemes on the standalone statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee stock option expense*	64.12	21.21
	64.12	**21.21**

*included in Salaries, wages and bonus (refer note 27)

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option schemes are as follows:

	As at 31 March 2022		As at 31 March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Number of Options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	8,580,000	40.47	19,855,000	12.40
Add: Options granted during the year	-	-	7,200,000	43.33
Less: Options exercised during the year	2,212,500	38.93	15,815,000	11.17
Less: Options forfeited/ lapsed during the year	1,040,000	43.33	2,660,000	12.92
Options outstanding as at the end of the year	**5,327,500**	**40.55**	**8,580,000**	**40.47**
Options exercisable at the end of the year	**452,500**	**17.74**	**-**	**-**
Weighted average share price at exercise date (₹)		**159.80**		**43.33**

Particulars	As at 31 March 2022	As at 31 March 2021
Weighted average remaining life of options outstanding at the end of year (in years)	5.58	7.62

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43. Disclosure pursuant to Section 186(4) of the Companies Act, 2013 (also refer note 7)

Nature of the transaction (loans given/investments made/ guarantees given)	As at 31 March 2022	As at 31 March 2021
(A) Loans and advances *		
Devyani Food Street Private Limited	96.27	113.96
Devyani Airport Services (Mumbai) Private Limited	168.65	177.10
RV Enterprizes Pte. Limited (refer note 49)	350.01	328.82
(B) Investments #		
Investments in equity shares ##		
Devyani Food Street Private Limited	304.69	202.25
Devyani Airport Services (Mumbai) Private Limited (refer note 50)	153.87	84.84
RV Enterprizes Pte. Limited (refer note 49)	108.93	108.93
Devyani International (Nepal) Private Limited	94.07	42.19
Investments in preference shares ##		
Devyani Airport Services (Mumbai) Private Limited (refer note 50)	-	326.31
RV Enterprizes Pte. Limited (refer note 49)	615.30	612.02
Devyani International (Nepal) Private Limited	25.06	25.06
Corporate guarantee ^^		
Devyani International (Nepal) Private Limited	-	18.95

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

refer note 6A for full particulars of the investments made.

the above investments are shown at cost per financial reporting requirements.

^^ refer note 38 for full particulars of the corporate guarantees given.

Note: During the year ended 31 March 2022 and 31 March 2021, the Company has provided a letter of support for financial and operational assistance to Devyani Food Street Private Limited, Devyani Airport Services (Mumbai) Private Limited, RV Enterprizes Pte. Limited and Devyani International Nigeria Limited for ongoing operations for atleast 12 months.

44. Capitalisation of expenditure incurred during construction period (refer note 3A)

The Company has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2022 and 31 March 2021. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. This cost has been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employee benefits expense	82.56	20.60
Other expenses (includes rent, freight and architect fees etc.)	75.09	35.99
	157.65	**56.59**

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45. Impairment of non-financial assets

Non financial assets (other than goodwill and investment properties)

In accordance with Ind AS 36 "Impairment of Assets", the Company has identified individual quick service restaurant (store) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that a CGU may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. In view of higher operating costs or decline in projected sales growth, certain stores have been impaired in the current and previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment, right-of-use assets and other intangible assets, carrying value of these stores aggregating ₹ 542.04 (net of opening provision for impairment of ₹ 5.05) (31 March 2021: ₹ 541.11 net of opening impairment provision of ₹ 96.11) have been reduced to the recoverable amount aggregating to ₹ 409.97 (31 March 2021: ₹ 14.80) by way of impairment charge of ₹ 132.07 (31 March 2021: ₹ 526.20). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil-5% (31 March 2021: Nil-5%) and salary growth rate of 6% (31 March 2021: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 12.15% p.a. (31 March 2021: 12.17% p.a.). Carrying value of a store includes property, plant and equipment, intangible assets used at a store, right-of-use assets and allocated corporate assets. Further carrying value and recoverable value of each store is calculated net of lease liabilities.

Moreover, the impairment reversal of ₹ 140.30 (31 March 2021: ₹ 73.69) is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to ₹ 1,828.78 (31 March 2021: ₹ 277.72) has exceeded the written down value of these stores aggregating ₹ 1,356.99 (after considering impairment charge recorded in previous years amounting to ₹ 370.76) (31 March 2021: ₹ 204.03 after considering impairment charge recorded in preceding previous year amounting to ₹ 183.21).

Goodwill on business combination

During the previous years, the Company had acquired 73 stores from Yum Restaurants (India) Private Limited ("Yum") in the States of Goa, Kerala, Karnataka, Andhra Pradesh and Telangana (except in the city of Hyderabad). The Company acquired goodwill of ₹ 504.57 through business combinations which is attributable to the operational synergies and expansion on market share. In order to further expand its business operations, the Company has opened new stores in these States.

The Company has tested goodwill for impairment on the basis of acquired stores as well as new stores. Management periodically assesses whether there is an indication that such goodwill may be impaired. For goodwill, where impairment indicators exists, management compares the carrying amount of such goodwill with its recoverable amount. As on the reporting date, the recoverable amount of this cash generating unit is determined at ₹ 1,704.57 (31 March 2021: ₹ 892.48). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 5%-20% (31 March 2021: Nil-5%) and salary growth rate of 6% (31 March 2021: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 12.15% p.a (31 March 2021: 12.17% p.a.). As the recoverable amount is in excess of the carrying amount of goodwill, hence no impairment loss has been recorded on the aforesaid goodwill during the year.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

For goodwill impairment assessment, management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores.

Management has identified that a reasonably possible change in the three key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/(reversal) would increase/ (decrease) on change in these assumptions by 1%. All other factors remaining constant.

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Impairment (reversal)/charge	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment charge for non financial assets	132.07	526.20
Impairment reversal for non financial assets	(140.30)	(73.69)
Impairment (reversal)/charge	**(8.23)**	**452.51**

Sensitivity analysis	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount Rate		
(Increase by 1%)	3.34	2.15
(Decrease by 1%)	(3.43)	(1.93)
Sales Growth Rate		
(Increase by 1%)	(15.86)	(9.25)
(Decrease by 1%)	16.84	11.96
Salary Growth Rate		
(Increase by 1%)	5.37	1.97
(Decrease by 1%)	(5.41)	(1.81)

46. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

47. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders of the Company and combination of both long-term and short-term borrowings. The Company's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. The Company raises long term loans mostly for its expansion requirements and based on the working capital requirement utilise the working capital facilities. The Company monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.

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Sensitivity analysis	As at 31 March 2022	As at 31 March 2021
Borrowings (non-current and current)	609.28	3,743.61
Total debt (a)	**609.28**	**3,743.61**
Equity share capital	1,204.74	1,153.63
Other equity	7,726.51	1,837.41
Total equity (b)	**8,931.25**	**2,991.04**
Debt equity ratio (c=a/b)	0.07	1.25

48. Business Combination

During the year ended 31 March 2020, the Company executed a Business Transfer Arrangement dated 11 December 2019 ('BTA') with Yum Restaurants (India) Private Limited ("Yum") for acquiring 61 KFC stores (60 stores as amended) in multiple tranches. Till 31 March 2020, the Company had acquired 9 KFC stores on 01 March 2020 from Yum on a slump sale basis for an estimated purchase consideration of ₹ 339.34 and the remaining 51 stores were acquired during the year ended 31 March 2021 for a purchase consideration of ₹ 1,960.66, an aggregate consideration of ₹ 2,300. Yum is the franchiser of KFC, Pizza Hut, Taco Bell brand and the Company has acquired KFC stores from Yum in order to expand its operations in Karnataka, Andhra Pradesh and Telangana.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

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

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

Transaction costs of ₹ 0.42 have been expensed for the year ended 31 March 2021 and was included in "Other expenses" in the Standalone Statement of Profit and Loss and are part of the operating cash flows in the Standalone Cash Flow Statement.

From the date of acquisition, during the year ended 31 March 2021, acquired stores under business combination contributed ₹ 1,479.64 of revenue and profit of ₹ 223.21 to profit/(loss) before tax from continuing operations of the Group. If the combination had taken place at the beginning of an acquisition year, the Company revenue from continuing operations would have been ₹ 1,754.45 for the year ended 31 March 2021 and since the details on profit after tax is not available at individual store level separately, such information had not been disclosed for the year ended 31 March 2021.

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49. Assessment of investment in and loans to Subsidiary Company

The Company holds 87% (31 March 2021: 87%) of equity share capital and 76% (31 March 2021: 76%) preference share capital of RV Enterprizes Pte. Limited (hereinafter referred to as "RVE"). The carrying value of investment as at the year end is ₹ 724.23 (31 March 2021: ₹ 720.95). The carrying value of the loan to RVE, including interest accrued thereon is ₹ 350.01 (31 March 2021: ₹ 328.82). RVE is a special purpose vehicle, which has invested majority of the funds in Devyani International (Nigeria) Limited (a step down subsidiary) through investment in equity shares and grant of loans of USD 2.92 million (31 March 2021: USD 2.92 million) and USD 17.26 million (31 March 2021: USD 17.13 million), respectively.

During the current year, the step down subsidiary has generated profit of ₹ 3.36 (31 March 2021: losses of ₹ 83.02). As at 31 March 2022, RVE has not impaired the loan amounting to USD 17.26 million outstanding as at 31 March 2022 (31 March 2021: USD 17.13 million). Further, no impairment loss of property, plant and equipment has been recorded in the books of the step down subsidiary. The management of the Company, based on cash flow projections of the step down subsidiary, further expansion plans and expected cash inflows has concluded that there is no need to recognise any impairment loss on the investment made in and loan given (including interest accrued thereon) to RVE amounting to ₹ 724.23 (31 March 2021: ₹ 720.95) and ₹ 350.01 (31 March 2021: ₹ 328.82), respectively.

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

During the year ended 31 March 2022, pursuant to Deed of Settlement and Share Transfer Agreement dated 12 July 2021 executed between the Company, its subsidiary DASMPL and non-controlling shareholder High Street Food Services Private Limited, the Company has purchased 2,940,000 Equity Shares of face value of ₹ 10/- each and 11,316,693 8% Non-cumulative Redeemable Preference Shares ("NCRPS") for consideration of ₹ 69.04 (including ₹ 0.74 towards purchase of equity shares) from non-controlling shareholder. Pursuant to the acquisition, DASMPL became a wholly owned subsidiary of the Company. DASMPL converted its NCRPS to Compulsorily Convertible Preference Shares ("CCPS") pursuant to provisions of Section 48 of the Companies Act, 2013 as per shareholder's approval in Extra Ordinary General Meeting held on 17 August, 2021. DASMPL converted its CCPS to equity shares as on 01 October 2021.

As at 31 March 2022, the Company has investment in equity shares of DASMPL amounting to ₹ 153.87 (31 March 2021: ₹ 84.84), accounted for at cost under Ind AS 27. In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections.

During the earlier years, the Company had recognised impairment loss due to continuous losses in its subsidiary company. On account of re-negotiation of concession agreement with the concessionaire, the business operations of subsidiary company have improved. Based on an independent valuer's report, the value in use calculation which uses cash flow projections based on the projected profitability till the end of the contract period, the recoverable amount of this cash generating unit is determined at ₹ 369.99 as on the reporting date.

Accordingly, the Company has determined impairment reversal of ₹ 84.84 based on the discount rate of 18.78% and sales growth rate of 17%. Such impairment reversal has been disclosed under "Exceptional items" in the Standalone Statement of Profit and Loss (refer note 32).

An analysis of the sensitivity of the computation to a change in key parameters (sales growth and discount rates), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

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51. Investment in Devyani Food Street Private Limited, a subsidiary ("DFSPL")

As at 31 March 2022, the Company has investment in equity shares of Devyani Food Street Private Limited (a subsidiary company) amounting to ₹ 175.92 (31 March 2021: ₹ 175.92), and additional deemed equity of ₹ 128.76 (31 March 2021: ₹ 26.33) accounted for under Ind AS 27. In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections.

As on the reporting date, the recoverable amount of this cash generating unit is determined at ₹ 192.34 (31 March 2021: ₹ 204.91), through an independent valuer, based on the value in use calculation which uses cash flow projections based on the projected profitability till the end of the contract period. The Company has determined impairment loss of ₹ 85.89 (31 March 2021: ₹ 111.31) based on the discount rate of 18.5% (31 March 2021: 19%) and sales growth rate 30% - 109% (31 March 2021: 50%) and is of the view that there would be no material increase to the impairment charge which would impact the decision of the user of the financial statements. Such impairment charge has been disclosed under "Exceptional items" in the Standalone Statement of Profit and Loss (refer note 32). The Company has performed sensitivity analysis of impairment test to changes in the key assumptions used to determine the occurrence of impairment loss, if any, as below:

If there is an increase in the discount rate by 0.50%, keeping the other variable constant, the impairment loss will increase by ₹ 1.53 (31 March 2021 ₹ 1.80).

52. Investment in Devyani International (UK) Private Limited, a subsidiary

During the year ended 31 March 2021, out of the total loan amount of ₹ 948.75 given by the Company to Devyani International (UK) Private Limited, ₹ 189.05 has been converted into equity investment and the remaining amount of ₹ 759.70 along with interest has been recovered in full. On account of such recovery of loan, Company reversed impairment provision of ₹ 307.70 on loan created during the previous year. On 17 February 21, based on an independent valuation report, the Company transferred the entire equity investment to Arctic International Private Limited (a fellow subsidiary) for a total consideration of ₹ 3.60 and incurred a loss of ₹ 185.45 on sale of investment. Hence a total gain of ₹ 122.25 (on account of reversal of impairment provision and loss on transfer of investment) is recognised under "discontinued operations" in the Standalone Statement of Profit or Loss for the year. (refer note 54).

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

During the previous year, the Company had transferred the entire investment in equity shares to MGF International Holding (Singapore) Pte Limited at ₹ 73 (absolute) with effect from 26 March 2021 and therefrom, it ceases to be the joint venture of the Company.

54. Discontinued operation

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

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

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(i) Financial performance and cash flow information

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

TWG UK (B)	For the period ended 16 February 2021
Revenue from operations	-
Other income	17.61
Total income	**17.61**
Total expenses	**-**
Profit before exceptional items and tax	**17.61**
Exceptional items gain	307.70
Profit from discontinued operation	**325.31**
Loss on sale of investment	(185.45)
Profit from discontinued operation	**139.86**
Total Profit from discontinued operation (A) + (B)	**47.23**

Cash Flow Statement for discontinued Operations	For the period ended 16 February 2021
Net cash inflow/(outflow) from;	
Operating activities	(93.03)
Investing activities	754.72
Financing activities	-
Net cash flow from discontinued operations	**661.69**

* Up to 16 February 2021 in case of TWG UK

(ii) Details of the sale of discontinued Operations

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

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

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

55. Initial Public Offering (IPO)

The Company has completed its Initial Public Offer ("IPO") of 204,222,218 Equity Shares of Face Value of ₹ 1/- each ("equity shares") for a price of ₹ 90/- per Equity Share (including a share premium of ₹ 89/- per Equity Share) aggregating to ₹ 18,380 comprising a fresh issue of 48,888,888 Equity Shares for ₹ 4,400 (the "fresh issue") and an Offer for Sale of 155,333,330 Equity Shares for ₹ 13,980. The Equity Shares of the Company got listed with BSE Limited and National Stock Exchange of India Limited on 16 August 2021.

The utilisation of the fresh issue proceeds is summarised below:

Objects of the issue as per prospectus	Utilization planned as per prospectus	Total utilized upto 31 March 2022*	Amount pending for utilization as at 31 March 2022
Payment of share issue expenses	151.81	158.40	-
Repayment/prepayment of borrowings	3,240.00	3,419.70	-
General corporate purposes	1,008.19	821.90	-
Total	**4,400.00**	**4,400.00**	**-**

* Excess utilization towards offer related expenses and borrowings repayments has been adjusted with general corporate purposes of the fresh issue.

The Company has incurred expenses of ₹ 158.40 during the year ended 31 March 2022 in connection with public offer of equity shares. Out of this, ₹ 146.29 have been adjusted against securities premium as permissible under section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO) and listing expenses of ₹ 12.10 have been shown as IPO expenses under exceptional items (refer note 32).

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56. The Board of Directors of the Company ("Board") in its meeting dated 13 December 2021 approved the scheme of amalgamation for amalgamation of Devyani Food Street Private Limited and Devyani Airport Services (Mumbai) Private Limited (both are wholly owned subsidiary companies) with the Company subject to approval of shareholders, creditors, stock exchanges, National Company Law Tribunal (NCLT) and any other statutory/applicable authorities as may be required. The Company is yet to file the Scheme of amalgamation with NCLT.

57. During the year, the Company has paid remuneration to a whole-time director of ₹ 138.70, which is in excess of the limits laid down under the provisions of the section 197 read with Schedule V of the Companies Act, 2013 by ₹ 75.73 which has also resulted in exceeding the overall limit of remuneration payable by the Company to its directors by ₹ 53.79. Such remuneration exceeded by virtue of exercise of employee stock options. The Company has obtained approval from the Nomination and Remuneration Committee of the Company for the excess managerial remuneration paid and is in process of obtaining necessary approvals from its shareholders by way of a special resolution as per the provisions of section 197 and Schedule V to the Act at the ensuing Annual General Meeting (AGM).

58. During FY 2020-21, Company has renewed Development Agreements with Yum Restaurant (India) Private Limited (franchiser) with revised store opening targets and accordingly franchiser has agreed to give certain incentives to the Company in the form of initial fee waiver and certain other operational incentives. The Company has achieved the targets of new stores opening for both KFC and PH brands and received incentives during the year as per the aforesaid Development Agreement, which have been accounted as per Ind AS in the financial statements.

59. Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	0.95	0.48	95.98%	Refer note below
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	0.07	1.25	94.55%	Refer note below

Ratio	Measurement unit	Numerator	Denominator	For the year ended 31 March 2022	For the year ended 31 March 2021	Change	Remarks
				Ratio	Ratio		
Debt service coverage ratio	Times	Earnings available for debt service [Profit/(loss) after tax + Depreciation and amortisati on + impairment + finance cost + loss on sale of property, plant and equipment]	Debt service (Interest and lease payments+ principal repayments)	0.90	0.77	16.53%	Not Applicable
Return on equity ratio	Percentage	Net profit after tax	Average shareholder's equity [(opening shareholder's equity + closing shareholder's equity) /2]	25.73%	-41.49%	67.22%	Refer note below

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for the year ended 31 March 2022

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

Ratio	Measurement unit	Numerator	Denominator	For the year ended 31 March 2022	For the year ended 31 March 2021	Change	Remarks
				Ratio	Ratio		
Inventory turnover ratio	Times	Costs of materials consumed+Purchases of stock-in-trade	Average inventories [(opening inventories + closing inventories) /2]	8.39	5.74	46.08%	Refer note below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables [(opening trade receivables +closing trade receivables)/2]	53.45	27.93	91.40%	Refer note below
Trade payables turnover ratio	Times	Purchases + other expenses (excluding non cash expenses)	Average trade payables [(opening trade payables +closing trade payables)/2]	8.87	5.28	68.02%	Refer note below
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	-116.65	-5.93	1867.06%	Refer note below
Net profit ratio	Percentage	Net profit after tax	Revenue from operations	8.28%	-6.54%	14.81%	Not Applicable
Return on capital employed	Percentage	Earnings before interest and taxes (excluding interest on lease liabilities)	Net worth + Total debt - Deferred tax asset	14.21%	-3.97%	18.19%	Not Applicable
Return on investment	Percentage	Interest income on bank deposits	Current and non-current bank deposits	2.63%	NA	2.63%	Refer note below

Notes:

The Company is in QSR segment and the improvement in various ratios is primarily attributable to the increase in earnings during the current year as compared to previous year which was largely impacted owing to COVID-19 and expansion in business operations. During the current year the Company has completed its Initial Public Offer and repaid substantial debt resulting in improved financial ratios.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

60. Additional regulatory information not disclosed elsewhere in the financial information

a) The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

b) The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31 March 2022	Relationship with the struck off company	Balance outstanding as at 31 March 2021	Relationship with the struck off company
Ranjoli Textile Private Limited	Trade payables	0.26	Not Applicable	-	Not Applicable
Ranjoli Textile Private Limited	Security deposits receivables	0.66	Not Applicable	0.66	Not Applicable
Radical Infraone Private Limited	Capital creditors	0.20	Not Applicable	0.20	Not Applicable
Sakha Services Private Limited	Trade payables	0.01	Not Applicable	0.01	Not Applicable

c) The Company does not have any charge which is yet to be registered with ROC beyond the statutory period. The Company had obtained loans from banks in earlier years which have been fully repaid. However pending NOCs from banks, the satisfaction of charges is yet to be registered with ROC in some of the cases.

d) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

e) The Company has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(g) The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Company has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

61. The amounts of previous reported period have been regrouped/reclassified pursuant to changes notified in Schedule-III, during the year ended 31 March 2022 and wherever considered necessary in order to comply with financial reporting requirements.

As per our report of even date attached

For **Walker Chandiok & Co LLP** Chartered Accountants Firm's Registration No.: 001076N/N500013	For **APAS & Co LLP** Chartered Accountants Firm's Registration No.: 000340C/C400308	For and on behalf of the **Board of Directors of Devyani International Limited**	
Nitin Toshniwal Partner Membership No.: 507568	**Sumit Kathuria** Partner Membership No.: 520078	**Virag Joshi** CEO and Whole-time Director DIN: 01821240	**Raj P. Gandhi** Director DIN: 00003649
Place: Gurugram Date: 02 May 2022		**Manish Dawar** CFO and Director DIN: 00319476	**Varun Kumar Prabhakar** Company Secretary Membership No.: 30496

NOTES

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