

DEVYANI INTERNATIONAL LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

BOARD OF DIRECTORS

Mr. Ravi Kant Jaipuria
Mr. Varun Jaipuria
Mrs. Devyani Jaipuria
Mr. Raj P. Gandhi
Mr. Virag Joshi
Mr. Arjun Verma
Mr. Prashant Purker
Mr. Vishesh Shrivastav
Mr. Som Nath Chopra

CHIEF FINANCIAL OFFICER

Mr. Som Nath Chopra

COMPANY SECRETARY

Mr. Lalit Yadav

JOINT AUDITORS

- a) M/s. APAS & Co.,
Chartered Accountants,
New Delhi
- b) B S R & Co. LLP,
Chartered Accountants,
Gurugram

REGISTERED OFFICE

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

HEAD OFFICE

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

BANKERS

Axis Bank Limited	Standard Chartered Bank
HDFC Bank Limited	IDBI Bank Limited
RBL Bank Limited	Yes Bank Limited
IndusInd Bank Limited	

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DEVYANI INTERNATIONAL LIMITED

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 27th (Twenty Seventh) Annual Report on the business and operations of your Company along with the Audited Financial Statements, for the Financial Year ended March 31, 2018.

FINANCIAL RESULTS

The financial performance of your Company for the Financial Year ended March 31, 2018 is summarized below:

(Rs. in Millions)

Particulars	Standalone**		Consolidated**	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Sales & other Income	8,998.29	8,182.05	11,356.70	10,561.89
Profit before Interest, Depreciation, Impairment & Tax	1,044.89	520.04	1,162.93	446.17
Less: Interest*	185.71	163.68	309.47	858.42
Less: Depreciation & Impairment	312.49	1082.57	550.62	1372.50
Profit/ (Loss) before Tax	546.69	(726.21)	302.84	(1,784.75)
Less: Income tax expenses			-8.4	13.91
Add: Minority Interest				
Add/Less: Other Comprehensive income	(13.13)	(2.64)	68.33	640.57
Total comprehensive income for the year (net of tax)	533.56	(728.85)	379.57	(1,158.09)
Total comprehensive income for the year attributable to:				
Owners of the Company	533.56	(728.85)	517.03	(950.91)
Non-controlling interests			(137.46)	(207.18)

* includes Exchange Gain/ (Loss) of INR 13.78[INR (511.33) for the year ended March 31, 2017)] from Devyani International (Nigeria) Limited, Subsidiary.

** The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017, and the previous year's figures have been changed/updated/reclassified as per Ind AS applicability.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year ended March 31, 2018, are prepared in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), Indian Accounting Standards ("Ind AS") which shall be placed before the members in their forthcoming Annual General Meeting ("AGM").

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

DEPOSITS

Your Company has not accepted any deposits during the year under review, falling within the ambit of Section 73 of

DEVYANI INTERNATIONAL LIMITED

the Act and the Companies (Acceptance of Deposits) Rules, 2014.

STATE OF COMPANY'S AFFAIRS

The revenue of your Company has grown by 7.5% on consolidated basis. Your Company has opened 65 new outlets and closed 29 loss making outlets during the year under review. Your Company has acquired stores on Lucknow Airport, Raipur Airport, Srinagar Airport and Trichy Airport for expanding its business and further expanding the KFC and Pizza Hut business by opening new stores. Your Company has built its own building in Gurugram where all its offices, warehouse, commissary have been consolidated and brought under one roof. Your Company continued its focus on product innovation, cost optimization, technology upgradation, Consumer connect and loyalty programs. All these efforts have resulted in improvement in profitability of your Company. Your Company has invested in its subsidiary in UK (i.e Devyani International UK Private Limited) to start its business under the brand 'TWG'. Your Company is also expanding its business and planning to open new stores in Nepal, Nigeria and UK.

TRANSFER TO GENERAL RESERVE

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

DIVIDEND

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

SHARE CAPITAL

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

DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME

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

Particulars	Number of Options
Options granted during FY 2017-18	Nil
Options vested during FY 2017-18	Nil
Options exercised during FY 2017-18	Nil
Total number of shares arising out of exercise of options during FY 2017-18	Nil
Options forfeited/lapsed/cancelled during FY 2017-18	Nil
The exercise price	Nil
Variations of terms of options during FY 2017-18	NA
Money realized by exercise of options during FY 2017-18	Nil
Total number of options granted during FY 2017-18 and in force	Nil

Employee wise details of options granted during FY 2017-18:

Particulars	Number of Options
(a) Key Managerial Personnel	Nil
(b) Any other employee who received a grant of options amounting to 5% or more of the options granted during FY 2017-18.	Nil
(c) Identified employees who were granted options, during FY 2017-18 equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	Nil

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RELATED PARTY TRANSACTIONS

All contracts / arrangements and transactions entered into by the Company with related parties during the year under review were in the ordinary course of business and on arm's length basis. The particulars of contracts or arrangements with related parties as per Section 188(1) of the Act, is annexed in prescribed format Form AOC-2 as Annexure - 2.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company has following subsidiaries / associate companies:

Subsidiaries

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

Associate

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

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

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Som Nath Chopra as an Additional Director who shall hold office upto the date of the ensuing AGM of the Company. Your Board of Directors recommend his appointment as Director.

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have approved the appointment [subject to the approval of members by ordinary resolution] of Ms. Rashmi Dhariwal (DIN 00337814) and Dr. Ravi Gupta (DIN 00023487) w.e.f. April 6, 2018 as Additional Independent Directors of the Company to hold office for a period of upto 5 (five) years.

Accordingly, Ms. Rashmi Dhariwal and Dr. Ravi Gupta, would hold office upto the date of the ensuing AGM. In terms of Section 149 and other relevant provisions of the Act, Ms. Rashmi Dhariwal and Dr. Ravi Gupta, being eligible and offering themselves for appointment are proposed to be appointed as Independent Directors for a period upto 5 (Five) years.

Your Company has received necessary declarations from each of the Independent Directors that he / she meets the criteria of independence as laid down under Section 149 of the Act read with Schedule IV and Rules made thereunder. The Board considered the independence of each of the Independent Directors in terms of above mentioned provisions and is of the view that they fulfill / meet the criteria of independence and accordingly, recommends the appointment of all the above-mentioned directors.

Resignations

To comply with the provisions of Section 149(11) of the Act, Dr. Girish Ahuja and Mr. Ravindra Dhariwal ceased to be the Directors w.e.f. March 17, 2018 due to completion of their second tenure as Independent Directors of the Company.

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Further, due to personal reasons Mr. Arjun Dass Verma and Mr. Prashant Purker, Nominee Director of IDBI Trusteeship Services Ltd. (India Advantage FundS3I) resigned from directorship of the Company w.e.f. April 6, 2018 and April 12, 2018 respectively.

None of the Directors of the Company are disqualified as per 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.

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

Key Managerial Personnel

Mr. Virag Joshi, Whole-time Director, Mr. Som Nath Chopra, Chief Financial Officer and Mr. Lalit Yadav, Company Secretary of the Company continued to be the Key Managerial Personnel (“KMP”) of your Company in accordance with the provisions of Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, Mr. Sanjay Kumar Sareen, Chief Financial Officer resigned and Mr. Som Nath Chopra was appointed as Chief Financial Officer and KMP of the Company w.e.f. August 9, 2017. Further, Mr. Ujjwal Rastogi, Company Secretary resigned and Mr. Lalit Yadav was appointed as Company Secretary & KMP of the Company w.e.f. December 4, 2017.

BOARD EVALUATION

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

- i) Audit Committee;
- ii) Nomination and Remuneration Committee; and
- iii) Investment and Borrowing Committee.

BOARD AND COMMITTEE MEETINGS

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

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

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

Board Meetings

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

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

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

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

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4 (four) Board Meetings were held during the Financial Year 2017-18 on June 14, 2017, August 9, 2017, December 4, 2017 and January 12, 2018. The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act.

Attendance of Directors at Board Meetings:

S. No.	Name	No. of meetings attended
1.	Mr. Ravi Kant Jaipuria	3
2.	Mr. Varun Jaipuria	4
3.	Mr. Raj P. Gandhi	4
4.	Mr. Virag Joshi	4
5.	Mr. Arjun Dass Verma (resigned w.e.f. April 6, 2018)	4
6.	Mr. Prashant Purker (resigned w.e.f. April 12, 2018)	0
7.	Mr. Vishesh Shrivastav	2
8.	Ms. Devyani Jaipuria	3
9.	Mr. Ravindra Dhariwal (ceased to be Independent Director of the Company w.e.f. March 17, 2018)	3
10.	Dr. Girish Ahuja (ceased to be Independent Director of the Company w.e.f. March 17, 2018)	3
11.	Mr. Som Nath Chopra (appointed w.e.f. December 4, 2017)	1

COMMITTEES OF THE BOARD

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

Procedure at Committee Meetings

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

i) Audit Committee

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

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

S. No.	Name	Category	Designation
1.	Dr. Girish Ahuja	Independent Director	Member
2.	Mr. Ravindra Dhariwal	Independent Director	Member
3.	Mr. Prashant Purker	Director	Member

After close of the year under review and consequent to the cessation of Directorship of Dr. Girish Ahuja and Mr. Ravindra Dhariwal and resignation of Mr. Prashant Purker, the Committee was reconstituted as follows with the

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following members w.e.f June 29, 2018:

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

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

Meeting

The Audit Committee met 1 (one) time during the financial year 2017-18 on August 9, 2017.

The attendance of members at the meeting held during the financial year 2017-18 are as follows:

S. No.	Name	No. of meeting attended
1.	Dr. Girish Ahuja	1
2.	Mr. Ravindra Dhariwal	1
3.	Mr. Prashant Purker	0

ii) Nomination and Remuneration Committee

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

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

S. No.	Name	Category	Designation
1.	Dr. Girish Ahuja	Independent Director	Member
2.	Mr. Ravindra Dhariwal	Independent Director	Member
3.	Mr. Ravi Kant Jaipuria	Director	Member
4.	Mr. Vishesh Shrivastav	Director	Member

After close of the year under review and consequent to the cessation of Directorship of Dr. Girish Ahuja and Mr. Ravindra Dhariwal, the Committee was reconstituted as follows with the following members w.e.f April 6, 2018:

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

Meetings

Nomination & Remuneration Committee met 2 (two) times during the financial year 2017-18 on August 9, 2017 and December 4, 2017.

The attendance of members at the meeting held during the financial year 2017-18 are as follows:

S. No.	Name	No. of meeting attended
1.	Dr. Girish Ahuja	2
2.	Mr. Ravindra Dhariwal	2
3.	Mr. Vishesh Shrivastav	1
4.	Mr. Ravi Kant Jaipuria	1

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iii) Investment and Borrowing Committee

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

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

S. No.	Name	Category	Designation
1.	Mr. Raj P. Gandhi	Director	Chairman
2.	Mr. Virag Joshi	Director	Member
3.	Mr. Arjun Dass Verma	Director	Member
4.	Mr. Som Nath Chopra	Director	Member

After close of the year under review and consequent to the resignation of Mr. Arjun Verma, the Committee was reconstituted as follows with the following members w.e.f April 6, 2018:

S. No.	Name	Category	Designation
1.	Mr. Raj P. Gandhi	Director	Chairman
2.	Mr. Virag Joshi	Director	Member
3.	Mr. Som Nath Chopra	Director	Member

Meetings

Investment and Borrowing Committee met 2 (two) times during the financial year 2017-18 on February 7, 2018 and March 21, 2018.

The attendance of members at the meeting held during the financial year 2017-18 are as follows:

S. No.	Name	No. of meeting attended
1	Mr. Raj P. Gandhi	2
2	Mr. Virag Joshi	2
3	Mr. Arjun Dass Verma	2
4	Mr. Som Nath Chopra	2

REMUNERATION POLICY

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

STATUTORY AUDITORS AND THE AUDITORS' REPORT:

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

The Auditors' Report on the standalone financial statement contains a qualification regarding Note 40 to the standalone financial statements, which explains the reasons for management not providing for any impairment loss in respect of a step down subsidiary (carrying value of investment in subsidiary Rs.652.15 millions). The Board is of the view that the decline in the carrying value of the long term investment in the subsidiary company is temporary

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as the Company is expecting growth in the operations of step down subsidiary during the current year.

Other than the above, the Auditors' remarks are self-explanatory and therefore do not require any further clarification/ explanation from the Board of Directors.

COST AUDIT

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

SECRETARIAL AUDITORS

Your Board, on the recommendations of the Audit Committee, has appointed M/s. Sanjay Grover & Associates, Company Secretaries to conduct the Secretarial Audit of your Company. The Secretarial Audit Report for the Financial Year 2017-18 is attached to this report as **Annexure - 3**. The observation contained in the audit report are self-explanatory and therefore do not require any further clarification/ explanation from the Board of Directors.

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

Pursuant to the provisions of Section 138 of the Act, read with The Companies (Accounts) Rules, 2014, the Board of Directors of the Company had appointed M/s. O.P. Bagla & Co., Chartered Accountants as an Internal Auditor of the Company for the Financial Year 2017-18.

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

CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the provisions of Section 135 of the Act related to Corporate Social Responsibility are not applicable on your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the Financial Year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2018 and of the profits of the Company for the period ended on that date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis;
- (v) that proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

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

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

a) Conservation of energy

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

b) Technology absorption

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

c) Foreign exchange earnings and Outgo

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

Foreign Exchange Earnings and Outgo

(Rs. in Millions)

PARTICULARS	Year Ended March 31, 2018	Year Ended March 31, 2017
Earnings in foreign currency	97.38	226.86
Outgo in foreign currency :		
Value of Imports (CIF)		
Capital Goods	11.24	1.81
Stores, Spares, Raw Material & Trading goods	65.08	6.42
Expenditure in foreign currency		
Travelling & Others	0.28	0.66
Royalty & Other Fee	49.1	57.52

VIGIL MECHANISM / WHISTLE BLOWER POLICY

To comply with the provisions of Section 177 of the Act, the Company has adopted a Vigil Mechanism / Whistle Blower Policy for employees of the Company. Under the Vigil Mechanism Policy, the protected disclosures can be

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made by a victim through a letter to the Chairperson of the Audit Committee.

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

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

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

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is annexed as **Annexure - 4**.

PARTICULARS OF EMPLOYEES

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

HUMAN RESOURCES

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

GENERAL

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

1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
2. The Whole-time Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Issue of Sweat Equity Shares.
5. There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
6. The Company is in regular compliance of the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.
7. Your Company has adopted a Policy as per the provisions of the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received/pending relating to sexual harassment during the year under review.

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ACKNOWLEDGEMENTS

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

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

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

Place : Gurugram
Date : September 21, 2018

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN: 01821240

ANNEXURE - 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

S. No.	Particulars	Details	Details	Details	Details	Details	
1.	Name of the subsidiary	Devyani Food Street Private Limited	Devyani Airport Services (Mumbai) Pvt. Ltd.	Devyani International Nepal Private Limited	RV Enterprises Pte. Ltd.	Devyani International (Nigeria) Limited – Step down subsidiary (Subsidiary of RV Enterprises Pte. Ltd.)	Devyani International UK Private Limited
2.	The date since when subsidiary was acquired	14.04.2010	01.05.2013	02.07.2008	31.01.2011	31.01.2011	23.03.2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01.04.2017 to 31.03.2018	From 01.04.2017 to 31.03.2018	From 01.04.2017 to 31.03.2018	From 01.04.2017 to 31.03.2018	From 01.04.2017 to 31.03.2018	From 01.04.2017 to 31.03.2018
4.	Reporting currency	INR(₹)	INR(₹)	INR(₹)	INR(₹)	INR(₹)	INR(₹)
5.	Share capital	89.09	60.00	26.77	853.89	78.09	287.82
6.	Other Equity	(87.45)	(110.49)	4.79	36.12	(1,493.89)	4.70
7.	Total assets	379.11	454.59	180.19	898.61	545.33	841.90
8.	Total Liabilities	377.48	505.08	148.63	8.60	1,961.14	549.38
9.	Investments	-	-	-	-	-	-
10.	Turnover	1,014.94	496.26	294.42	-	749.52	0.25
11.	Profit(Loss) before tax	25.92	(176.76)	18.70	(5.88)	(18.40)	(18.96)
12.	Tax expense	12.60	(57.28)	4.36	(0)	-	(3.55)
13.	Profit (Loss) after tax	13.32	(119.48)	14.34	(5.88)	(18.40)	(15.41)
14.	Proposed Dividend	-	-	-	-	-	-
15.	% of shareholding	100%	51%	100%	74%	*42.55%	100%

*The figure represents 74% of the total shareholding of RV Enterprises Pte. Ltd. i.e. 57.50% in Devyani International (Nigeria) Ltd.

Notes:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

DEVYANI INTERNATIONAL LIMITED

Part "B": Associates and Joint Ventures

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

(Rs. in Millions)

Name of associates/Joint Ventures	The Minor Food Groups (India) Private Limited
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate/Joint Ventures held by the Company on the year end	The Minor Food Group India Pvt. Ltd
Nos.	
Amount of Investment in Associates/Joint Venture	Rs. Nil(Investment 72.32 Millions and Provision for impairment Rs 72.32 Millions)
Extend of Holding%	30 %
3. Description of how there is significant influence	Devyani International Limited holds 30% of the equity share capital.
4. Reason why the associate/joint venture is not consolidated	--
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 25.00Millions
6. Profit/(Loss) for the year	
i. Considered in Consolidation	Rs. (17.50) Millions
ii. Not Considered in Consolidation	Rs. Nil

Notes:

- Names of associates or joint ventures which are yet to commence operations: Nil.
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of
Devyani International Limited

Place : Gurugram
Date : September 21, 2018

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN: 01821240

DEVYANI INTERNATIONAL LIMITED

Annexure - 2

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board/ Audit Committee	Amount paid as advances, if any:
1	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of
Devyani International Limited

Place : Gurugram
Date : September 21, 2018

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN: 01821240

DEVYANI INTERNATIONAL LIMITED

ANNEXURE - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,

The Members,

Devyani International Limited

(CIN: U15135DL1991PLC046758)

F-2/7 Okhla Industrial Area Phase-I,

New Delhi-110020

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

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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, 2018 ("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, 2018 according to the provisions of:

DEVYANI INTERNATIONAL LIMITED

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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 the Company has generally complied with.

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.

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

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

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

Advance notices were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings and 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.

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

September 21, 2018
New Delhi

Priyanka
Partner
CP No.: 16187

DEVYANI INTERNATIONAL LIMITED

ANNEXURE - 4

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U15135DL1991PLC046758
2.	Registration Date	13.12.1991
3.	Name of the Company	DEVYANI INTERNATIONAL LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	F-2/7, OKHLA INDUSTRIAL AREA, PHASE-I, NEW DELHI – 110 020 TEL.: +91-11-41706720-725 FAX: +91-11-26813665
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110 020. Tel: +91-11-26812682-83, web: www.skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated).

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Pizza & Allied Products	1024	40%
2	Coffee & Allied Products	0901	17%
3	Chicken & Allied Products	1024	31%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	% of Shares Held	Holding/ Subsidiary/ Associate	Applicable Section
1	DEVYANI FOOD STREET PRIVATE LIMITED	U55101DL2009PTC193995	100%	Subsidiary	2 (87) (ii)
2	DEVYANI AIRPORT SERVICES (MUMBAI) PRIVATE LIMITED	U55101DL2013PTC250959	51%	Subsidiary	2 (87) (ii)
3	RV ENTERPRIZES PTE. LTD.	N.A.	74%	Subsidiary	2 (87) (ii)
4	DEVYANI INTERNATIONAL NEPAL PRIVATE LIMITED	N.A.	100%	Subsidiary	2 (87) (ii)
5	DEVYANI INTERNATIONAL (NIGERIA) LIMITED - STEP DOWN SUBSIDIARY OF RV ENTERPRISES PTE. LIMITED	N.A.	42.50%	Subsidiary	2 (87) (ii) (a)
6	THE MINOR FOOD GROUP (INDIA) PRIVATE LIMITED	U55101DL2014PTC266136	30%	Associate	2 (6)
7	DEVYANI INTERNATIONAL (UK) PRIVATE LIMITED	N.A	100%	Subsidiary	2 (87) (ii)

DEVYANI INTERNATIONAL LIMITED

(IV) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year		% change during the year
	Demat	Physical	Demat	Physical	
A. Promoters					
(1) Indian	-	-	-	-	-
a) Individual/HUF	8,716,126	-	8,716,136	-	8.21%
b) Central Govt/ State Govt.	-	-	-	-	-
c) Bodies Corporates	74,583,874	-	81,117,197	-	76.40%
d) Bank/ FI	-	-	-	-	6.15%
e) Any other	-	-	-	-	-
SUB TOTAL:(A) (1)	83,300,000	-	89,833,333	-	6.15%
(2) Foreign					
a) NRI- Individuals	-	-	-	-	-
b) Other Individuals	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-
e) Any other	-	-	-	-	-
SUB TOTAL (A) (2)	0	0	0	0	0
Total Shareholding of Promoter (A)= (A) (1)+(A)(2)	83,300,000	-	89,833,333	-	6.15%
B. Public Shareholding					
(1) Institutions					
a) Mutual Funds	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-
C) Central Govt.	-	-	-	-	-
d) State Govt.	-	-	-	-	-
e) Venture Capital Fund	6,533,333	-	-	-	(6.15%)
f) Insurance Companies	-	-	-	-	-
g) FIIIs	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-
i) Others (specify)	-	-	-	-	-
SUB TOTAL (B)(1):	6,533,333	-	6,533,333	-	(6.15%)

DEVYANI INTERNATIONAL LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	16,333,333	-	16,333,333	15.39%	16,333,333	-	16,333,333	15.39%	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto INR 1 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of INR 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	16,333,333	-	16,333,333	15.39%	16,333,333	-	16,333,333	15.39%	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	22,866,666	-	22,866,666	21.54%	16,333,333	-	16,333,333	15.39%	(6.15%)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	106,166,666	-	106,166,666	100%	106,166,666	-	106,166,666	100%	-

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% of Shares Pledged I encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged I encumbered to total shares	% change in share holding during the year
1	Ravi Kant Jaipuria & Sons (HUF)	1,711,400	1.61%	-	-	1,711,400	1.61%	-	-
2	Varun Jaipuria	7,004,726	6.60%	4.52%	4.52%	7,004,726	6.60%	4.52%	-
3	Devyani Enterprises Private Limited	26,752,050	25.20%	-	-	-	-	-	(25.20%)
4	Devyani Overseas Private Limited	13,562,200	12.77%	11.44%	11.44%	-	-	-	(12.77%)
5	RJ Corp Limited	32,357,500	30.48%	7.25%	7.25%	81,108,607	76.39%	12.31%	45.91%

DEVYANI INTERNATIONAL LIMITED

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged I encumbered to total shares
6	Universal Dairy Products Private Limited	1,903,524	1.79%	-	-	-	(1.79%)
7	DJ Agri Industries Private Limited	8,600	0.01%	-	8,590	0.01%	-
8	Dhara Jaipuria	-	-	-	10	0.00	0.00
	Total	83,300,000	78.46%	23.21%	89,833,333	84.61%	6.15%

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

S. No.	Shareholder's Name	Shareholding at the beginning (01.04.2017) / end of the year (31.03.2018)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2018)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Ravi Kant Jaipuria & Sons (HUF)	1,711,400	1.61%	01.04.2017		Nil		
				31.03.2018		movement	1,711,400	1.61%
2	Varun Jaipuria	7,004,726	6.60%	01.04.2017		Nil		
				31.03.2018		movement	7,004,726	6.60%
3	Devyani Enterprises Private Limited	26,752,050	25.20%	01.04.2017	(25.20%)	Transfer pursuant to merger		
				31.03.2018				
4	Devyani Overseas Private Limited	13,562,200	12.77%	01.04.2017	(12.77%)	Transfer pursuant to merger		
				31.03.2018				
5	RJ Corp Limited	32,357,500	30.48%	01.04.2017	45.91%	Acquisition		
				31.03.2018			81,108,607	76.39%
6	Universal Dairy Products Private Limited	1,903,524	1.79%	01.04.2017	(1.79%)	Transfer pursuant to merger		
				31.03.2018				
7	DJ Agri Industries Private Limited	8,600	0.01%	01.04.2017		Transfer		
				31.03.2018			8,590	0.01%
8	Dhara Jaipuria	-	-	01.04.2017		Acquisition		
				31.03.2018			10	0.00

DEVYANI INTERNATIONAL LIMITED

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

S. No.	Name For each of the Top Ten Shareholders	Shareholding at the beginning (01.04.2017) / end of the year (31.03.2018)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2018)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	India Advantage Fund S3 I	6,533,333	6.15%	01.04.2017 31.03.2018	0	transfer	-	-
2	Dunearn Investments (Mauritius) Pte. Ltd.	16,333,333	15.39%	01.04.2017 31.03.2018		Nil movement	16,333,333	15.39%

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director/KMP	Shareholding at the beginning (01.04.2017) / end of the year (31.03.2018)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2018)	
		No. of Shares	%				No. of Shares	%
1	Varun Jaipuria	7,004,726	6.60%	01.04.2017 31.03.2018	Nil Movement		7,004,726	6.60%

(V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rs. in Millions)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits		Unsecured Loans		Deposits		Total Indebtedness
	i) Principal Amount	ii) Interest accrued but not paid	iii) Interest accrued but not due	Total (i+ii+iii)	Total (i+ii+iii)	Total (i+ii+iii)	
	1900.96	-	-	-	-	-	1900.96
	11.93	-	-	-	-	-	11.93
	1912.9	-	-	-	-	-	1912.9
	1144.93	-	-	-	-	-	1144.93
	(533.97)	-	-	-	-	-	(533.97)
	610.96	-	-	-	-	-	610.96
	2513.59	-	-	-	-	-	2513.59
	10.26	-	-	-	-	-	10.26
	2523.85	-	-	-	-	-	2523.85

DEVYANI INTERNATIONAL LIMITED

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Millions)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Mr. Virag Joshi (WTD)
1	Gross salary	16.31
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	2.52
3	Sweat Equity	
4	Commission - as % of profit - others, specify...	
5	Others, please specify: Contribution to Provident fund	0.82
	Total (A)	19.65
	Ceiling as per the Act	The Company has inadequate profits and complied with

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors		Total Amount in Rs.
1	Independent Directors	Ravindra Dhariwal*	Girish Ahuja*	
	Fee for attending board committee meetings	6,00,000	6,00,000	12,00,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)			
2	Other Non-Executive Directors			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)			
	Total Managerial Remuneration	6,00,000	6,00,000	12,00,000
	Overall Ceiling as per the Act	Rs. 1,00,000/- per meeting (Board or Committee)		

* Dr. Girish Ahuja and Mr. Ravindra Dhariwal ceased to be the Independent Directors of the Company w.e.f. March 17, 2018 due to expiration of their term

DEVYANI INTERNATIONAL LIMITED

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

(Rs. in Millions)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer	Chief Financial Officer	Company Secretary	Company Secretary
		Sanjay Kumar Sareen*	Som Nath Chopra**	Ujjwal Rastogi***	Lalit Yadav****
1	Gross salary	2.70	3.90		0.46
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.69	3.88		0.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	0.02		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
5	others, specify – Books & Medical Others, please specify: Contribution to Provident fund	0.12	0.23		0.03
	Total	2.82	4.13		0.49

*Sanjay Kumar Sareen resigned from the post of Chief Financial Officer of the Company w.e.f. August 3, 2017.

**Som Nath Chopra was appointed as Chief Financial Officer of the Company w.e.f. August 9, 2017.

Ujjwal Rastogi resigned from the post of Company Secretary of the Company w.e.f. October 27, 2017. *Lalit Yadav was appointed as Company Secretary (Key Managerial Personnel) of the Company w.e.f. December 4, 2017

(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of
Devyani International Limited

Place : Gurugram
Date : September 21, 2018

Raj P. Gandhi
Director
DIN No.: 00003649

Virag Joshi
Whole-time Director
DIN: 01821240

DEVYANI INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of
Devyani International Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Devyani International Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

DEVYANI INTERNATIONAL LIMITED

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

Attention is drawn to Note 40 to the standalone financial statements, which explains the reason for management not providing for any impairment loss in respect of a step down subsidiary (carrying value of investment in subsidiary of Rs. 652.15 million). In view of continuing losses and increasing uncertainty of achieving the estimated cash flows in relation to this step down subsidiary, we are unable to determine whether any adjustment to the carrying value of the investment in subsidiary as at the year end would be necessary along with its consequential impact on the financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profits and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening Balance Sheet as at 1 April 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory Standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by B S R & Co. LLP., Chartered Accountants (one of the joint auditors) and O. P. Bagla & Co., Chartered Accountants (predecessor joint auditor) for the year ended 31 March 2017 and 31 March 2016 whose reports dated 09 August 2017 and 19 August 2016, respectively, expressed a modified opinion on those Standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

DEVYANI INTERNATIONAL LIMITED

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) the qualification relating to maintenance of accounts and other matters connected herewith are described in the Basis for Qualified Opinion Paragraph above; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 36 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place: Gurugram
Date: 21 September 2018

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 September 2018

DEVYANI INTERNATIONAL LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

Annexure A referred to in our Independent Auditor's Report to the members of Devyani International Limited on the standalone Ind AS financial statements for the year ended 31 March 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- (ii) Inventories, except for goods-in-transit have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) The Company has granted loans to certain companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to information and explanations given to us:
 - a) Terms and conditions of the grant of such loan are not prejudicial to the company's interest.
 - b) The schedule of repayment of principal and payment of interest has been stipulated. The borrowers are regular in repayment of principal and payment of interest; and
 - c) There is no amount overdue for more than 90 days in respect of above mentioned loans.
- (iv) According to the information and explanations given to us we are of the opinion that provisions of section 185 and 186 of the Companies Act, 2013, as applicable, have been complied with in respect of loans, investments and guarantees given by the Company. There are no securities provided by the Company as specified under section 185 and 186 of the Companies Act, 2013.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered or goods sold by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

DEVYANI INTERNATIONAL LIMITED

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of excise, goods and services tax ("GST"), duty of customs, value added taxes, cess and other statutory dues have generally been regularly deposited during the year by the Company though provident fund amounting to Rs. 1.51 million has not been deposited and there have been certain delays in deposition of GST.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, employees' state insurance, income tax, sales tax, service tax, duty of excise, goods and services tax, duty of customs, value added taxes, cess and other statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except for:

Name of the Statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Due date	Date of Payment
Employees Provident funds and Miscellaneous provisions Act, 1952	Provident fund	0.05	August 2017	15 September 2017	Nil

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and services tax, sales tax, value added tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2018, other than those mentioned below

Name of the Statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax	Value added tax (VAT)	8.18	A.Y. 2009-10, A.Y. 2010-11 and A.Y. 2011-12	Rajasthan High Court & Rajasthan Tax Board.
	Interest	1.44		
	Penalty	3.08	A.Y. 2013-14	Deputy Commissioner (Appeals)
Service Tax (Finance Act 1994)	Service Tax	6.36	A.Y. 2007-08 to A.Y. 2012-13	Additional Commissioner of Service Tax
Bihar Value Added Tax	VAT*	0.93	A.Y. 2015-16 and A.Y. 2016-17	Commissioner of VAT Bihar.
	Penalty	0.93		
Income Tax Act 1961	Income tax	6.28	A.Y. 2007-08	High Court
Income Tax Act 1961	Income tax	0.28	A.Y. 2011-12	Commissioner of Income tax (Appeal)

*The Company has deposited Rs. 1.86 under protest with the VAT Authorities.

DEVYANI INTERNATIONAL LIMITED

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2018.
- (ix) The Company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments) during the year. The term loans were applied for the purpose for which those were raised to the extent utilized during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been provided and paid by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the current year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place: Gurugram
Date: 21 September 2018

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 September 2018

DEVYANI INTERNATIONAL LIMITED

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF DEVYANI INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2018

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the Standalone Ind AS financial statements of Devyani International Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the Standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 the Standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

DEVYANI INTERNATIONAL LIMITED

Meaning of Internal Financial Controls with reference to the Standalone Ind AS financial statements

A company's internal financial control with reference to the Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the Standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Ind AS financial statements

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

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2018:

The Company does not have an appropriate internal control process to address the significant uncertainty relating to achievement of projections, while computing the recoverable amount to assess the impairment loss, if any on investment in subsidiary in accordance with the requirements of Accounting Standard on Impairment of Assets (Indian Accounting Standard - 36). In the absence of such internal control process, the impact of impairment loss, if any on investment in subsidiary cannot be accurately computed and accounted for in the standalone financial statements of the Company.

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

In our opinion, except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the Standalone Ind AS financial statements and such internal financial controls with reference to the Standalone Ind AS financial statements were operating effectively as of 31 March 2018, based on the internal control with reference to the Standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

DEVYANI INTERNATIONAL LIMITED

We have considered the material weakness identified as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2018 standalone Ind AS financial statements of the Company, and these material weakness has affected our opinion on the standalone Ind AS financial statements of the Company and we have issued a qualified opinion on the standalone Ind AS financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place: Gurugram
Date: 21 September 2018

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 September 2018

DEVYANI INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

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

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	3,121.01	2,584.23	2,808.40
Capital work-in-progress	5	26.42	57.85	222.55
Intangible assets	4	233.87	192.32	247.59
Intangible assets under development	5	-	-	16.37
Financial assets				
(i) Investments	6	1,580.40	1,217.10	1,050.00
(ii) Loans	7	751.57	250.79	393.09
(iii) Other financial assets	8	20.94	1.62	3.19
Income tax assets (net)	30	83.95	78.80	90.42
Other non-current assets	9	158.63	157.14	143.93
Total non-current assets		5,976.79	4,539.85	4,975.54
Current assets				
Inventories	10	266.57	262.20	250.13
Financial assets				
(i) Trade receivables	11	292.41	247.55	184.35
(ii) Cash and cash equivalents	12	210.67	293.32	403.99
(iii) Bank balances other than cash and cash equivalents, above	13	2.36	1.29	3.15
(iv) Loans	7	96.13	234.05	151.98
(v) Other financial assets	8	3.52	3.57	9.67
Other current assets	9	157.45	86.65	67.38
Total current assets		1,029.11	1,128.63	1,070.65
Total assets		7,005.90	5,668.48	6,046.19
Equity and liabilities				
Equity				
Equity share capital	14	1,061.67	1,061.67	1,061.67
Other equity	15	2,030.04	1,493.75	2,199.19
Total equity		3,091.71	2,555.42	3,260.86
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16	1,969.26	1,371.24	1,396.68
(ii) Other financial liabilities	17	12.87	3.99	9.11
Provisions	18	81.95	85.70	75.89
Other non-current liabilities	19	3.20	0.59	0.08
Total non-current liabilities		2,067.28	1,461.52	1,481.76

DEVYANI INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

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

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current liabilities				
Financial liabilities				
(i) Trade payables	20	829.35	690.61	602.13
(ii) Other financial liabilities	17	667.17	647.43	421.92
Other current liabilities	19	315.07	296.66	263.61
Provisions	18	35.32	16.84	15.91
Total current liabilities		1,846.91	1,651.54	1,303.57
Total equity and liabilities		7,005.90	5,668.48	6,046.19

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place: Gurugram
Date: 21st September 2018

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration
No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078

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

Virag Joshi
Whole-time Director
DIN: 01821240

Som Chopra
Chief Financial Officer

Raj P. Gandhi
Director
DIN: 00003649

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	21	8,806.16	8,074.16
Other income	22	192.13	107.89
Total income		8,998.29	8,182.05
Expenses			
Cost of materials consumed	23	2,627.11	2,424.83
Purchase of stock-in-trade	24	103.63	62.65
Changes in inventories of stock-in-trade	25	(15.51)	-
Employee benefits expense	26	1,375.68	1,417.57
Finance costs	27	185.71	163.68
Depreciation and amortisation expense	28	480.45	560.29
Impairment (reversal)/ loss	3 and 4	(167.96)	522.28
Other expenses	29	3,862.49	3,756.96
Total expenses		8,451.60	8,908.26
Profit /(loss) before tax		546.69	(726.21)
Tax expense			
Current tax	30	-	-
Total tax expense		-	-
Profit / (loss) for the year		546.69	(726.21)
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit liability /(assets)		(13.13)	(2.64)
Income tax relating to above mentioned item		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		(13.13)	(2.64)
Total comprehensive income for the year (net of tax)		533.56	(728.85)
Earnings per equity share of face value of Rs. 10 each31			
Basic (Rs.)		5.15	(6.84)
Diluted (Rs.)		5.06	(6.84)

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration
No.: 000340C

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

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 21st September 2018

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Som Chopra
Chief Financial Officer

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

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

A. Equity share capital

Note

	For the year ended 31 March 2018	For the year ended 31 March 2017
	Number of shares	Number of shares
	Amount	Amount

	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	106,166,666	1,061.67	106,166,666	1,061.67
Balance at the end of the year	106,166,666	1,061.67	106,166,666	1,061.67

B. Other equity

Reserves and surplus

Note	Securities Premium	Employee stock options outstanding account	General reserve	Retained earnings	Other comprehensive income*	Total
	4,632.61	84.75	5.47	(2,523.64)	-	2,199.19
	-	-	-	(726.21)	-	(726.21)
15 b	-	-	-	-	(2.64)	(2.64)
	-	-	-	(3,249.85)	(2.64)	1,470.34
	-	-	-	(2.64)	2.64	-
39	-	23.41	-	-	-	23.41
	4,632.61	108.16	5.47	(3,252.49)	-	1,493.75
	4,632.61	108.16	5.47	(3,252.49)	-	1,493.75
	-	-	-	546.69	-	546.69
15 b	-	-	-	-	(13.13)	(13.13)
	-	-	-	(2,705.80)	(13.13)	2,027.31
	-	-	-	(13.13)	13.13	-
39	-	1.44	-	-	-	1.44
	4,632.61	110.89	5.47	(2,718.93)	-	2,030.04

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

Employee stock option expenses recoverable from Devyani Food Street Private Limited in relation to employee transferred during the year.

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration No.: 101248W/W-100022

Kunal Kapur

Partner

Membership No.: 509209

Place: Gurugram

Date: 21st September 2018

For **APAS & CO.**

Chartered Accountants

ICAI Firm registration No.: 000340C

Sumit Kathuria

Partner

Membership No.: 520078

Chief Financial Officer

Membership No.: A31102

For and on behalf of the Board of Directors of

Devyani International Limited

Virag Joshi

Whole-time Director

DIN: 01821240

Raj P. Gandhi

Director

DIN: 00003649

Lalit Yadav

Company Secretary

DEVYANI INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flows from operating activities		
Profit / (loss) before tax	546.69	(726.21)
Adjustments for:		
Depreciation and amortisation expense	480.45	560.29
Impairment (reversal)/ loss	(167.96)	522.28
Liabilities no longer required written back	(0.92)	(10.20)
Gain on disposal of property plant and equipment (net)	(3.68)	(4.63)
Deferred rent amortisation (included in rent expenses)	26.65	26.28
Deferred income amortisation (included in other income)	(1.18)	(0.08)
Bad debts and advances written off	-	10.57
Allowance for doubtful debts	-	25.53
Unrealised foreign exchange loss (net)	0.12	1.78
Interest on borrowings measured at amortised cost	184.65	163.61
Interest accretion on financial liabilities measured at amortised cost	1.06	0.07
Employee stock option scheme expenses	1.44	23.41
Interest income from Bank deposits, loan to subsidiaries and others	(16.90)	(46.03)
Interest income from financial assets at amortized cost	(27.01)	(24.44)
Guarantee commission	(9.25)	(3.47)
Net gain on investment carried at fair value through profit & loss	(24.39)	(4.77)
Provision for impairment loss in the value of investment	72.32	-
Dividend income	(0.68)	-
Operating profit before working capital changes	<u>1,061.41</u>	513.99
Adjustments for:		
(Increase)/decrease in trade receivables	(44.78)	(88.70)
(Increase)/decrease in inventories	(4.37)	(12.07)
(Increase)/decrease in loans, other financial assets, and other assets	(138.25)	(27.26)
Increase/(decrease) in trade payables, other financial liabilities and other liabilities	<u>177.16</u>	138.45
Cash generated from operating activities	<u>1,051.17</u>	524.41
Income tax (paid)/refund (net)	(5.15)	11.62
Net cash generated from operating activities	<u>1,046.02</u>	536.03
B Cash flows from investing activities		
Purchase of Property, plant and equipment and intangible assets (including capital advances)	(863.24)	(619.20)
Proceeds from sale of Property, plant and equipment and intangible assets	17.76	14.54
Deposits made with banks due to mature within 12 months from the reporting date (net)	(1.07)	1.86
Refer Note 13 [deposits under lien Rs. 1.51 (31 March 2017: Rs. 1.29)]		

DEVYANI INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Deposits made with banks due to mature after 12 months from the reporting date (net) Refer Note 8 [deposits under lien Rs. 20.71 (31 March 2017: Rs.1.51)]	(19.21)	0.39
Dividend Income	0.68	-
Interest received	18.19	44.28
Purchase of Non current investments	(431.24)	(162.33)
Proceeds from Non current Investment	20.00	-
Loan given	(476.01)	-
Loan instalment received	179.85	66.99
Net cash generated used in investing activities	(1,554.29)	(653.47)
C Cash flows from financing activities		
Proceeds from secured loans	1,141.24	500.00
Repayment of secured loans	(532.30)	(335.31)
Interest paid	(183.33)	(157.90)
Net cash generated from financing activities	425.61	6.79
Net decrease in cash and cash equivalents during the year (A+B+C)	(82.66)	(110.65)
Effect of exchange rate changes on cash and cash equivalent held in foreign currency	0.01	(0.02)
D Cash and cash equivalents at the beginning of the year		
Cash on hand	13.45	1.45
Cash in transit	6.93	33.99
Cheques on hand	3.94	12.18
Balance with banks: -on current accounts	269.00	356.37
	293.32	403.99
 Cash and cash equivalents as at the end of the year		
Cash on hand	19.63	13.45
Cash in transit	22.19	6.93
Cheques on hand	-	3.94
Balance with banks: -on current accounts	168.85	269.00
	210.67	293.32

DEVYANI INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Notes:		
1. The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Cash Flow Statements', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.		
2. Changes in liabilities arising from financing activities		
Opening balance of secured loans:		
-Term Loan	1,900.96	1,733.94
Cash flows		
Repayment of secured loans	(532.30)	(335.33)
Proceeds from secured loans	1,141.24	500.00
Non-cash changes		
Foreign currency exchange fluctuations	0.73	-
Changes in loans received at amortisation cost	2.99	2.35
Closing balance of secured loans		
-Term Loan	2,117.23	1,900.96
- Foreign currency term loan	396.37	-

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place: Gurugram
Date: 21st September 2018

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration
No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078

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

Virag Joshi
Whole-time Director
DIN: 01821240

Som Chopra
Chief Financial Officer

Raj P. Gandhi
Director
DIN: 00003649

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ 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. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. The Company is primarily engaged in the business of developing, managing and operating quick service restaurants for brands such as Pizza Hut, KFC, Costa, Vaango etc. and retail stores for TWG Tea.

2.1 Basis of preparation

(a) Statement of compliance

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2017, with transition date of 1 April 2016, pursuant to notification issued by the Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial statements comply with 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 financial statements upto and for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), notified under section 133 of the Act ('Previous Indian GAAP') and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2018 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is included in Note 32.

The financial statements were authorised for issue by the Company's Board of Directors on 21 September 2018.

(b) Basis of measurement

The 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 amortised cost (Refer to Note 33).

(c) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

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

Note 2.2 (h) and 37 - measurement of defined benefit obligations : key actuarial assumptions.

Note 2.2 (a) and (b) - measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.

Note 2.2 (j) - judgement required to determine probability of recognition of deferred tax assets.

Note 2.2 (m) and 33 - fair value measurement of financial instruments

Note 2.2 (f) impairment assessment of non-financial assets : key assumptions underlying recoverable amount.

Note 2.2 (m) impairment assessment of financial assets.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Note 39 - judgement required to determine grant date fair value technique for employee stock option scheme expenses.

Note 2.2 (q) and 19 - fair value measurement of financial guarantee contracts.

Note 2.2 (d) - judgement required to ascertain lease classification.

Note 2.2 (g) and 36 - judgement is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

Note 2.2 (b) and 45 - 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.

(d) Fair value measurement

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Fair value of financial instruments measured at fair value through profit and loss and amortised cost are disclosed in Note 33.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at 1 April 2016 for the purposes of the transition to Ind AS.

(a) Property, plant and equipment

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Recognition and measurement

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

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

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

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

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

Subsequent costs

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Refer to Note 32.

Depreciation

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

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

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

* Included under the head Utensil and kitchen equipments.

Freehold land is not depreciated.

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

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

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

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

Capital work-in-progress

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

(b) Business combinations and intangible assets

(i) Business combinations

Ind AS provides for the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. Accordingly, the Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

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.

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 acquiree. Such amounts are generally recognised in the profit or loss.

(ii) Intangible assets

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

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

Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

asset to which it relates. All the subsequent expenditure on intangible assets is recognised in profit or loss, as incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of such other intangible assets (Refer to Note 32).

Amortisation

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

Amortisation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
License fee	Period of license
Computer software	6

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

Intangible assets under development

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

(c) Inventories

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

(d) Leases

Leased assets

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

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

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

the remaining term of the lease.

Lease payments

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

(e) Borrowing costs

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

(f) Impairment - 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 (CGUs). Goodwill arising from a business combination is allocated to CGU or groups of CGU's 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 profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

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

(g) Provisions and contingent liabilities

Provisions

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

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Contingent liabilities

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

(h) Employee benefits

Short-term employee benefits

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

Post-employment benefit plans

Defined contribution plans

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

Defined benefit plans

Defined benefit plans of the Company comprise gratuity.

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. Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

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

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

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

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

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

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

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

Other long-term employee benefits

Compensated absences

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

(i) Share based payment arrangements

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

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

(j) Income tax

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.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Deferred tax

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

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

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

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

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that it 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 judgement 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 realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the profit or loss.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Sale of products

Revenue from the sale of products is recognized upon passage of title to the customers which coincides with their delivery and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. The Company collects applicable taxes (i.e. Goods and Services Tax (GST), Value Added Taxes (VAT) etc.) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

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 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 pro-rata over the period of the contract from the date the contracts are effective or signed provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Interest income

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

Dividend income

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

Rental income

Revenue from rentals is recognised 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.

(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 Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are attributable to its acquisition or use.

Classification and subsequent measurement:

Classification

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

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measured at fair value through profit or loss (FVTPL)

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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, 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 profit or loss.

Financial assets at FVTPL

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

Derecognition

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

Impairment of financial assets (other than at fair value)

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

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Write-off

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

Financial liabilities

Recognition and initial measurement

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

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 profit or loss.

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

Derecognition

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

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

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.

(n) Earnings per share

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

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options granted to employees.

(o) Current–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.

(p) Investment in subsidiaries and joint ventures

Investment in equity shares of subsidiaries and joint ventures (under Ind AS 27) are carried at cost, less any impairment in the value of investment, in these financial statements. 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 from the issuer's perspective (i.e. subsidiary), which are carried at cost, less any impairment in the value of investment, in these financial statements.

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(q) Financial guarantee contracts

Financial guarantee contracts issued by the Company are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(r) Cash and cash equivalents

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

(s) Segment reporting

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

(t) Expenditure

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

(u) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). 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 upto two decimal places, unless otherwise stated.

(v) Recent accounting pronouncements

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and is of the view that no change in accounting policy is required and the impact is not material.

Ind AS 115- Revenue from Contracts with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method as defined under standard and accordingly, comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted.

The Company is in the process of evaluating the effect of this on the financial statements and expects that there will not be any significant change in accounting policy and the impact will not be material.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

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

Particulars	Freehold land	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fitting	Office equipments	Computers	Utensil and kitchen equipment*	Vehicles	Total
Gross Value (Cost/Deemed Cost)											
Cost/Deemed Cost as at 1 April 2016	103.91	-	839.07	1,478.23	61.25	65.47	33.77	109.11	62.48	55.11	2,808.40
Additions during the year	-	431.93	75.90	168.02	19.43	0.04	10.29	38.60	16.79	5.22	766.22
Disposals during the year	-	-	83.88	20.37	0.26	3.88	0.25	0.23	0.13	1.26	110.26
Balance as at 31 March 2017	103.91	431.93	831.09	1,625.88	80.42	61.63	43.81	147.48	79.14	59.07	3,464.36
Acquisitions through business combination (Refer to Note 45)	-	-	33.08	38.98	2.43	2.90	1.00	0.37	0.40	-	79.16
Other additions during the year	-	-	267.54	277.11	29.87	14.87	27.41	40.21	80.30	1.89	739.20
Disposals during the year	-	-	46.32	43.24	3.93	3.57	1.25	3.73	0.82	1.39	104.25
Balance as at 31 March 2018	103.91	431.93	1,085.39	1,898.73	108.79	75.83	70.97	184.33	159.02	59.57	4,178.47
Accumulated depreciation and impairment losses											
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	3.31	201.39	189.05	19.78	15.44	5.36	34.21	15.07	18.26	501.87
Impairment loss/ (reversal)	-	68.04	124.32	234.47	9.83	6.36	6.28	16.84	2.16	10.28	478.58
Disposals during the year	-	-	82.16	14.03	0.21	3.10	0.25	0.23	0.12	0.22	100.32
Balance as at 31 March 2017	-	71.35	243.55	409.49	29.40	18.70	11.39	50.82	17.11	28.32	880.13
Depreciation for the year	-	12.03	113.39	201.95	18.01	9.80	6.20	33.80	23.93	11.90	431.01
Impairment loss/ (reversal) (Refer to Note 42)	-	(26.08)	(26.09)	(94.58)	(1.35)	(1.28)	(2.00)	(5.83)	0.26	(4.79)	(161.74)
Disposals during the year	-	-	43.00	36.74	3.68	3.36	1.13	2.14	0.77	1.12	91.94
Balance as at 31 March 2018	-	57.30	287.85	480.12	42.38	23.86	14.46	76.65	40.53	34.31	1,057.46

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	Freehold land	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fitting	Office equipments	Computers	Utensil and kitchen equipment*	Vehicles	Total
Carrying amount (net)											
Net carrying value as at 1 April 2016	103.91	-	839.07	1,478.23	61.25	65.47	33.77	109.11	62.48	55.11	2,808.40
Net carrying value as at 31 March 2017	103.91	360.58	587.54	1,216.39	51.02	42.93	32.42	96.66	62.03	30.75	2,584.23
Net carrying value as at 31 March 2018	103.91	374.63	797.54	1,418.61	66.41	51.97	56.51	107.68	118.49	25.26	3,121.01

* The Company in accordance with Ind AS 16, Property plant and equipment, has identified certain smallwares and reclassified/capitalised them as utensil and kitchen equipment under Property plant and equipment. The same were classified as inventories under Previous Indian GAAP. These smallwares have been depreciated over the remaining useful life of the asset.

Note : For details regarding charge on property, plant and equipment Refer to Note 16.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

4. Intangible assets

Particulars	License fee	Computer software	Total
Gross Value (Cost/ Deemed Cost)			
Deemed Cost as at 1 April 2016	182.05	65.54	247.59
Additions during the year	28.99	17.86	46.85
Disposals during the year	7.57	0.20	7.77
Balance as at 31 March 2017	203.47	83.20	286.67
Acquisitions through business combination (Refer to Note 45)	13.33	-	13.33
Other additions during the year	68.63	2.81	71.44
Disposals during the year	13.44	0.62	14.06
Balance as at 31 March 2018	271.99	85.39	357.38
Accumulated amortisation and impairment losses			
Balance as at 1 April 2016	-	-	-
Amortisation for the year	37.23	21.19	58.42
Impairment loss/(reversal)	33.07	10.63	43.70
Disposals during the year	7.57	0.20	7.77
Balance as at 31 March 2017	62.73	31.62	94.35
Amortisation for the year	31.00	18.44	49.44
Impairment loss/(reversal) (Refer to Note 42)	(3.10)	(3.12)	(6.22)
Disposals during the year	13.44	0.62	14.06
Balance as at 31 March 2018	77.19	46.32	123.51
Carrying amount (net)			
Balance as at 1 April 2016	182.05	65.54	247.59
Balance as at 31 March 2017	140.74	51.58	192.32
Balance as at 31 March 2018	194.80	39.07	233.87

5. Capital work-in-progress and Intangible assets under development

(a) Capital work-in-progress

Particulars	Total
Balance as at 1 April 2016	222.55
Additions during the year	35.60
Assets capitalised during the year	200.30
Balance as at 31 March 2017	57.85
Additions during the year	41.60
Assets capitalised during the year	73.03
Balance as at 31 March 2018	26.42

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

(a) Capital work-in-progress

Particulars	Computer software	Total
Balance as at 1 April 2016	16.37	16.37
Additions during the year	-	-
Assets capitalised during the year	16.37	16.37
Balance as at 31 March 2017	-	-
Balance as at 31 March 2018	-	-

6. Investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current investments			
Investment in equity shares			
Unquoted equity shares			
At Cost/ Deemed Cost as on 1 April 2016			
427,966 (31 March 2017: 427,966, 1 April 2016: 427,966) equity shares of Devyani International (Nepal) Private Limited, a wholly owned subsidiary, of NPR 100 each, fully paid up.	26.77	26.77	26.77
8,908,900 (31 March 2017: 8,908,900, 1 April 2016: 8,908,900) equity shares of Devyani Food Street Private Limited, a wholly owned subsidiary, of Rs. 10 each, fully paid up.	175.92	175.92	175.92
1,027,286 (31 March 2017: 1,027,286, 1 April 2016: 1,027,286) equity shares of RV Enterprizes Pte. Limited., Singapore, a subsidiary, of SGD 1 each, fully paid up (Refer to Note 40).	40.13	40.13	40.13
7,223,144 (31 March 2017: 7,223,144, 1 April 2016: 4,424,572) equity shares of The Minor Food Group (India) Private Limited, a Joint Venture, of Rs 10 each, fully paid up.	72.32	72.32	44.34
3,060,000 (31 March 2017: 3,060,000, 1 April 2016: 3,060,000) equity shares of Devyani Airport Services (Mumbai) Private Limited, a subsidiary, of Rs. 10 each, fully paid up.	84.84	84.84	84.84
3,350,000 (31 March 2017: Nil, 1 April 2016: Nil) equity shares of Devyani International (UK) Private Limited, a wholly owned subsidiary, of GBP. 1 each, fully paid up.	287.82	-	-
Provision for impairment loss in the value of investment	(72.32)	-	-
	615.48	399.98	372.00

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in preference shares			
Unquoted preference shares			
At Cost/ Deemed Cost as on 1 April 2016			
10,953,525(31 March 2017: 10,803,525, 1 April 2016: 9,803,525) 1% redeemable preference shares of RV Enterprizes Pte. Limited., Singapore, a subsidiary, of USD 1 each, fully paid up (Refer to Note 40).	612.02	602.08	533.17
At fair value through profit or loss			
Nil (31 March 2017: 2,000,000, 1 April 2016: 2,000,000) 0.1% redeemable, non cumulative and non convertible preference share of Devyani Food Street Private Limited, a wholly owned subsidiary, of Rs. 10 each, fully paid up.	-	15.03	13.21
Nil (31 March 2017: 12,179,960, 1 April 2016: 12,179,960) 1% redeemable, non cumulative and non convertible preference share of Devyani Airport Services (Mumbai) Private Limited, a subsidiary, of Rs. 10 each, fully paid up.	-	87.38	75.89
32,631,344 (31 March 2017: 9,603,472, 1 April 2016: 3,060,000) 8% redeemable, non cumulative and non convertible preference share of Devyani Airport Services (Mumbai) Private Limited, a subsidiary, of Rs. 10 each, fully paid up.	304.58	82.41	25.51
400,000 (31 March 2017: Nil , 1 April 2016: Nil) 5% redeemable, non cumulative and non convertible preference shares of Devyani International (Nepal) Private Limited, a wholly owned subsidiary, of NPR 100 each, fully paid up.	18.10	-	-
	934.70	786.90	647.78
Other investments in subsidiaries			
- Guarantee given on behalf of Devyani Food Street Private Limited*	26.33	26.33	26.33
- Loan given to Devyani International (Nepal) Private Limited^	3.89	3.89	3.89
	30.22	30.22	30.22
	1,580.40	1,217.10	1,050.00
Aggregate value of unquoted non-current investments	1,580.40	1,217.10	1,050.00
Aggregate provision for impairment in value of non-current investments	72.32	-	-

*The Company has given financial guarantee to Yes bank on behalf of Devyani Food Street Private Limited, a wholly owned subsidiary, for the purpose of servicing of loan taken by the subsidiary. Such financial guarantee has been fair valued and recorded as an additional investment in subsidiary.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

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

There are no quoted investments during the current and previous years.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 33.

7. Loans

(Unsecured, considered good, unless otherwise stated)

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	302.49	218.86	212.62	57.34	76.61	77.19
Loans to related parties	449.08	31.93	180.47	38.79	157.44	74.79
	751.57	250.79	393.09	96.13	234.05	151.98

Details of the loans and advances to related parties are as follows:

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loan given						
To Devyani Food Street Private Limited, a wholly owned subsidiary	10.00	-	105.00	10.00	105.00	31.90
To Devyani Airport Services (Mumbai) Private Limited, a subsidiary	-	19.50	58.49	-	46.79	42.89
To Devyani International (Nepal) Private Limited, a wholly owned subsidiary	6.41	12.43	16.98	6.02	5.65	-
To Devyani International (UK) Private Limited, a wholly owned subsidiary	432.67	-	-	22.77	-	-
	449.08	31.93	180.47	38.79	157.44	74.79

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Terms of interest and repayment:	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1. Unsecured loan of Rs. 20 to Devyani Food Street Private Limited (a) The unsecured loan is repayable in 4 quarterly instalments after completion of 6 months from the date of disbursement. (b) Interest rate is equal to 10% per annum. (31 March 2017: Nil and 1 April 2016: Nil) (c) The loan will be utilised for operational activities carried out by the borrower.	20.00		-
2. Unsecured loan of Rs. 140 to Devyani Food Street Private Limited (a) The unsecured loan was repayable in 20 equal quarterly instalments commencing from 31 March 2016. The loan has been squared off during the year ended 31 March 2018. (b) Interest rate is equal to 12% per annum. (31 March 2017: 12% and 1 April 2016: 12%) (c) The loan was given to be utilised for operational activities carried out by the borrower.	-	105.00	136.90
3. Unsecured loan of Rs. 140.37 to Devyani Airport Services (Mumbai) Private Limited (a) The unsecured loan is repayable in 12 equal quarterly instalments commencing from 1 June 2015, after 24 months from the date of first disbursement. The loan has been squared off during the year ended 31 March 2018. (b) Interest rate is equal to 12% per annum (31 March 2017: 12% and 1 April 2016: 12%) (c) The loan will be utilised for operational activities carried out by the borrower.	-	66.29	101.38
4. Unsecured loan of Rs. 20 to Devyani International (Nepal) Private Limited (a) The unsecured loan is repayable in 12 equal quarterly instalments commencing from 30 June 2015. As per the roll over letter dated 1 June 2015, the outstanding loan will be repayable in 12 equal quarterly instalments commencing from 30 June 2017 (b) Interest rate is equal to 5.5% per annum. (31 March 2017: 5.5% and 1 April 2016: 5.5%) (c) The loan will be utilised for operational activities carried out by the borrower.	12.43	18.08	16.98
5. Unsecured loan of Rs. 455.44 (GBP 5 Million) to Devyani International (UK) Private Limited (a) The unsecured loan is repayable in 20 equal quarterly instalments commencing from 31 March 2019. (b) Interest rate is equal to LIBOR plus 2.5% per annum. (31 March 2017: Nil and 1 April 2016: Nil) (c) The loan will be utilised for meeting the working capital requirements of the borrower.	455.44	-	-
	487.87	189.37	255.26

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

8. Other financial assets

(Unsecured considered good, unless otherwise stated)

	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits (due for maturity after 12 months from the reporting date)^	20.71	1.51	1.90	-	-	-
Interest accrued on loans to related parties (Refer to Note 35)	-	-	1.17	1.41	2.99	-
Interest accrued but not due on bank deposits	0.23	0.11	0.12	0.24	0.07	0.14
Other receivable*	-	-	-	1.87	0.51	9.53
	20.94	1.62	3.19	3.52	3.57	9.67

^Bank deposits Rs.20.71 (31 March 2017: Rs. 1.51 and 1 April 2016: Rs. 1.90) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

* Includes receivables from related party Rs. 1.87 (31 March 2017: Nil and 1 April 2016: Rs. 7.53) Refer to Note 35

Details of interest accrued on loan and other receivable due by directors or other officers of the Company or any of those either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Devyani International (Nepal) Private Limited	0.42	1.10	1.17
Devyani Food Street Private Limited	1.29	-	-
Devyani Airport Services (Mumbai) Private Limited	-	1.89	7.53
Devyani International (UK) Private Limited	1.57	-	-
	3.28	2.99	8.70

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

9. Other assets

(Unsecured considered good, unless otherwise stated)

	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances	30.14	31.00	15.21	-	-	-
Prepaid expenses	-	-	-	16.80	15.96	20.70
Deferred rent	125.41	126.14	128.72	28.13	25.57	24.29
Balance with statutory/ government authorities	3.08	-	-	70.95	3.74	4.68
Advances to employees	-	-	-	0.45	0.96	7.09
Advance to suppliers *	-	-	-	41.12	40.42	10.62
	158.63	157.14	143.93	157.45	86.65	67.38

*Includes advances to related parties Rs. 6.81 (31 March 2017: Nil and 1 April 2016: Rs. 0.69) Refer to Note 35

*Details of Advance to supplier due by directors or other officers of the Company or any of those either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Varun Beverages Limited	6.81	-	0.58
RJ Corp Limited	-	-	0.11
	6.81	-	0.69

10. Inventories

(Valued at lower of cost and net realisable value)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials including packaging materials [including goods-in-transit of Rs. 22.54 (31 March 2017: Rs.18.50 and 1 April 2016: Rs. 33.01)]	251.06	262.20	250.13
Stock-in-trade	15.51	-	-
	266.57	262.20	250.13

11. Trade receivables

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables			
- Considered good	292.41	247.55	184.35
- Considered doubtful	25.53	25.53	0.42
	317.94	273.08	184.77
Less: Impairment allowances for doubtful receivables	(25.53)	(25.53)	(0.42)
	292.41	247.55	184.35

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Trade receivables includes receivables from related parties amounting Rs. 170.76 (31 March 2017: Rs. 131.21 and 1 April 2016: Rs. 83.34). Refer to Note 35.

The carrying amount of trade receivables approximates their fair value, is included in Note 33.

The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 33.

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Devyani International (Nepal) Private Limited	37.61	13.59	18.62
Devyani Airport Services (Mumbai) Private Limited	33.09	33.33	18.12
Devyani Food Street Private Limited	75.77	69.28	37.97
The Minor Food Group (India) Private Limited	0.14	0.63	0.31
Alisha Retail Private Limited	3.92	3.54	-
Diagno Labs Private Limited	1.51	-	-
Modern Montessori International (India) Private Limited	0.16	0.80	0.01
	152.20	121.17	75.03
12. Cash and cash equivalents	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance with banks :			
- On current accounts	168.85	269.00	356.37
Cheques on hand	-	3.94	12.18
Cash on hand	19.63	13.45	1.45
Cash in transit	22.19	6.93	33.99
	210.67	293.32	403.99
13. Bank balances other than cash and cash equivalents	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other bank balances*			
- On deposit account	2.36	1.29	3.15
	2.36	1.29	3.15

*Bank deposits include Rs 1.51 (31 March 2017: Rs.0.50 and 1 April 2016: Rs.0.42) and Rs. Nil (31 March 2017: Rs. 0.79 and 1 April 2016: Rs. Nil) being bank deposits placed as security with VAT authorities and given as margin money respectively.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
14. Share capital			
Authorised			
125,000,000 (31 March 2017: 125,000,000, 1 April 2016: 125,000,000) equity shares of Rs. 10 each	<u>1,250.00</u>	1,250.00	1,250.00
	<u>1,250.00</u>	1,250.00	1,250.00
Issued, subscribed and paid -up			
106,166,666 (31 March 2017: 106,166,666, 1 April 2016: 106,166,666) equity shares of Rs. 10 each	<u>1,061.67</u>	1,061.67	1,061.67
	<u>1,061.67</u>	1,061.67	1,061.67

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

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and paid up				
At the beginning of the year	106,166,666	1,061.67	106,166,666.00	1,061.67
At the end of the year	<u>106,166,666</u>	<u>1,061.67</u>	<u>106,166,666.00</u>	<u>1,061.67</u>

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10 per share. Each holder of the equity share is entitled to one vote per share and is entitled to dividend, declared if any. The paid up equity shares of the Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares reserved for issue under options and contracts:

For terms and other details of shares reserved for issue under Employee Stock Option Scheme ("ESOS") of the Company, Refer to Note 39.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ 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 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid-up held by:						
-RJ Corp Limited, holding and ultimate holding company*	81,108,607	76.40	74,575,274	70.24	74,575,274	70.24
	81,108,607	76.40	74,575,274	70.24	74,575,274	70.24

*Pursuant to the Scheme of Amalgamation passed by National Company Law Tribunal, New Delhi vide its judgement dated 1 September 2017, Devyani Overseas Private Limited (“DOPL”), Devyani Enterprises Private Limited (“DEPL”), Universal Dairy Products Private Limited (“UDPPL”) (collectively “Transferor companies”) were amalgamated with RJ Corp Limited with effect from 1 April 2016. Consequently, 42,217,774 equity shares of the Company held by Transferor companies i.e. (DOPL - 13,562,200, DEPL- 26,752,050 and UDPPL- 1,903,524), were transferred to RJ Corp Limited.

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid-up held by:						
-RJ Corp Limited#	81,108,607	76.40	74,575,274	70.24	74,575,274	70.24
-Dunearn Investments (Mauritius) Pte Ltd.	16,333,333	15.38	16,333,333	15.38	16,333,333	15.38
-Varun Jaipuria	7,004,726	6.60	7,004,726	6.60	7,004,726	6.60
-IDBI Trusteeship Services Limited	-	-	6,533,333	6.15	6,533,333	6.15

#Refer to Note 14 (d) above.

f) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

During the year ended 31 March 2012, the Company issued bonus shares, representing equity shares of Rs. 10 each. Equity shares were allotted as fully paid bonus shares by capitalisation of securities premium and capital reserve.

Details of bonus shares issued during the period of last 5 years is as under:

Particulars	No. of shares
- Bonus shares on opening shares 1:3.3	33,000,000
- Bonus share after private placement and its bonus issue 1:1	46,550,000
	79,550,000

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
15. Other equity			
a Reserve and Surplus			
Securities Premium		4,632.61	4,632.61
4,632.61			
General Reserve	5.47	5.47	5.47
Retained Earnings	(2,718.93)	(3,252.49)	(2,523.64)
Employee stock options outstanding account (Refer to Note 39)	110.89	108.16	84.75
Total	<u>2,030.04</u>	<u>1,493.75</u>	<u>2,199.19</u>

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Securities Premium		
Balance at the beginning of the year	4,632.61	4,632.61
Balance at the end of the year	<u>4,632.61</u>	<u>4,632.61</u>

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

(ii) General Reserve

Balance at the beginning of the year	5.47	5.47
Balance at the end of the year	<u>5.47</u>	<u>5.47</u>

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 transferred a portion of profit after tax to general reserve pursuant to the earlier provisions of the Companies Act, 1956.

(iii) Retained Earnings

Balance at the beginning of the year	(3,252.49)	(2,523.64)
Add: Profit /(Loss) for the year	546.69	(726.21)
Add: Transferred from other comprehensive income - Remeasurement of defined benefit plans (net of tax)	(13.13)	(2.64)
Balance at the end of the year	<u>(2,718.93)</u>	<u>(3,252.49)</u>

(iv) Employee stock option outstanding account

Balance at the beginning of the year	108.16	84.75
Transfer to Employee Stock Options Outstanding account	1.44	23.41
Employee stock option recoverable	1.29	-
Balance at the end of the year	<u>110.89</u>	<u>108.16</u>

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
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Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer to Note 39 for further details of these plans.

b Other comprehensive income - Remeasurement of defined benefit plan (net of tax)

Other comprehensive income for the year

Balance at the beginning of the year	-	-
Actuarial losses on defined benefit plan for the year (net of tax) (Refer to Note 37)	13.13	(2.64)
Transferred to retained earnings	(13.13)	2.64
Balance at the end of the year	-	-

16. Borrowings

	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans (secured) from Bank / Financial institutions						Indian
rupee term loan	1,572.90	1,371.24	1,396.68	544.33	529.72	337.26
Foreign currency term loan	396.36	-	-	-	-	-
	1969.26	1,371.24	1,396.68	544.33	529.72	337.26

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 33.

*Current portion has been included in 'Other current financial liabilities' Refer to Note 17

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1	<p>The term loan amounting to Rs. 600 was taken from IndusInd Bank Limited during the year ended 31 March 2013. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The rate of Interest is Indusind base rate minus 0.7%, presently 9.9% per annum payable monthly (31 March 2017 : 9.9% per annum payable monthly. Prior to 9 March 2017: 11.20% p.a uptill 8 March 2017 and 11.25% p.a uptill 16 January 2017 and 1 April 2016 : 11.25% p.a. payable monthly).</p> <p>The term loan is secured by :</p> <p>Primary security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.01 (31 March 2017 : Rs. 0.03 and 1 April 2016 : Rs. 0.11).</p>	<p>The term loan is repayable in remaining 1 instalment during 2018-19- Rs. 14.06</p> <p>Period of maturity from the balance sheet date is 2 months.</p>	14.05	-	-
		<p>The term loan is repayable in 5 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2017-18 - Rs. 14.06 each</p> <p>- 1 instalment during 2018-19- Rs. 14.06</p> <p>Period of maturity from the balance sheet date is 14 months.</p>	-	70.27	-
		<p>The term loan is repayable in 9 quarterly instalments as below mentioned :</p> <p>- 1 instalment during 2016-17- Rs. 11.25 each</p> <p>- 3 instalments during 2016-17- Rs. 14.06 each</p> <p>- 4 instalment during 2017-18- Rs. 14.06 each</p> <p>- 1 instalment during 2018-19- Rs. 14.06 each</p> <p>Period of maturity from the balance sheet date is 26 months.</p>	-	-	123.62

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
2	<p>The term loan amounting to Rs. 1,000 was taken from Axis Bank Limited, loan draw down amounting to Rs. 500 during the year ended 31 March 2017 and Rs 500 during the year ended 31 March 2016 . The tenure of the loan is 48 months.</p> <p>The interest rate applicable is Axis Bank base rate +1.30 % presently 9.50 % p.a. payable monthly.(31 March 2017 : 10.80% p.a. payable monthly and 1 April 2016: Axis bank base rate +1.30% (10.80% p.a.) payable monthly). Interest rate to be reset on an annual basis.</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 3.56 (31 March 2017 : Rs. 5.18 and 1 April 2016 : Rs. 5.83).</p>	<p>The term loan is repayable in 15 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2018-19 - Rs. 50 each - 4 instalments during 2019-20 - Rs. 60 each - 4 instalments during 2020-21 - Rs. 60 each - 3 instalments during 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 45 months.</p>	856.44	-	-
		<p>The term loan is repayable in 19 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2017-18 - Rs. 20 each - 4 instalments during 2018-19 - Rs. 50 each - 4 instalments during 2019-20 - Rs. 60 each - 4 instalments during 2020-21 - Rs. 60 each - 3 instalments during 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 57 months.</p>	-	934.82	-
		<p>The term loan is repayable in 14 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during 2016-17 - Rs. 20 each - 4 instalments during 2017-18 - Rs. 20 each - 4 instalments during 2018-19 - Rs. 50 each - 2 instalments during 2019-20 - Rs. 60 each - 1 instalments during 2019-20 - Rs. 40 each <p>Period of maturity from the balance sheet date is 48 months.</p>	-	-	494.17

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
3	<p>The term loan amounting to Rs. 300 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 73 months.</p> <p>The interest rate applicable is 9.25% p.a payable monthly (31 March 2017: 9.25% p.a payable monthly. Prior to 24 January 2017: 10.75% p.a. and 1 April 2016: 10.90% p.a. payable monthly).</p> <p>The term loan was secured by :</p> <ul style="list-style-type: none"> - First pari passu charge on all movable property, plant and equipment of the Company both present and future. - Second pari passu charge over all current assets of the Company both present and future. - First pari passu charge on immovable property situated at Plot No 18, Sector-35, Industrial Estate, Gurugram. 	<p>"The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during 2018-19- Rs. 60 - 1 instalment during 2019-20- Rs. 60 - 1 instalment during 2020-21- Rs. 60 - 1 instalment during 2021-22- Rs. 60 - 1 instalment during 2022-23- Rs. 60 <p>Period of maturity from the balance sheet date is 49 months.</p>	300.00	-	-
		<p>The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during 2018 -19- Rs. 60 - 1 instalment during 2019 -20- Rs. 60 - 1 instalment during 2020 -21- Rs. 60 - 1 instalment during 2021 -22- Rs. 60 - 1 instalment during 2022 -23- Rs. 60 <p>Period of maturity from the balance sheet date is 61 months.</p>	-	300.00	-
		<p>The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during 2018 -19- Rs. 60 - 1 instalment during 2019 -20- Rs. 60 - 1 instalment during 2020 -21- Rs. 60 - 1 instalment during 2021 -22- Rs. 60 - 1 instalment during 2022 -23- Rs. 60 <p>Period of maturity from the balance sheet date is 73 months.</p>	-	-	300.00

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
4	<p>The term loan amounting to Rs. 400 was taken from IDBI Bank during the year ended 31 March 2014. The tenure of the loan is 69 months including moratorium period of 10 months.</p> <p>The interest rate applicable is IDBI base rate + 150 basis points presently 10 % per annum. (31 March 2017: 11.25 % p.a., and 1 April 2016: 11.25 % p.a.)</p> <p>The term loan is secured by:</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram along with other lenders.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.02 (31 March 2017 : Rs. 0.07 and 1 April 2016 : Rs. 0.16).</p>	<p>The term loan repayable in 3 quarterly instalments as below mentioned :</p> <p>- 3 instalments during 2018-19 - Rs. 20 each</p> <p>Period of maturity from the balance sheet date is 9 months.</p>	59.98	-	-
		<p>The term loan repayable in 7 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2017-18 - Rs. 20 each</p> <p>- 3 instalments during 2018-19 - Rs. 20 each</p> <p>Period of maturity from the balance sheet date is 21 months."</p>	-	139.93	-
		<p>" The term loan repayable in 11 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2016-17- Rs. 20 each</p> <p>- 4 instalments during 2017-18- Rs. 20 each</p> <p>- 3 instalments during 2018-19- Rs. 20 each</p> <p>Period of maturity from the balance sheet date is 33 months.</p>	-	-	219.84

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
5	<p>The term loan amounting to Rs. 800 was taken from Ratnakar Bank during the year ended 31 March 2014. The tenure of loan is 66 months including moratorium period of 6 months.</p> <p>The interest rate applicable is 0.60% above RBL base rate presently 9.85 % p.a . (31 March 2017: 9.75 % p.a . Prior to 16 February 2017 :11.25% p.a., and 1 April 2016: 11.25% p.a.).</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.11(31 March 2017 : Rs. 0.33 and 1 April 2016 : Rs. 0.59).</p>	<p>The term loan repayable in 5 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2018-19 - Rs. 18.05 each</p> <p>- 1 instalment during 2019-20 - Rs. 19.69</p> <p>Period of maturity from the balance sheet date is 15 months.</p>	91.78	-	-
		<p>The term loan repayable in 9 quarterly instalments as below mentioned :</p> <p>- 2 instalments during 2017-18 - Rs. 9.03 each</p> <p>- 2 instalments during 2017-18 - Rs. 18.05 each</p> <p>- 4 instalments during 2018-19 - Rs. 18.05 each</p> <p>- 1 instalment during 2019-20 - Rs. 19.69</p> <p>Period of maturity from the balance sheet date is 27 months.</p>	-	145.72	-
		<p>The term loan repayable in 13 quarterly instalments as below mentioned :</p> <p>- 2 instalments during 2016-17- Rs. 6.36 each</p> <p>- 2 instalments during 2016-17- Rs. 9.03 each</p> <p>- 2 instalments during 2017-18- Rs. 9.03 each</p> <p>- 2 instalments during 2017-18- Rs. 18.05 each</p> <p>- 4 instalments during 2018-19- Rs. 18.05 each</p> <p>- 1 instalment during 2019-20- Rs. 19.69</p> <p>Period of maturity from the balance sheet date is 39 months.</p>	-	-	176.24

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
6	<p>The term loan amounting to Rs. 150 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 60 months from the date of first disbursement including the 12 month moratorium period.</p> <p>The interest rate applicable is 9.25% p.a payable monthly. (31 March 2017: 9.25% p.a. payable monthly prior to 20 January 2017: 10.75%p.a., and 1 April 2016: The interest rate applicable is 10.75% p.a. payable monthly).</p> <p>The term loan was secured by : (Unconditional and irrevocable personnel guarantee of Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF).</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.49 (31 March 2017 : Rs. 1.40 and 1 April 2016 : Rs. 2.69).</p>	<p>The term loan repayable in 5 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2018-19- Rs. 9.38 each - 1 instalment during 2019-20- Rs. 9.38 <p>Period of maturity from the balance sheet date is 15 months."</p>	46.41	-	-
		<p>The term loan repayable in 9 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2017-18 - Rs. 9.38 each - 4 instalments during 2018-19 - Rs. 9.38 each - 1 instalment during 2019-20 - Rs. 9.38 <p>Period of maturity from the balance sheet date is 27 months.</p>	-	83.02	-
		<p>The term loan repayable in 13 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2016-17- Rs. 9.38 each - 4 instalments during 2017-18- Rs. 9.38 each - 4 instalments during 2018-19- Rs. 9.38 each - 1 instalment during 2019-20- Rs. 9.38 <p>Period of maturity from the balance sheet date is 39 months.</p>	-	-	119.25

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
7	<p>The term loan amounting to Rs. 750 was taken from Ratnakar Bank Limited during the year ended 31 March 2018. The tenure of the loan is 72 months.</p> <p>The interest rate applicable is 8.5% p.a. for the first year and from second year onwards at 9 % p.a payable monthly. (31 March 2017: Nil, 1 April 2016: Nil).</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments, both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the immovable fixed assets of the Company's industrial land situated at Sector 35 Gurugram.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 4.22 (31 March 2017 : Rs. Nil and 1 April 2016 : Rs. Nil).</p>	<p>The term loan is repayable in 22 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during 2018-19 - Rs. 34.09 each - 4 instalments during 2019-20 - Rs. 34.09 each - 4 instalments during 2020-21 - Rs. 34.09 each - 4 instalments during 2021-22 - Rs. 34.09 each - 4 instalments during 2022-23 - Rs. 34.09 each - 3 instalments during 2023-24 - Rs. 34.09 each <p>Period of maturity from the balance sheet date is 67 months.</p>	745.76	-	-
		-	-	-	-
		-	-	-	-

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8	<p>The term loan amounting to \$ 3.09 was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 month moratorium period.</p> <p>The interest rate applicable is LIBOR + 2.5% p.a payable monthly. (31 March 2017: Nil, 1 April 2016: Nil)</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the immovable fixed assets of the Company's industrial land situated at Sector 35 Gurugram.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.18 (31 March 2017 : Rs. Nil and 1 April 2016 : Rs. Nil).</p>	<p>The term loan repayable in 16 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2019-20- \$. 0.19 each - 4 instalments during 2020-21- \$. 0.19 each - 4 instalments during 2021-22- \$. 0.19 each - 4 instalments during 2022-23- \$. 0.19 each <p>Period of maturity from the balance sheet date is 60 months.</p>	198.31	-	-
		-	-	-	-
		-	-	-	-

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9	<p>“The term loan amounting to \$ 3.08 was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 month moratorium period.</p> <p>The interest rate applicable is LIBOR +2.5% p.a payable monthly. (31 March 2017: Nil and 1 April 2016: Nil)</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company’s entire moveable property, plant and equipments, both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the immovable fixed assets of the Company’s industrial land situated at Sector 35 Gurugram.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.18 (31 March 2017 : Rs. Nil and 1 April 2016 : Rs. Nil).</p>	<p>The term loan repayable in 16 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2019-20- \$ 0.19 each</p> <p>- 4 instalments during 2020-21- \$ 0.19 each</p> <p>- 4 instalments during 2021-22- \$ 0.19 each</p> <p>- 4 instalments during 2022-23- \$ 0.19 each</p> <p>Period of maturity from the balance sheet date is 60 months.</p>	198.06	-	-
		-	-	-	-
		-	-	-	-
10	<p>The term loan amounting to Rs. 800 was taken from Axis Bank Limited during the year ended 31 March 2013.</p> <p>The interest rate applicable is Nil (31 March 2017: The interest rate applicable is 10.90 % p.a payable monthly and 1 April 2016: The interest rate applicable is 10.90% p.a. payable monthly).</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company’s entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on Company’s unit setup at Plot No. 18, Sector-35, Industrial estate, Gurgaon.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p>	<p>-</p> <p>The term loan is repayable in 4 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2017-18- Rs. 55.70 each</p> <p>Period of maturity from the balance sheet date is 12 months.</p>	-	222.80	-
		The term loan is repayable in 6 quarterly instalments as below mentioned : <p>- 1 instalment during 2016-17- Rs. 32.80</p> <p>- 1 instalment during 2016-17- Rs. 44.40</p> <p>- 4 instalments during 2017-18- Rs. 55.70 each</p> <p>Period of maturity from the balance sheet date is 24 months.</p>	-	-	300.00

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

S. No	Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
11	<p>Vehicle loans from Tata Motors Finance Limited represent four vehicle loans taken by the Company during the year ended 31 March 2017. The tenure of the loans is 36 months. Loans from Tata Motors Finance Limited is repayable in 35 monthly instalments. The loans are secured against the respective vehicles.</p> <p>The interest rate applicable to the loans is 9.25% p.a. (31 March 2017: The interest rate applicable to the loans is 9.25% p.a., and 1 April 2016: Nil)</p> <p>The amount of instalment ranging from Rs. 0.35 to Rs. 0.40 per month</p> <p>Period to maturity from the balance sheet date is 20 months.(31 March 2017: 32 months and 1 April 2016 : Rs. Nil)</p>		2.80	4.28	-
12	<p>Vehicle loan from ICICI bank represent vehicle loan taken by the Company during the year ended 31 March 2015. The tenure of the loan is 36 months. Loan from ICICI Bank is repayable in 36 monthly instalments ranging from Rs. 0.050 to 0.062. The loan is secured against the respective vehicle.</p> <p>The interest rate applicable in the loan approximates to Nil (31 March 2017: The interest rate applicable in the loan approximates to 10.24% p.a., and 1 April 2016: The interest rate applicable in the loan approximates to 10.24% p.a.).</p> <p>Period to maturity from the balance sheet date is Nil (31 March 2017: 2 months and 1 April 2016: 14 months)</p>		-	0.12	0.82

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

17. Other financial liabilities

	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current portion of long-term borrowings	-	-	-	544.33	529.72	337.26
Cash credit and overdraft facilities from banks	-	-	-	0.03	-	-
Security deposits payable	12.87	3.73	5.39	9.09	8.20	7.10
Financial guarantee liability	-	0.26	3.72	-	3.47	3.47
Interest accrued but not due on borrowings	-	-	-	10.26	11.93	8.57
Capital creditors *	-	-	-	103.47	94.11	65.52
	12.87	3.99	9.11	667.17	647.43	421.92

*Due to Micro and Small enterprises

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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The amounts remaining unpaid to micro and small suppliers as at the end of the year :

- Principal	-	-	0.06
- Interest	-	-	-

The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

-	-	-
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The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.

-	-	0.07
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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.

-	-	-
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The amount of interest accrued and remaining unpaid at the end of each accounting year.

-	-	-
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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.

-	-	-
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The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 33.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

18. Provisions	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits						
Gratuity (Refer to Note 37)	40.87	48.18	43.90	15.60	7.90	8.72
Compensated absences	41.08	37.52	31.99	19.72	8.94	7.19
	81.95	85.70	75.89	35.32	16.84	15.91
19. Other liabilities	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances from customers	-	-	-	19.33	53.57	33.49
Deferred income	3.20	0.59	0.08	1.27	0.26	0.03
Statutory dues						
GST payable	-	-	-	93.23	-	-
VAT payable	-	-	-	-	48.65	41.97
TDS payable	-	-	-	22.12	21.71	13.15
Other statutory dues	-	-	-	16.91	18.60	18.68
Employee related payables	-	-	-	162.21	153.87	156.29
	3.20	0.59	0.08	315.07	296.66	263.61
20. Trade payables				As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Related parties (Refer to Note 35)				-	19.15	1.25
- Micro and small enterprises (Refer to Note below)				2.56	0.01	0.01
- Other trade payables				826.79	671.45	600.87
				829.35	690.61	602.13

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 33.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to micro and small enterprises			
The amounts remaining unpaid to micro and small suppliers as at the end of the year			
- Principal	2.54	-	-
- Interest	0.02	0.01	0.01
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	1.38	-	0.16
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	0.01	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.02	0.01	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	0.02	0.01	0.01

21. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
Finished goods	8,556.46	7,762.89
Traded goods	120.12	83.78
Other operating revenues		
Marketing and other support services	70.73	179.25
Management fee	55.59	48.10
Scrap sales	3.26	0.14
	<u>8,806.16</u>	<u>8,074.16</u>

22. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income under effective interest method from:		
-bank deposits	9.27	11.26
-loan to subsidiaries	6.23	26.45
-others	1.40	8.32
Interest income from financial assets at amortized cost	27.01	24.44
Dividend income	0.68	-
Other non-operating income :		
-Liabilities no longer required written back	0.92	10.20

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
-Rental income	109.29	14.35
-Gain on disposal of property plant and equipment (net)	3.68	4.63
-Net gain on investment carried at fair value through profit and loss	24.39	4.77
-Guarantee commission	9.25	3.47
	<u>192.13</u>	<u>107.89</u>
23. Cost of materials consumed	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw material and packing material consumed		
Inventories at the beginning of the year	262.20	250.13
Add: Purchases during the year (net)	2,615.97	2,436.90
Less: Inventories at the end of the year	251.06	262.20
	<u>2,627.11</u>	<u>2,424.83</u>
24. Purchase of stock-in-trade	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of stock-in-trade	103.63	62.65
	<u>103.63</u>	<u>62.65</u>
25. Changes in inventories of stock-in-trade	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening Stock	-	-
Closing Stock	15.51	-
Net (increase)/decrease in stock in trade	<u>(15.51)</u>	<u>-</u>
26. Employee benefits expense	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	1,223.60	1,243.47
Contribution to provident and other funds	110.39	116.96
Expenses related to post- employment defined benefit plan (Refer to Note 37)	15.50	16.30
Employee stock option scheme expenses	1.44	23.41
Staff welfare expenses	24.75	17.43
	<u>1,375.68</u>	<u>1,417.57</u>
27. Finance costs	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expenses		
Interest on borrowings measured at amortised cost	184.63	163.57

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest accretion on financial liabilities measured at amortised cost	1.06	0.07
Others	0.02	0.04
	<u>185.71</u>	<u>163.68</u>

28. Depreciation and amortisation expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment (Refer to Note 3)	431.01	501.87
Amortisation of intangible assets (Refer to Note 4)	49.44	58.42
	<u>480.45</u>	<u>560.29</u>

29. Other expenses

Power and fuel	602.39	569.30
Rent (Refer to Note 34)	1,280.81	1,297.56
Repairs and maintenance		
-Plant and equipment	125.10	149.51
- Buildings	190.67	173.70
-Others	35.51	36.89
Rates and taxes	24.86	24.40
Travelling and conveyance	64.75	45.41
Legal and professional	14.12	20.60
Auditor's remuneration (Refer to Note below)	8.61	8.27
Water charges	25.66	26.27
Insurance	7.15	11.14
Printing and stationery	9.38	6.61
Communication	94.10	100.29
Directors' sitting fee	1.33	1.38
Security and service charges	60.64	48.37
Bank charges	9.84	9.33
Advertisement and sales promotion	399.71	357.62
Commission and brokerage	5.74	9.40
Credit card commission and cash pickup charges	87.01	62.73
Royalty and continuing fee	477.73	491.55
Freight, octroi and insurance paid	193.69	213.11
Delivery vehicle running and maintenance	11.51	-
Loading and unloading charges	8.59	13.16
Bad debts and advances written off	-	10.57
Allowance for doubtful debts	-	25.53
Net loss on foreign currency transactions and translations	0.64	2.05
Provision for impairment loss in value of investments	72.32	-
General office and other miscellaneous expenses	50.63	42.21
	<u>3,862.49</u>	<u>3,756.96</u>

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Note - Auditor's remuneration		
As auditor		
Statutory audit*	8.44	7.00
Tax matters	-	0.37
Others matters	-	0.61
Outlays	0.17	0.29
	<u>8.61</u>	<u>8.27</u>

*Inclusive of applicable taxes

30. Income Tax	For the year ended 31 March 2018	For the year ended 31 March 2017
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(a) Amounts recognised in the Statement of Profit and Loss comprises:

Current tax:

Current tax - -

Deferred tax expense:

Attributable to Origination and reversal of temporary differences - -

(b) Income tax recognised in other comprehensive income

Income tax relating to remeasurement of defined benefit plans - -

(c) Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit/(Loss) before tax	546.69	(726.21)
Tax using the Company's domestic tax rate -34.608% (31 March 2017: 30.90%)	189.20	(224.43)
Change in unrecognised temporary differences	(26.92)	152.04
Recognition of previously unrecognised unabsorbed depreciation	(37.20)	-
Unrecognised unabsorbed depreciation	-	74.36
Rate change impact on deferred tax *	(150.97)	-
Others	25.89	(1.97)
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	<u>-</u>	<u>-</u>

* Represents the change in enacted tax rate as on the reporting date.

(d) Income tax assets and Income tax liabilities:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax (net of provision of tax)			
(31 March 2017: Nil and 1 April 2016: Nil)	83.95	78.80	90.42
	<u>83.95</u>	<u>78.80</u>	<u>90.42</u>

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(e) Deferred tax assets/liabilities

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

	Deferred tax assets				(Deferred tax liabilities)				Net deferred tax assets / (liabilities)			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Property, plant and equipment and intangible assets (net)	374.37	423.95	288.43	-	-	-	374.37	423.95	288.43			
Employee related provisions and liabilities	58.13	45.83	45.03	-	-	-	58.13	45.83	45.03			
Financial assets at amortised cost	62.20	54.55	53.31	-	-	-	62.20	54.55	53.31			
Financial liabilities at amortised cost	-	-	-	(6.08)	(2.42)	(2.92)	(6.08)	(2.42)	(2.92)			
Share based payment	38.75	33.42	27.20	-	-	-	38.75	33.42	27.20			
Others	8.92	7.89	0.13	-	-	-	8.92	7.89	0.13			
Unabsorbed depreciation	553.16	590.37	516.01	-	-	-	553.16	590.37	516.01			
	1,095.53	1,156.01	930.11	(6.08)	(2.42)	(2.92)	1,089.45	1,153.59	927.19			
Deferred tax liabilities							(6.08)	(2.42)	(2.92)			
Deferred tax assets (to the extent of deferred tax liabilities)							6.08	2.42	2.92			
Deferred tax assets recognised							-	-	-			

* As at 31 March 2018, 31 March 2017 and 1 April 2016, the Company has significant unabsorbed depreciation and carry forward losses. Further, there exists no convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Accordingly, the Company has recognised deferred tax asset to the extent of deferred tax liabilities.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(e) Movement of temporary differences (₹ in millions, except for share data and if otherwise stated)

	As at 1 April 2016	Temporary differences	Unabsorbed depreciation	As at 31 March 2017	Temporary differences	Unabsorbed depreciation	As at 31 March 2018
Property, plant and equipment and intangible assets (net)	288.43	135.52	-	423.95	(49.58)	-	374.37
Provisions	45.03	0.80	-	45.83	12.30	-	58.13
Financial assets at amortised cost	53.31	1.24	-	54.55	7.65	-	62.20
Financial liabilities at amortised cost	(2.92)	0.50	-	(2.42)	(3.66)	-	(6.08)
Share based payment	27.20	6.22	-	33.42	5.33	-	38.75
Others	0.13	7.76	-	7.89	1.03	-	8.92
Unabsorbed depreciation	516.01	-	74.36	590.37	-	(37.21)	553.16
	927.19	152.04	74.36	1,153.59	(26.93)	(37.21)	1,089.45

f. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Gross Amount	Unrecognised Tax Effect	Gross Amount	Unrecognised Tax Effect	Gross Amount	Unrecognised Tax Effect
Unabsorbed depreciation						
Never expire	1,598.37	553.16	1,910.58	590.37	1,669.93	516.01
	1,598.37	553.16	1,910.58	590.37	1,669.93	516.01

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
31. Earnings / (loss) per share (EPS)		
Profit / (Loss) attributable to equity shareholders for calculation of basic and diluted EPS	546.69	(726.21)
Weighted average number of equity shares for the calculation of basic EPS	106,166,666	106,166,666
Effect of dilutive potential equity shares*		
– Employee stock options	1,892,015	1,972,828
Weighted average number of equity shares for calculation of diluted EPS	108,058,681	108,139,494
Basic earnings / (loss) per share (Rs.)	5.15	(6.84)
Diluted earnings / (loss) per share (Rs.)	5.06	(6.84)
Nominal value per shares (Rs.)	10	10

* As at 31 March 2017, the outstanding potential equity shares had an anti-dilutive effect on EPS hence there was no dilution of EPS for the year ended 31 March 2017.

32. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013, with effect from 1 April 2017, with transition date of 1 April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015. Accordingly, the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and the opening Balance Sheet as at 1 April 2016 have been prepared in accordance with Ind AS.

In preparing opening Ind AS Balance Sheet, the Company have adjusted amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), as notified under section 133 of the Companies Act, 2013 ('Previous Indian GAAP') and other relevant provisions for the Companies Act, 2013. An explanation of how the transition from Previous Indian GAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes.

a. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in transition from Previous Indian GAAP to Ind AS

(i) Ind AS optional exemptions

1. Deemed cost for property, plant and equipment and intangible assets

As per Ind AS 101, an entity may elect to use carrying values of all property, plant and equipment and intangible assets as recognised in the financial statement as at the date of transition to Ind AS, measured as per the Previous Indian GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure property, plant and equipment and intangible assets at their Previous Indian GAAP carrying values. Refer to Note 3 and 4.

2. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

C of Ind AS 17 for determining whether a contract or an arrangement existing at the date of transition contains a lease. Ind AS 101 provides the option to make the assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Company has elected to apply this exemption on the basis of facts and circumstances existing as at the transition date.

3. Investment in subsidiaries and joint venture

As per Ind AS 101, if the entity measures its investment in subsidiaries and joint venture at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amount in its opening Ind AS Balance Sheet :

- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its :
 - (i) fair value at the entity's date of transition to Ind AS, in its separate financial statements; or
 - (ii) Previous Indian GAAP carrying amount at that date.

Accordingly, the Company has elected to treat Previous Indian GAAP carrying amount as deemed cost for its investment in equity shares held in the subsidiaries.

Also, the Company has elected to treat Previous Indian GAAP carrying amount as deemed cost for its investment in redeemable preference shares held in RV Enterprizes Pte. Limited on the date of transition to Ind AS.

4. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(ii) Ind AS mandatory exceptions

1. Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' (i.e. 1 April 2016) or 'the end of the comparative period presented in the entity's first Ind AS financial statements' (i.e. 31 March 2017), as the case may be, should be consistent with estimates made for the same date in accordance with the Previous Indian GAAP.

The Company's estimates as at the transition date are consistent with the estimates made as at the same date made under Previous Indian GAAP. Key estimates considered in preparation of financial statements that were not required under the Previous Indian GAAP are listed below.

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried at amortised cost.
- Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

b. Reconciliation between Previous Indian GAAP and Ind AS.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following tables and notes represent the reconciliation from Previous Indian GAAP to Ind AS.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(i) Reconciliation of equity as at 1 April 2016 and 31 March 2017 (₹ in millions, except for share data and if otherwise stated)

	Note	As at 31 March 2017			As at 1 April 2016		
		As per Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS	As per Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Assets							
Non-current assets							
Property, plant and equipment	i	2,775.08	(190.85)	2,584.23	2,772.55	35.85	2,808.40
Capital work-in-progress		57.85	-	57.85	222.55	-	222.55
Intangible assets	i	236.87	(44.55)	192.32	247.59	-	247.59
Intangible assets under development		-	-	-	16.37	-	16.37
Financial assets							
(i) Investments	a and h	1,239.89	(22.79)	1,217.10	1,077.57	(27.57)	1,050.00
(ii) Loans	b and h	413.60	(162.81)	250.79	565.97	(172.88)	393.09
(iii) Other financial assets		1.62	-	1.62	3.19	-	3.19
Income tax assets (net)		78.80	-	78.80	90.42	-	90.42
Other non-current assets	b	31.00	126.14	157.14	15.21	128.72	143.93
Total non-current assets		4,834.71	(294.87)	4,539.85	5,011.42	(35.88)	4,975.54
Current assets							
Inventories	i	272.07	(9.87)	262.20	285.98	(35.85)	250.13
Financial assets							
(i) Trade receivables		247.55	-	247.55	184.35	-	184.35
(ii) Cash and cash equivalents		293.32	-	293.32	403.99	-	403.99
(iii) Bank balances other than cash and cash equivalents, above		1.29	-	1.29	3.15	-	3.15
(iv) Loans	b and h	247.79	(13.72)	234.05	155.08	(3.10)	151.98
(v) Other financial assets		3.57	-	3.57	9.67	-	9.67
Other current assets	b	61.08	25.57	86.65	43.09	24.29	67.38
Total current assets		1,126.67	1.97	1,128.63	1,085.31	(14.66)	1,070.65
Total assets		5,961.38	(292.89)	5,668.48	6,096.73	(50.54)	6,046.19

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	Note	As at 31 March 2017			As at 1 April 2016		
		As per Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS	As per Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Equity and liabilities							
Equity							
Equity share capital		1,061.67	-	1,061.67	1,061.67	-	1,061.67
Other equity		1,783.35	(289.60)	1,493.75	2,247.59	(48.40)	2,199.19
Total equity		2,845.02	(289.60)	2,555.42	3,309.26	(48.40)	3,260.86
Liabilities							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	c	1,375.23	(3.99)	1,371.24	1,403.65	(6.97)	1,396.68
(ii) Other financial liabilities	g and h	4.60	(0.61)	3.99	5.47	3.64	9.11
Provisions		85.70	-	85.70	75.89	-	75.89
Other non-current liabilities	g	-	0.59	0.59	-	0.08	0.08
Total non-current liabilities		1,465.53	(4.01)	1,461.52	1,485.01	(3.25)	1,481.76
Current liabilities							
Financial liabilities							
(i) Trade payables		690.61	-	690.61	602.13	-	602.13
(ii) Other financial liabilities	c, g and h	646.96	0.48	647.43	420.83	1.09	421.92
Other current liabilities	g	296.39	0.27	296.66	263.59	0.02	263.61
Provisions		16.84	-	16.84	15.91	-	15.91
Total current liabilities		1,650.80	0.74	1,651.54	1,302.46	1.11	1,303.57
Total equity and Liabilities		5,961.38	(292.89)	5,668.48	6,096.73	(50.53)	6,046.19

*Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2017

For the year ended 31 March 2017			
Note	Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Income			
	8,074.16	-	8,074.16
Revenue from operations			
Other Income	a, b, g, h and i	37.39	107.89
	70.50		
Total income	8,144.66	37.39	8,182.05
Expenses			
Cost of materials consumed		-	2,424.83
Purchase of stock-in-trade		-	62.65
Employee benefits expense	d and e	17.48	1,417.57
Finance costs	c and g	2.42	163.68
Depreciation and amortisation expense and Impairment (reversal)/ loss	i	298.87	1,082.57
Other expenses	b and i	(22.68)	3,756.96
Total expenses	8,612.17	296.09	8,908.26
Profit /(loss) before tax	(467.51)	(258.70)	(726.21)
Tax expense			
Current tax		-	-
Total tax expense	-	-	-
Profit / (loss) for the year	(467.51)	(258.70)	(726.21)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability /(assets)	c	(2.64)	(2.64)
Income tax relating to above mentioned item		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss	-	(2.64)	(2.64)
Total comprehensive income for the year (net of tax)	(467.51)	(261.34)	(728.85)

*Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

(iii) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

	As at 31 March 2017	As at 1 April 2016
Equity as per Previous Indian GAAP*	2,845.02	3,309.26
Gain on discounting of financial assets / liabilities, net	7.06	9.39
Loss arising on fair value accounting of financial assets/ liabilities	(28.41)	(37.78)
Loss on unwinding of discounting financial assets and liabilities, net	(22.97)	(20.01)
Adjustment for impairment reversal provided under Previous Indian GAAP and impact of reclassification of inventory	(245.27)	-
Adjustment for fair valuation of employee stock options	98.84	78.71
Transfer to Employee stock option outstanding account	(98.84)	(78.71)
Equity under Ind AS	2,555.43	3,260.85

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

(iv) Reconciliation of Statement of Cash flows for the year ended 31 March 2017

	For the year ended 31 March 2017		
	Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Cash flows from operating activities	521.51	14.52	536.03
Cash flows from investing activities	(638.98)	(14.49)	(653.47)
Cash flows from financing activities	6.79	-	6.79
Net increase / (decrease) in cash and cash equivalents during the year	(110.68)	-	(110.65)

*Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

c. Notes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit and loss for the year 31 March 2017:

a. Investments in redeemable preference shares

Under Previous Indian GAAP, investments in redeemable preference shares of subsidiaries were classified as long-term investments and were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, investments which are covered by Ind AS 109, are recorded at fair value through profit and loss. Accordingly, the difference between fair value and carrying value as per Previous Indian GAAP has been adjusted against other equity on transition to Ind AS.

Accordingly, the fair value of such investments was considered as Rs. 184.81 as at 31 March 2017 (1 April 2016: Rs. 114.61) with an adjustment of Rs. 53.01 as at 31 March 2017 (1 April 2016: Rs. 57.79) was made in the carrying value reported under the Previous Indian GAAP, with corresponding adjustment to other equity. Consequently, the other equity decreased by Rs. 53.03 as at 31 March 2017 (Rs. 57.79 as at 1 April 2016). Also, the loss for the year ended 31 March 2017 decreased by Rs. 4.78 on account of net gain on investments carried at fair value through profit or loss.

b. Financial Assets (Loan): Security deposits receivables

Under Previous Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost using effective interest rate method. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as at 31 March 2017 has decreased by Rs. 174.61 (1 April 2016 : Rs. 172.96) with a creation of deferred rent (included in other non-current and current assets) of Rs. 151.71 as at 31 March 2017 (1 April 2016 : Rs. 153.01). The other equity decreased by Rs. 22.90 as at 31 March 2017 and decreased by Rs. 19.95 as at 1 April 2016. The unwinding of security deposit happens by recognition of a notional interest income in profit or loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The loss for the year ended 31 March 2017 has increased by Rs. 2.95 with corresponding decrease in other equity due to amortization of deferred rent by Rs.26.28 (included in rental expenses) and increase in notional income of Rs.23.33 recognised on security deposits (included in other income).

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

c. Transaction cost of borrowings

Ind AS 109 requires transaction cost incurred towards origination of borrowing to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the terms of the borrowings as part of the interest expense by applying the effective interest rate method. Under Previous Indian GAAP, these transactions cost were charged to profit or loss as and when incurred. Accordingly, borrowings (current and non current) are decreased by Rs. 6.97 as at 31 March 2017 and Rs. 9.33 as at 1 April 2016, with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended 31 March 2017 increased by Rs. 2.36 as a result of the additional interest expenses.

d. Employee benefits expense : Remeasurement of post employment benefits plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in Other Comprehensive Income instead of Statement of Profit and Loss. Under Previous Indian GAAP these were forming part of the Statement of Profit and Loss for the year. As a result of this change, the employee benefits expense to the extent of actuarial loss amounting to Rs. 2.64 for the year ended 31 March 2017 has been reduced and the same has been reclassified to Other Comprehensive Income. There is no impact on the other equity as at 1 April 2016.

e. Share-based payments measurements

Under Previous Indian GAAP, the cost of equity settled-share base payments was recognised using intrinsic value method. Under Ind AS, the cost of equity settled share-based payments is recognised based on the fair value of options as at the grant date. The changes does not affect total equity, however there is an increase in loss for the year ended 31 March 2017 by Rs. 20.12.

f. Other comprehensive income

Under Previous Indian GAAP, there was no requirement to disclose any item of profit and loss in other comprehensive income. However, Ind AS requires certain items of profit and loss to be classified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from Statement of Profit and Loss to other comprehensive income.

g. Financial liabilities: Security deposits payable

Under Previous Indian GAAP, interest free security deposits (that are payable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial liabilities are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred income. Consequent to this change the amount of security deposit as at 31 March 2017 has decreased by Rs. 0.87 (1 April 2016 : Rs.0.12) with a creation of deferred income (included in other non-current and current liabilities) of Rs. 0.87 as at 31 March 2017 (1 April 2016 : Rs. 0.11). The other equity increased by Rs. 0.02 as at 31 March 2017 and by Rs. 0.01 as at 1 April 2016. The unwinding of security deposit happens by recognition of a notional interest expense in profit or loss at effective interest rate. The deferred income gets amortised on a straight line basis over the term of the security deposits. The loss for the year ended 31 March 2017 decreased due to amortisation of deferred income by Rs. 0.08 (included in other income) and consequently increased due to increase in notional interest expenses of Rs. 0.06 recognised on security deposits (included in finance costs).

h. Additional investment in subsidiaries/ loan to related parties

The Company has given financial guarantee to Yes bank on behalf of Devyani Food Street Private Limited (subsidiary) for serving of loan. Under Previous Indian GAAP such financial guarantee was not recorded in the books. However

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

under Ind AS such financial guarantee has been fair valued and recorded as financial liability and other investment in subsidiary. Accordingly, financial guarantee liability is recognised by Rs. 3.72 as at 31 March 2017 (1 April 2016: Rs. 7.19) and the investment in subsidiary stands increased by Rs.26.33 as at 31 March 2017 (1 April 2016 Rs. 26.33). The loss for the year ended 31 March 2017 decreased and other equity for the year ended 31 March 2017 increased by Rs. 3.47 due to amortisation of financial guarantee liability (included in other income).

The Company has given loan to Devyani International (Nepal) Private Limited (subsidiary) at interest rate which is lower than the market rate. Under Previous Indian GAAP such loan was recorded at its transaction value. However, under Ind AS such loan has been fair valued and recorded as financial asset and other investment in subsidiary. Accordingly, the investment in subsidiary stands increased by Rs. 3.89 as at 31 March 2017 (1 April 2016 Rs 3.89) and loan to related party (current and non current) decreased by Rs. 1.92 as at 31 March 2017 (1 April 2016: Rs 3.02). The loss for the year ended 31 March 2017 decreased and other equity for the year ended 31 March 2017 increased by Rs. 1.10 due to notional interest (included in other income).

i. Property, plant and equipment and intangible assets

The Company has elected to use carrying values of all its property, plant and equipment and intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the Previous Indian GAAP and use that as its deemed cost as at the date of transition. Accordingly, the impairment which was reversed under the Previous Indian GAAP during the year ended 31 March 2017, has been charged to profit or loss. As a result of this change, the depreciation and impairment for the year ended 31 March 17 has been increased by Rs. 288.09 (Rs.243.54 on property, plant and equipment and Rs. 44.55 on intangible assets) and gain on disposal of property, plant and equipment is increased by Rs.13.12 (loss on disposal of property, plant and equipment was Rs. 8.49 in Previous Indian GAAP for the year ended 31 March 2017).

Under Ind AS 16 - Property, Plant and Equipment, assets that meet the criteria of property, plant and equipment are capitalised. The Company, in accordance with Ind AS 16, has identified certain smallwares that meet the definition of property, plant and equipment, which were earlier classified as inventories in the Previous Indian GAAP. On transition to Ind AS, the Company has capitalised such smallwares amounting to Rs. 14.49 as at 31 March 2017 and Rs. 35.85 as at 1 April 2016. As a result of this capitalisation, depreciation expense for the year ended 31 March 2017 has been increased by Rs. 10.77 and other expenses (consumption of smallware) have been decreased by Rs. 40.47.

j. Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

33. 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 2018 (₹ in millions, except for share data and if otherwise stated)

Particulars	Note	Carrying value			Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2
Financial assets							
Non current							
(i) Investments	6	322.68	-	-	322.68	-	322.68
(ii) Loans	7	-	-	751.57	751.57	-	751.57
(iii) Other financial assets*	8	-	-	20.94	20.94	-	-
Current							
(i) Trade receivables*	11	-	-	292.41	292.41	-	-
(ii) Cash and cash equivalents*	12	-	-	210.67	210.67	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	2.36	2.36	-	-
(iv) Loans	7	-	-	96.13	96.13	-	96.13
(v) Other financial assets*	8	-	-	3.52	3.52	-	-
Total		322.68		1,377.60	1700.28		
Financial liabilities							
Non current							
(i) Borrowings#	16	-	-	1,969.26	1,969.26	-	1,969.26
(ii) Other financial liabilities	17	-	-	12.87	12.87	-	12.87
Current							
(i) Trade payables*	20	-	-	829.35	829.35	-	-
(ii) Other financial liabilities	17	-	-	-	-	-	-
Current portion of long-term borrowings#				544.33	544.33	-	544.33
Cash credit and overdraft facilities from banks*				0.03	0.03	-	-
Security deposits payable				9.09	9.09	-	9.09
Interest accrued but not due on borrowings#				10.26	10.26	-	10.26
Capital creditors*				103.47	103.47	-	-
Total				3,478.66	3,478.66		

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(ii) As on 31 March 2017

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

Particulars	Note	Carrying value			Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2
Financial assets							
Non current							
(i) Investments	6	184.82	-	-	184.82	-	184.82
(ii) Loans	7	-	-	250.79	250.79	-	250.79
(iii) Other financial assets*	8	-	-	1.62	1.62	-	-
Current							
(i) Trade receivables*	11	-	-	247.55	247.55	-	-
(ii) Cash and cash equivalents*	12	-	-	293.32	293.32	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	1.29	1.29	-	-
(iv) Loans	7	-	-	234.05	234.05	-	234.05
(v) Other financial assets*	8	-	-	3.57	3.57	-	-
Total		184.82	-	1,032.19	1,217.01	-	-
Financial liabilities							
Non current							
(i) Borrowings#	16	-	-	1,371.24	1,371.24	-	1,371.24
(ii) Other financial liabilities	17	-	-	3.99	3.99	-	3.99
Current							
(i) Trade payables*	20	-	-	690.61	690.61	-	-
(ii) Other financial liabilities	17	-	-	-	-	-	-
Current portion of long-term borrowings#		-	-	529.72	529.72	-	529.72
Security deposits payable		-	-	8.20	8.20	-	8.20
Interest accrued but not due on borrowings#		-	-	11.93	11.93	-	11.93
Capital creditors*		-	-	94.11	94.11	-	-
Total		-	-	2,709.80	2,709.80	-	-

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(iii) As on 1 April 2016

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

Particulars	Note	Carrying value			Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total	Level 1	Level 2
Financial assets							
Non current							
(i) Investments	6	114.61	-	-	114.61	-	114.61
(ii) Loans	7	-	-	393.09	393.09	-	393.09
(iii) Other financial assets*	8	-	-	3.19	3.19	-	-
Current							
(i) Trade receivables*	11	-	-	184.35	184.35	-	-
(ii) Cash and cash equivalents*	12	-	-	403.99	403.99	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	3.15	3.15	-	-
(iv) Loans	7	-	-	151.98	151.98	-	151.98
(v) Other financial assets*	8	-	-	9.67	9.67	-	-
		114.61		1,149.42	1,264.03		
Financial liabilities							
Non current							
(i) Borrowings#	16	-	-	1,396.68	1,396.68	-	1,396.68
(ii) Other financial liabilities	17	-	-	9.11	9.11	-	9.11
Current							
(i) Trade payables*	20	-	-	602.13	602.13	-	-
(ii) Other financial liabilities	17	-	-	-	-	-	-
Current portion of long-term borrowings#		-	-	337.26	337.26	-	337.26
Security deposits payable		-	-	7.10	7.10	-	7.10
Interest accrued but not due on borrowings#		-	-	8.57	8.57	-	8.57
Capital creditors *		-	-	65.52	65.52	-	-
Total		-	-	2,426.37	2,426.37	-	-

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

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

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

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

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2018 and 31 March 2017.

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

-Fair value of financial instruments using discounted cash flows.

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 at least once every quarter in line with the Company's quarterly reporting periods.

Significant unobservable input

Significant unobservable input used in Level 3 fair values of investments measured at FVTPL is discount rate.

Sensitivity analysis of significant unobservable input

For the fair values of investments measured at FVTPL, reasonably possible change at the reporting date in the discount rate, would have the following effects -

Increase/ (decrease) in other income and other equity (net gain on investment carried at fair value through profit or loss)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount Rate		
(Increase by 1%)	(9.11)	(5.59)
(Decrease by 1%)	9.63	5.83

b. Financial risk management

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

- Credit risk ;
- Liquidity risk ;

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

- 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 Company's risk management policies are established to identify and analyse the risks faced by the Company 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 Company's activities

The Risk management committee 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 2018	As at 31 March 2017	As at 1 April 2016
(i) Loans	847.71	484.84	545.06
(ii) Investments	1,580.40	1,217.10	1,050.00
(iii) Trade receivables	292.41	247.55	184.35
(iv) Cash and cash equivalents	210.67	293.32	403.99
(v) Bank balances other than above	2.36	1.29	3.15
(vi) Other financial assets (current and non-current)	24.46	5.19	12.86

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 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.

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 committee monitors the investment in subsidiaries and loan granted to subsidiaries and it evaluates if any impairment is required. As at year end, Investment 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 investment in The Minor Food Group (India) Private Limited, which is fully impaired. Further Refer to Note 40. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Nepal. Trade receivables also includes receivables from credit card companies which are realisable within fortnightly. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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On adoption of Ind AS 109, 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 (other than receivables from subsidiaries) are in default (credit impaired) if the payments are more than 90 days past due however the Company based upon past trends determine an impairment allowance for loss on receivables 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 Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross Carrying Amount		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not due	146.87	170.09	130.03
1-90 days past due *	23.93	73.79	24.43
91 to 180 days past due	53.92	0.21	11.59
More than 180 days past due #	93.22	28.99	18.72
	317.94	273.08	184.77

* The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior.

The Company based upon past trends determine an impairment allowances for doubtful receivables outstanding for more than 180 days past due.

Movement in the allowance for impairment in respect of trade receivables	For the year ended 31 March 2018	For the year ended 31 March 2017
Balance at the beginning of the year	25.53	0.42
Impairment allowances for doubtful receivables	-	25.11
Balance at the end of the year	25.53	25.53

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2018 and 31 March 2017 is insignificant and hence the same has not been recognised.

(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 another 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 and excluding interest accrued but not due) of Rs. 213.03 (31 March 2017: Rs. 294.61 and 1 April 2016: Rs. 407.14), anticipated future internally generated funds from operations and its fully available, revolving undrawn credit facility of Rs. 303.91 (31 March 2017: Rs. 92.68, 1 April 2016 Rs. 87.63) and other current assets (financial and non financial) of Rs. 816.09 (31 March 2017: Rs. 834.03 and 1 April 2016: Rs.663.51) will enable it to meet its future known obligations in the ordinary course

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of business. While in the previous year the Company had incurred losses , however the Company had a cash inflow from operating activities . In the current year ended 31 March 2018, the Company has earned a cash inflow from operating activities of Rs.1,046.03. Based on the projections, the Company expects to earn cash inflow from operating activities , which can be used to settle liabilities. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at 31 March 2018

Particulars	Carrying amount	Contractual cash flows				Total
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	
Borrowings including current portion	2,513.59	303.80	243.87	1,876.42	102.27	2,526.36
Trade payables	829.35	829.35	-	-	-	829.35
Security deposits payable	21.96	8.19	0.96	12.89	4.54	26.58
Interest accrued but not due on borrowings	10.26	10.26	-	-	-	10.26
Cash credit and overdraft facilities from banks	0.03	0.03	-	-	-	0.03
Capital Creditors	103.47	103.47	-	-	-	103.47
	3,478.66	1,255.10	244.83	1,889.31	106.81	3,496.05

As at 31 March 2017

Particulars	Carrying amount	Contractual cash flows				Total
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	
Borrowings including current portion	1900.96	257.17	275.14	1,315.63	60.00	1,907.94
Trade payables	690.61	690.61	-	-	-	690.61
Security deposits payable	11.93	9.21	-	2.99	0.60	12.80
Interest accrued but not due on borrowings	11.93	11.93	-	-	-	11.93
Capital creditors	94.11	94.11	-	-	-	94.11
	2,709.54	1,063.03	275.14	1,318.62	60.60	2,717.39

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As at 1 April 2016

Particulars	Carrying amount	Contractual cash flows				Total
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	
Borrowings including current portion	1733.94	101.66	207.95	1,373.66	60.00	1,743.27
Trade payables	602.13	602.13	-	-	-	602.13
Security deposits payable	12.49	7.12	0.33	5.17	-	12.62
Interest accrued but not due on borrowings	8.57	8.57	-	-	-	8.57
Capital creditors	65.52	65.52	-	-	-	65.52
	2,422.65	785.00	208.28	1,378.83	60.00	2,432.11

(iii) Market risk

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

Interest rate risk

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

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 2018	As at 31 March 2017	As at 1 April 2016
Indian rupee term loan	1,094.96	387.42	422.70

Variable - rate instruments	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Indian rupee term loan	1,022.26	1,513.54	1,311.24
Foreign currency term loan	396.36	-	-

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 banks (Variable - rate instruments)	Increase by 1%	Increase by 1%
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2018	(10.26)	10.26
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2017	(10.94)	10.94

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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.

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 2018, 31 March 2017 and 1 April 2016 are as below:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
Financial Assets						
Trade receivables	0.39	25.61	0.50	32.25	0.46	30.25
Loans to related party	5.00	455.44	-	-	-	-
Total Financial Assets	5.39	481.05	0.50	32.25	0.46	30.25
Total Financial Liabilities						
Trade payables	0.13	11.87	0.13	10.65	0.13	12.26
Foreign currency loans from banks	6.17	396.36	-	-	-	-
Total Financial Liabilities	6.30	408.23	0.13	10.65	0.13	12.26

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at 31 March 2018 (previous year ending as on 31 March 2017) would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss and other equity by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss for the year ended 31 March 2018		Profit or Loss for the year ended 31 March 2017	
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	3.71	(3.71)	(0.32)	0.32
GBP	(4.44)	4.44	0.11	(0.11)

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

34. Operating leases

- The Company has taken various premises on operating lease for running its Restaurants and Restaurant Support Centre (RSC). The lease term is generally for 3-10 years and are extendable by mutual consent on expiry of the lease. The leases generally have a lock-in-period and are cancellable in nature at the option of the lessee thereafter. The lease agreements have an escalation clause, which is in line with General inflation rate and Small consumer price index.
- During the year, lease payments under operating leases amounting to Rs. 1,280.81 (previous year Rs. 1,297.56) have been recognised as an expense in the Statement of Profit and Loss. Further, rent paid for new stores, during the construction period amounting Rs. 1.28 (previous year Rs. 0.43) has been capitalised as part of

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leasehold improvements. In certain operating lease agreements, the Company is required to pay a contingent rent, which is computed as a fixed percentage of the revenue earned from that particular store. During the year, the Company has paid Rs. 125.94 (previous year Rs. 197.66) on account of such contingent rent as a fixed percentage of actual sales.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payable within one year	825.43	826.33	837.30
Payable between one and five years	3,428.18	3,028.53	3,210.86
Payable after five years	1,884.90	2,293.26	2,816.86
Total	6,138.51	6,148.12	6,865.02

35. Related party disclosures

(I) List of related parties and nature of relationship where control exists:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited (Refer to Note 14 (d))

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

Devyani International (Nigeria) Limited (Subsidiary of R V Enterprizes Pte. Limited)

(d) Joint Venture

The Minor Food Group (India) Private Limited

(II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited (Incorporated on 4 April 2017)

(c) Subsidiaries:

RV Enterprises Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

(d) Joint Venture

The Minor Food Group (India) Private Limited

(e) Key management personnel:

Mr. Raj. P. Gandhi- Director

Mr. Virag Joshi- Chief Executive Officer and Whole Time Director

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Mr. Arjun Dass Verma - Chief Financial Officer and Whole Time Director (till 8 December 2016)

Mr. Sanjay Kumar Sareen- Chief Financial Officer (8 December 2016 till 3 August 2017)

Mr. Som Nath Chopra- Chief Financial Officer and Additional Director (with effect from 9 August 2017)

Mr. Girish Ahuja- Independent Director (till 17 March 2018)

Mr. Ravindra Dhariwal- Independent Director (till 17 March 2018)

Mr. Lalit Yadav - Company Secretary (with effect from 4 December 2017)

Mr. Ravi Kant Jaipuria - Director

(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

(III) Transactions with related parties during the year ended 31 March 2018 and 31 March 2017

	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Sale of products Finished goods		
Devyani Food Street Private Limited	10.02	2.05
Lineage Healthcare Limited	0.17	0.22
Modern Montessori International (India) Private Limited	2.30	1.73
Champa Devi Jaipuria Charitable Trust	41.84	26.18
RJ Corp Limited	0.44	-
Alisha Retail Private Limited	12.70	7.67
Devyani Food Industries Limited	39.27	7.69
Varun Beverages Limited	3.13	-
Mala Jaipuria Foundation	1.17	1.55
(ii) Sale of products Traded goods		
Devyani Food Street Private Limited	55.31	48.92
Devyani International (Nepal) Private Limited	25.96	18.68
Devyani Airport Services (Mumbai) Private Limited	2.18	8.57
Champa Devi Jaipuria Charitable Trust	0.57	-
RJ Corp Limited	0.12	-
Alisha Retail Private Limited	0.05	-
Varun Beverages Limited	0.48	-
Lineage Healthcare Limited	0.03	-

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	For the year ended 31 March 2018	For the year ended 31 March 2017
(iii) Marketing and other support services (Other operating revenue)		
Devyani Food Street Private Limited	-	8.39
Devyani Airport Services (Mumbai) Private Limited	0.26	2.84
The Minor Food Group (India) Private Limited	-	0.50
Devyani Food Industries Limited	7.50	7.50
Lineage Healthcare Limited	0.07	0.08
Champa Devi Jaipuria Charitable Trust	0.87	4.28
(iv) Sale of services Management fee - (Other operating revenue)		
Devyani International (Nepal) Private Limited	6.00	3.80
Devyani Food Street Private Limited	49.59	44.29
(v) Sale of property, plant and equipment		
Devyani Food Street Private Limited	4.58	1.48
Devyani International (Nepal) Private Limited	1.56	0.61
Devyani Airport Services (Mumbai) Private Limited	-	0.04
Alisha Retail Private Limited	0.15	-
Diagno Labs Private Limited	1.28	-
Champa Devi Jaipuria Charitable Trust	-	1.58
(vi) Purchase of raw materials		
Varun Beverages Limited	111.66	114.55
Devyani Food Industries Limited	3.74	7.82
Alisha Retail Private Limited	0.51	2.71
(vii) Purchase of property, plant and equipment		
RJ Corp Limited	-	0.15
Devyani Airport Services (Mumbai) Private Limited	-	0.79
Devyani Food Industries Limited	-	1.49
Alisha Retail Private Limited	0.21	-
(viii) Loan given		
Devyani Food Street Private Limited	20.00	-
Devyani International (UK) Private Limited	455.44	-
(ix) Loan and interest recovered		
Devyani Food Street Private Limited	105.00	31.90
Devyani Airport Services (Mumbai) Private Limited	68.18	35.09
Devyani International (Nepal) Private Limited	6.67	-
(x) Payment to gratuity trust		
DIL Employee Gratuity Trust	25.00	10.06
(xi) Expenses incurred by other company on behalf of the company		
Devyani Food Street Private Limited	0.04	-
RJ Corp Limited	-	0.74
Varun Beverages Limited	0.62	0.99

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
(xii) Expenses incurred on behalf of other company		
Devyani Food Street Private Limited	0.99	6.21
Devyani Airport Services (Mumbai) Private Limited	0.02	0.14
Devyani International (Nepal) Private Limited	-	0.04
Devyani Food Industries Limited	-	0.08
(xiii) Rent expense		
RJ Corp Limited	-	19.22
S V S India Private Limited	0.06	0.06
(xiv) Rental income		
The Minor Food Group (India) Private Limited	1.28	1.04
Devyani Airport Services (Mumbai) Private Limited	-	2.88
Alisha Retail Private Limited	5.48	1.50
Devyani Food Street Private Limited	2.40	-
(xv) Dividend income		
Devyani Food Street Private Limited	0.02	-
Devyani International (Nepal) Private Limited	0.66	-
(xvi) Guarantee commission		
Devyani Food Street Private Limited	4.95	-
Devyani International (UK) Private Limited	0.58	-
(xvii) Repairs and maintenance		
Varun Beverages Limited	-	0.59
(xviii) Royalty and Continuing fee		
Devyani Food Street Private Limited	14.63	9.70
Devyani Airport Services (Mumbai) Private Limited	5.20	6.83
(xix) Interest income		
Devyani International (Nepal) Private Limited	0.96	1.10
Devyani Airport Services (Mumbai) Private Limited	2.90	10.64
Devyani Food Street Private Limited	1.38	14.71
Devyani International (UK) Private Limited	0.99	-
(xx) Investment in preference shares		
Devyani Airport Services (Mumbai) Private Limited	108.48	65.43
Devyani International (Nepal) Private Limited	25.00	-
RV Enterprizes Pte. Limited	9.95	68.91
(xxi) Investment in equity shares		
The Minor Food Group (India) Private Limited	-	27.98
Devyani International (UK) Private Limited	287.82	-
(xxii) Redemption of investment in preference shares		
Devyani Food Street Private Limited	20.00	-

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	For the year ended 31 March 2018	For the year ended 31 March 2017
(xxiii) Compensation to key managerial personnel		
Short-term employment benefits	24.15	21.88
Post-employment benefits	1.17	0.93
Other long-term benefits	-	-
Share- based payments	2.48	3.29

The above remuneration to Key managerial personnel does not include contribution to gratuity fund , as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

(xxiv) Director's Sitting Fee

Mr. Girish Ahuja	0.60	0.50
Mr. Ravindra Dhariwal	0.60	0.70

(IV) Balances as at 31 March 2018, 31 March 2017 and 1 April 2016:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Payables			
RJ Corp Limited	-	-	0.01
Varun Beverages Limited	-	19.15	-
Alisha Retail Private Limited	-	-	0.57
Devyani Food Industries Limited	-	-	0.67
Employee related payable	1.32	1.03	0.96
(ii) Trade receivables			
Devyani International (Nepal) Private Limited	37.61	13.59	18.62
Devyani Food Street Private Limited	75.77	69.28	37.97
Devyani Airport Services (Mumbai) Private Limited	33.09	33.33	18.12
The Minor Food Group (India) Private Limited	0.14	0.63	0.31
Alisha Retail Private Limited	3.92	3.54	-
Devyani Food Industries Limited	6.42	0.30	-
Modern Montessori International (India) Private Limited	0.16	0.80	0.01
Champa Devi Jaipuria Charitable Trust	10.76	8.90	7.63
Lineage Healthcare Limited	0.08	-	0.06
Mala Jaipuria Foundation	0.65	0.84	0.62
RJ Corp Limited	0.65	-	-
Diagno Labs Private Limited	1.51	-	-
(iii) Other financial assets - Other receivable			
Devyani Airport Services (Mumbai) Private Limited	-	-	7.53
Devyani Food Street Private Limited	1.29	-	-
Devyani International (UK) Private Limited	0.58	-	-

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Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(iv) Loans and advances			
Devyani Food Street Private Limited	20.00	105.00	136.90
Devyani International (Nepal) Private Limited	13.33	18.08	16.98
Devyani Airport Services (Mumbai) Private Limited	-	66.29	101.38
Devyani International (UK) Private Limited	455.44	-	-
(v) Other financial assets - Interest accrued on loan			
Devyani International (Nepal) Private Limited	0.42	1.10	1.17
Devyani Airport Services (Mumbai) Private Limited	-	1.89	-
Devyani International (UK) Private Limited	0.99	-	-
(vi) Other assets -Advance to Supplier			
Varun Beverages Limited	6.81	-	0.58
RJ Corp Limited	-	-	0.11
(vii) Guarantees/security given by the Company on behalf of other party			
Devyani Food Street Private Limited##	180.00	180.00	180.00
RJ Corp Limited*	0.20	0.20	0.20
Devyani International (UK) Private Limited@@	117.34	-	-
## The Company has given guarantee to Yes Bank Limited with a limit of Rs. 180.00 (31 March 2017 : Rs. 180 and on 1 April 2016: Rs. 180) in respect of borrowings of Devyani Food Street Private Limited.			
* The Company has given guarantee to various sales tax authorities with a total limit of Rs. 0.20 (31 March 2017 Rs. 0.20 and on 1 April 2016 Rs 0.20)on behalf of RJ Corp Limited.			
@@ The Company has given stand by guarantee to Axis Bank Limited with a limit of GBP 1.32 (31 March 2017: Nil and on 1 April 2016 : Nil) in respect of rent payable to landlord of Devyani International (UK) Private Limited.			
(viii) Guarantees/security given by the other party on behalf of the company			
Ravi Kant Jaipuria^	46.41	83.02	119.25
^ Ravi Kant jaipuria has given perosnal gurranty to Yes Bank in respect of term loan of Rs. 150 (31 March 2017 - Rs. 150 and 1 April 2016 -Rs.150) taken during the year 2015			

(V) Terms and Conditions

All trasactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business Outstanding balances at year end are unsecured and settlement occurs in cash.

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Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
36. Contingent liabilities and commitments			
(to the extent not provided for)			
(a) Claims against the Company not acknowledged as debts-: #			
-Claims made by Sales tax authorities	12.70	27.60	12.70
-Claims made by Service tax authorities	6.36	6.36	6.36
- Claims made by Income tax authorities	6.57	1.99	1.99
- Others [Net of counter claim filed by the Company amounting to Rs. Nil (31 March 2017: Rs. Nil, and 1 April 2016: Rs. Nil)]	28.24	34.63	26.86
(b) Others for which the Company is contingently liable #			
- Liability in respect of statutory bonus for the year ended 31 March 2015	7.45	7.45	7.45
Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 30.14 as at 31 March 2018 (31 March 2017: Rs. 31.00 and 1 April 2016: Rs. 15.21)	51.32	14.85	140.93

Note:

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 the financial statement and hence no provision has been set up against these legal proceedings. 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.

37. Employee benefits

Defined contribution plans

An amount of Rs. 76.80 (previous year: Rs. 85.13) has been recognised as an expense in respect of the Company's contribution to Employee's Provident Fund and other funds deposited with the relevant authorities and has been charged to the Statement of Profit and Loss.

Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment 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 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.

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The Company has defined that, in accordance with the terms and conditions of the aforesaid plan and in accordance with statutory requirements (including minimum funding requirements) of the plan of relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less than total present value of obligations.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - Employee Benefits for back office employees

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of obligation as at beginning of the year	14.02	10.14
Acquisition adjustment	-	(2.08)
Interest cost	1.03	0.81
Current service cost	3.32	2.25
Benefits paid	(10.97)	(6.88)
Actuarial (Gain)/Loss recognised in other comprehensive income	-	-
-changes in demographic assumption	0.51	0.62
-changes in financial assumption	5.34	1.06
-experience adjustment	14.71	8.10
Present value of obligation as at end of year	27.96	14.02

ii. Reconciliation of the present value of plan assets :

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	4.39	5.00
Return on plan assets recognised in other comprehensive income	0.56	0.46
Fund Charges	(0.04)	(0.03)
Contribution paid into the plan	12.50	5.06
Benefits paid	(10.75)	(6.10)
Balance at the end of the year	6.66	4.39
Net defined benefit liability/ (asset)	21.30	9.63

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 2018	31 March 2017	1 April 2016
Discounting rate	7.08%	7.35%	8.00%
Future salary increase	8.00%	6.00%	6.00%

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B. Demographic assumptions

Particulars	31 March 2018	31 March 2017	1 April 2016
i) Retirement age (years)	58	58	58
ii) Mortality table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)
iii) Ages	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)
Up to 30 years	43	29	10
From 31 to 44 years	25	9	4
Above 44 years	21	2	0

Assumption regarding future mortality have been based on published statistics and mortality tables

iv. (a) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee benefit expenses:		
(a) Current service cost	3.32	2.25
(b) Interest cost	1.03	0.81
(c) Interest income on plan assets	(0.32)	(0.40)
	<u>4.03</u>	<u>2.66</u>
(b) Remeasurements recognised in other comprehensive income		
Actuarial gain/(loss) on defined benefit obligation	(20.35)	(9.74)
	<u>(20.35)</u>	<u>(9.74)</u>
Expense recognised in the Statement of Profit and Loss	<u>24.38</u>	<u>12.40</u>

v. Reconciliation statement of expense in the Statement of Profit and Loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of obligation as at the end of the year	27.96	14.03
Present value of obligation as at the beginning of the year	(14.03)	(10.15)
Benefits paid	10.97	6.88
Actual return on plan assets	(0.52)	(0.43)
Acquisition adjustment	-	2.07
Expenses recognised in the statement of Profit or Loss	<u>24.38</u>	<u>12.40</u>

vi. Change in fair value of plan assets:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening fair value of plan assets	4.39	5.00
Actual return on plan assets	0.56	0.46
Fund Charges	(0.04)	(0.03)
Contribution by employer	12.50	5.06
Benefits paid	(10.75)	(6.10)
Fair value of plan assets as at year end	<u>6.66</u>	<u>4.39</u>

The Company expects to contribute Rs. 4.81 (previous year Rs. 3.42) to gratuity in the next year.

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

Particulars	Less than a year	Between one to two years	Between two to five years	Over 5 years
31-Mar-18	5.65	0.39	5.73	16.19
31-Mar-17	1.30	0.23	0.93	11.56

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current liability (amount due within one year)	4.30	1.30	1.64
Non-current liability (amount due over one year)	17.00	8.33	3.50
	21.30	9.63	5.14

ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2018	As at 31 March 2017
a) Impact due to increase of 1%	(0.92)	(1.20)
b) Impact due to decrease of 1%	0.99	1.39

Impact of the change in Salary on defined benefit obligation

Particulars	As at 31 March 2018	As at 31 March 2017
a) Impact due to increase of 1%	0.97	1.40
b) Impact due to decrease of 1%	(0.92)	(1.22)

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 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 expected to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in discount yield will increase plan liabilities

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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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.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - Employee Benefits of store employees

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of obligation as at beginning of the year	52.65	52.48
Acquisition adjustment	-	-
Interest cost	3.87	4.20
Current service cost	8.06	9.87
Benefits paid	(8.99)	(6.81)
Actuarial (Gain)/Loss recognised in other comprehensive income		
-changes in demographic assumption	0.02	(2.22)
-changes in financial assumption	14.80	3.19
-experience adjustment	(21.98)	(8.06)
Present value of obligation as at end of year	48.43	52.65

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	6.20	5.00
Return on plan assets recognised in other comprehensive income	0.56	0.47
Fund Charges	(0.04)	(0.03)
Contribution paid into the plan	12.50	5.00
Benefits paid	(5.96)	(4.24)
Balance at the end of the year	13.26	6.20
Net defined benefit liability/ (asset)	35.17	46.45

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 account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows

Particulars	31 March 2018	31 March 2017	1 April 2016
Discounting rate	6.84%	7.35%	8.00%
Future salary increase	8.00%	6.00%	6.00%

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B. Demographic assumptions

Particulars	31 March 2018	31 March 2017	1 April 2016
i) Retirement age (years)	58	58	58
ii) Mortality table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)
iii) Ages	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)
Up to 30 years	50	40	30
From 31 to 44 years	37	5	6
Above 44 years	30	0	1

Assumption regarding future mortality have been based on published statistics and mortality tables

iv. (a) Expense recognised in profit or loss:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee benefit expenses:		
(a) Current service cost	8.06	9.87
(b) Interest cost	3.87	4.20
(c) Interest income on plan assets	(0.47)	(0.41)
	<u>11.46</u>	<u>13.66</u>
(b) Remeasurements recognised in other comprehensive income		
Actuarial gain/(loss) on defined benefit obligation	7.22	7.10
	<u>7.22</u>	<u>7.10</u>
Expense recognised in the Statement of Profit and Loss	<u>4.24</u>	<u>6.56</u>

v. Reconciliation statement of expense in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of obligation as at the end of the year	48.43	52.65
Present value of obligation as at the beginning of the year	(52.66)	(52.48)
Benefits paid	8.99	6.82
Actual return on plan assets	(0.52)	(0.43)
Acquisition adjustment	-	-
Expenses recognised in the statement of Profit and Loss	<u>4.24</u>	<u>6.56</u>

vi. Change in fair value of plan assets:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening fair value of plan assets	6.22	5.00
Actual return on plan assets	0.56	0.47
Fund Charges	(0.04)	(0.03)
Contribution by employer	12.50	5.00

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Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Benefits paid	(5.97)	(4.22)
Fair value of plan assets as at year end	13.27	6.22

The Company expects to contribute Rs. 9.50 (previous year Rs.14.72) 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 5 years
31-Mar-18	15.56	2.19	2.19	29.98
31-Mar-17	6.60	2.87	2.87	29.98

viii. Bifurcation of defined benefit obligation at the end of year

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current liability (amount due within one year)	11.30	6.60	7.08
Non-current liability (amount due over one year)	23.87	39.85	40.40
	35.17	46.45	47.48

ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2018	As at 31 March 2017
a) Impact due to increase of 1%	(1.04)	(4.97)
b) Impact due to decrease of 1%	1.10	5.46

Impact of the change in Salary on defined benefit obligation

Particulars	As at 31 March 2018	As at 31 March 2017
a) Impact due to increase of 1%	1.08	5.51
b) Impact due to decrease of 1%	(1.04)	(5.06)

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 Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the

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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 expected to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in 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.

38. 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, 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.

Segment wise information for the year ended 31 March 2018 and 31 March 2017 are as follows:

Information about geographical area - Income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Food and Beverage Segment		
- (i) Domestic	8,774.25	8,051.67
‘(ii) International	31.91	22.49
b. Other Income	192.13	107.89
Total	8998.29	8182.05

No single external customer amounts to 10% or more of the Company’s revenue. Accordingly, information about major customer is not provided.

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 of property, plant and equipment which are located in India.

39. Share based payments

a. Description of share based payment arrangements

i. Share Options Scheme (equity settled)

To align the interest of employees with those of stock holders, Devyani International Limited, has formulated Employee Stock Options Scheme (‘ESOS 2011’) with the objective to enable the Company to Grant Options for equity shares

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of the Company to key management personnel and senior employees of the Company and subsidiaries ('Grantee') to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. The ESOS 2011 was approved by the Board of Directors on 20 September 2011 and by the shareholders on 20 December 2011. The scheme was amended subsequently and amendment was approved by shareholders on 18 May 2012. The resolution provides that options so granted, shall not represent more than 49,00,000 shares of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year , equal to or exceeding 1% of the issued capital of the Company. In accordance with the terms of the said scheme, Vesting will occur only after filling of Red Herring Prospectus (RHP) by the Company for the purpose of Initial public offer ("IPO"). The vesting will occur as per the following Vesting Schedule:

Period of Vesting of Options	% of Options that shall vest
First Vest: On the 1st day of January in the calendar year succeeding the calendar year of the Grant of the Option or IPO whichever is later.	25%
Second Vest: On the 1st day of January in the calendar year succeeding the calendar year of the First Vest or IPO whichever is later.	25%
Third Vest: On the 1st day of January in the calendar year succeeding the calendar year of the Second Vest or IPO whichever is later.	25%
Fourth Vest: On the 1st day of January in the calendar year succeeding the calendar year of the Third Vest or IPO whichever is later.	25%

After Vesting, each Grantee shall have a period of 5 years for the exercising the respective Options so vested. All exercised options shall be settled by physical delivery of shares. As per the scheme, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs. 111.70, which is 19.27% above the market price at the date of grant, i.e. 19 May 2012. The exercise price so calculated is based upon the last three years financial position of the Company and is not less than the issues price to the private equity investor(s) discounted by a percentage upto 20%. Under any circumstances, the exercise price shall not be lower than the break up value of the share. In the event, Grantee ceases to be an employee of the Company, then Unvested Options held by the Grantee shall forthwith lapse.

A resolution was passed in the Board of Directors meeting held on 6 May 2014 wherein, certain additional options were granted at the same terms and conditions as mentioned in the ESOS 2011. Holders of such vested options are entitled to purchase one equity share for every option at an exercise price of Rs 111.70, which is lower than the market price as on the date of the grant. The options were granted on the dates as mentioned in the table below:

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S. No	Grant Date	Number of Options	Exercise Price (Rs.)	Vesting Condition	Vesting Period	Contractual Period
1	19 May 2012	20,88,200	111.70	Graded vesting over 4 years or after the filling of Red Herring Prospectus by the Company for the purpose of IPO, whichever is later.	31 March 2020 (Previous year: 31 December 2017)*	2 years to 7 years
2	31 May 2014	3,00,000	111.70	Graded vesting over 4 years or after the filling of Red Herring Prospectus by the Company for the purpose of IPO, whichever is later.	31 March 2020 (Previous year: 31 December 2017)*	2 years to 7 years

*During the year ended 31 March 2018, the expected date of RHP filing has changed from 31 December, 2017 to 31 March 2020.

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton formula. 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 19 May 2012	Options granted on 31 May 2014
Fair value at grant date	Rs. 123.17 per option	Rs. 56.58 per option
Share price at grant date	Rs. 151.07	Rs. 93.21
Exercise price	Rs. 111.70	Rs. 111.70
Expected volatility (weighted average)	64.20%	43.03%
Expected life (weighted average)	3.59 years	3.43 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (based on government bonds)	9.00%	8.51%

The risk free interest rates are determined based on current yield to maturity of Government Bonds with similar residual maturity. Expected volatility calculation is based on historical daily closing stock prices of competitors/ Company using standard deviation of daily change in stock price. The maximum 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 the average sum of maximum life and minimum life and may not necessarily indicative of exercise patterns that may occur.

c. Effect of employee stock options on the profit or loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee stock option scheme expense	1.44	23.41
	<u>1.44</u>	<u>23.41</u>

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d. Reconciliation of outstanding share options

The number and weight-average exercise prices of share options under the share option schemes were as follows:

	As at 31 March 2018		As at 31 March 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	1,911,500	111.70	1,990,700	111.70
Less: Exercised during the year	-	-		
Less: Forfeited / Lapsed during the year	76,000	111.70	79,200	111.70
Balance at the end of the year	1,835,500	111.70	1,911,500	111.70
Exercisable at the end of the year	-	-	-	-
Particulars		As at 31 March 2018		As at 31 March 2017
Weighted average remaining contractual life of options outstanding at the end of period (in years)		7.00		5.75

40. Assessment of Investment in Subsidiary Company

The Company holds 74% of equity share capital and 76% preference share capital of RV Enterprises Pte. Limited (herein after referred to as subsidiary company). The carrying value of investment as at the year end is Rs. 652.15 (previous year Rs. 642.21). The subsidiary company is a special purpose vehicle, which has invested the funds in Devyani International (Nigeria) Limited (a step down subsidiary) through investment in equity shares and grant of loans of USD 0.95 and USD 13.78, respectively.

During the current and previous years, the step down subsidiary has incurred significant losses. Basis this, management of the subsidiary company had impaired the equity investment made in the step down subsidiary in an earlier period. However, the subsidiary company has not impaired the loan as at 31 March 2018, and the recoverability of the loan has been qualified by the auditor of the subsidiary company. Further, no impairment loss of Property, Plant and Equipment has been set-up in the books of the step down subsidiary. Management of the Company, based on cash flow projections of the step down subsidiary has not recognised any impairment loss on the investment made in its subsidiary.

41. Capitalisation of pre-operative expenses

The Company has commenced operation of some quick service restaurants during the current year ended 31 March 2018. Incidental expenditure on commissioning of the projects up to the date of commercial operation has been apportioned to certain property, plant and equipment on reasonable basis. Details of pre-operative expenditure capitalised is as under :-

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee benefit expenses	23.48	18.25
Other Expenses (other expenses mainly includes Rent and Legal and professional expenses)	15.39	14.25
	38.87	32.50

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42. Impairment of asset

In accordance with Ind AS 36 "Impairment of Assets", the Company has identified individual stores as a separate cash generating unit 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. Due to higher operating cost and decline in projected sales growth, certain stores have been impaired in the current year and in the previous year. Based on the results of impairment testing for these stores in the current year, the assets value of these stores aggregating Rs. 196.09 (net of opening provision for impairment of Rs. 81.07) have been reduced to the recoverable amount of these stores aggregating Rs. 61.93 by way of impairment charge of Rs. 134.16. Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 5% - 20% and salary growth rate of 8% consistently, over balance useful life of plant and machinery being the principle asset, discounted at rate of 12.63 % p.a.

Moreover, the impairment reversal of Rs. 302.12 is primarily on account of stores where the recoverable value has exceeded the written down value (after considering impairment charge recorded in previous years) and in respect of stores which have been closed during the year.

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 change on change in these assumptions by 1%. All other factors remaining constant.

Increase/ (Decrease) in Impairment loss	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount Rate		
(Increase by 1%)	7.47	8.94
(Decrease by 1%)	(7.76)	(9.27)
Sales Growth Rate		
(Increase by 1%)	(32.17)	(57.18)
(Decrease by 1%)	45.68	55.27
Salary Growth Rate		
(Increase by 1%)	13.21	17.98
(Decrease by 1%)	(11.67)	(17.41)

43. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents 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 financial statements, particularly on the amount of tax expense and that of provision for taxation.

44. Capital management

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen

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events on cash flows.

The Board of Directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments.

For the purpose of the Company's capital management, capital includes issued share capital, securities premium reserve and all other reserves. Debt includes, Indian rupee term loans and foreign currency term loans.

During the financial year ended 31 March 2018, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

Debt Equity Ratio:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current borrowings	1,969.26	1,371.24	1,396.68
Current portion of long-term borrowings	544.33	529.72	337.26
Total Debt (A)	2,513.59	1,900.96	1,733.94
Equity share capital	1,061.67	1,061.67	1,061.67
Other equity	2,030.04	1,493.75	2,199.19
Total Equity (B)	3,091.71	2,555.42	3,260.86
Debt equity ratio (C= A/B)	81.30%	74.39%	53.17%

45. Business Combination

Acquisition of business

On 01 April 2017, the Company acquired five KFC stores from Hyson Restaurants Private Limited ("Hyson") on slump sale basis for an estimated purchase consideration of Rs. 107.50. Hyson is a prominent player in the restaurant business and the Company has acquired stores from Hyson in order to expand its operations in Kerala.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Assets

Property, plant and equipment (Refer to Note 3)	79.16
Intangible assets (Refer to Note 4)	13.32
Inventories	1.80
Other assets	13.22
	<u>107.50</u>

Liabilities

	-
	-
Total identifiable net assets as fair value	107.50
Purchase consideration transferred in cash	<u>107.50</u>

Transaction cost of Rs. 0.14 have been expensed and are included in Other expenses in the Statement of Profit and loss and are part of the operating cash flows in the Statement of Cash Flows.

For the year ended 31 March 2018, acquired stores under business combination contributed revenue of Rs. 122.04

DEVYANI INTERNATIONAL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

and loss of Rs. 13.06 to the Company's profit or loss.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

For APAS & CO.
Chartered Accountants
ICAI Firm registration
No.: 000340C

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

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 21st September 2018

Som Chopra
Chief Financial Officer

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

INDEPENDENT AUDITORS' REPORT

To the members of **Devyani International Limited**

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Devyani International Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

Management’s Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its joint venture, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors and APAS & Co., Chartered Accountants in terms of their reports referred to in paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors and APAS & Co., Chartered Accountants on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The comparative financial information of the Group and its joint venture for the year ended 31 March 2017 and the transition date opening Balance Sheet as at 01 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by B S R & Co. LLP, Chartered Accountants (one of the joint auditors) and O.P. Bagla & Co., Chartered Accountants (predecessor joint auditors), whose report for the year ended 31 March 2017 and 31 March 2016 dated 09 August 2017 and 19 August 2016 respectively, expressed a modified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group and its joint venture on transition to the Ind AS, which have been audited by us.
2. The financial statements of two subsidiaries, which are located in India, whose financial statements reflect total assets of Rs. 833.70 million as at 31 March 2018, total revenues of Rs. 1,511.21 million and net cash inflows amounting to Rs. 9.82 million for the year ended on that date, as considered in the consolidated Ind AS financial statements, have been audited by APAS & Co., Chartered Accountants. The consolidated

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Ind AS financial statements also include the Group's share of net loss of Rs. 17.50 million for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements have been audited by other auditor. The audit reports on these financial statements have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint venture is based solely on the corresponding reports of auditors of such companies.

The financial statements and other financial information of four subsidiaries (including one step down subsidiary), which are located outside India, 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 financial statements of these subsidiaries reflect total assets of Rs. 2,466.03 million as at 31 March 2018, total revenues of Rs. 1,044.19 million and net cash inflows amounting to Rs 147.70 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The 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. These conversion adjustments made by the Company's management, have been audited by other auditor. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Company and audit report issued thereon by the other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and APAS & Co., Chartered Accountants.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors and APAS & Co., Chartered Accountants on separate financial statements and the other financial information of subsidiaries and joint venture, as noted in the Other Matters paragraph above, 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors and APAS & Co., Chartered Accountants;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

statutory auditors of its subsidiary companies and joint venture, incorporated in India, none of the directors of the Group companies and its joint venture, incorporated in India, is disqualified as on 31 March 2018 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, its subsidiary companies and joint venture, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”; 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 Auditor’s) Rules, 2014, 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 other auditors and APAS & Co., Chartered Accountants on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the Other Matters paragraph above:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture. Refer Note 37 to the consolidated Ind AS financial statements;
 - ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture incorporated in India during the year ended 31 March 2018; and
 - iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209

Place: Gurugram
Date: 21 September 2018

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 September 2018

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Devyani International Limited for the year ended 31 March 2018

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

In conjunction with our audit of the consolidated Ind AS financial statements of Devyani International Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to the consolidated Ind AS financial statements of the Holding Company, its subsidiaries and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to the consolidated Ind AS financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated Ind AS financial statements of the Holding Company, its subsidiaries and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 the consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors and APAS & Co., Chartered Accountants 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 Holding Company's internal financial controls system with reference to the consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with reference to the consolidated Ind AS financial statements

A company's internal financial control with reference to the consolidated Ind AS 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

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

internal financial control with reference to the consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the consolidated Ind AS financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors and APAS & Co., Chartered Accountants referred to in the Other Matters paragraph below, the Holding Company, its subsidiaries and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the consolidated Ind AS financial statements and such internal financial controls with reference to the consolidated Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to the consolidated Ind AS financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated Ind AS financial statements in so far as it relates to two subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the APAS & Co., Chartered Accountants and other auditors respectively, being auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

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

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 21 September 2018

Place: Gurugram
Date: 21 September 2018

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

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

Particulars	Notes	As At 31 March 2018	As At 31 March 2017	As At 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	3,964.56	3,575.20	4,391.10
Capital work-in-progress	5	563.90	151.15	362.86
Goodwill	4	206.17	206.17	206.17
Other intangible assets	4	281.99	240.85	322.07
Intangible assets under development	5	-	-	16.38
Equity accounted investees	6	-	42.50	25.52
Financial assets				
(i) Loans	7	399.43	284.39	289.63
(ii) Other financial assets	8	43.09	19.70	18.56
Deferred tax assets (net)	31	30.81	-	-
Income tax assets (net)	31	102.06	87.78	97.21
Other non-current assets	9	248.65	233.59	232.18
Total non-current assets		5,840.66	4,841.33	5,961.68
Current assets				
Inventories	10	446.32	339.31	347.77
Financial assets				
(i) Trade receivables	11	184.05	178.01	151.35
(ii) Cash and cash equivalents	12	443.03	371.33	459.63
(iii) Bank balances other than cash and cash equivalents,	13	4.70	3.52	4.60
(iv) Loans	7	59.45	78.72	79.42
(v) Other financial assets	8	1.37	1.89	2.24
Other current assets	9	300.38	145.08	155.36
Total current assets		1,439.30	1,117.86	1,200.37
Total assets		7,279.96	5,959.19	7,162.05
Equity and liabilities				
Equity				
Equity share capital	14	1,061.67	1,061.67	1,061.67
Other equity	15	329.69	(190.07)	737.43
Equity attributable to owners of the Company		1,391.36	871.60	1,799.10
Non-controlling interests	46	(336.19)	(202.75)	-
Total equity		1,055.17	668.85	1,799.10
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16	2,718.95	2,107.59	2,396.51
(ii) Other financial liabilities	18	28.06	7.06	8.36
Provisions	19	99.06	101.67	84.50
Other non-current liabilities	20	420.17	316.02	136.08
Total non-current liabilities		3,266.24	2,532.34	2,625.45

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

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

Particulars	Notes	As At	As At	As At
		31 March 2018	31 March 2017	1 April 2016
Current liabilities				
Financial liabilities				
(i) Borrowings	17	407.25	78.27	324.58
(ii) Trade payables	21	1,282.26	1,139.39	1,053.17
(iii) Other financial liabilities	18	811.92	1,104.89	967.96
Current tax liabilities (net)	31	2.97	-	-
Other current liabilities	20	416.76	416.58	375.45
Provisions	19	37.39	18.87	16.34
Total current liabilities		2,958.55	2,758.00	2,737.50
Total equity and liabilities		7,279.96	5,959.19	7,162.05

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration
No.: 000340C

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

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 21st September 2018

Som Chopra
Chief Financial Officer

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	22	11,106.12	10,474.99
Other income	23	250.58	86.90
Total income		11,356.70	10,561.89
Expenses			
Cost of materials consumed	24	3,285.94	3,151.59
Purchase of stock-in-trade	25	219.52	62.65
Changes in inventories of stock-in-trade	26	(131.40)	-
Employee benefits expense	27	1,722.09	1,744.99
Finance costs	28	309.47	858.42
Depreciation and amortisation expenses	29	669.81	850.21
Impairment (reversal)/loss	3 and 4	(119.19)	522.29
Other expenses	30	5,080.12	5,145.49
Total expenses		11,036.36	12,335.64
Profit/(loss) before share of loss of equity accounted investees and income tax		320.34	(1,773.75)
Share of loss of equity accounted investees (net of income tax)		(17.50)	(11.00)
Profit/(loss) before tax		302.84	(1,784.75)
Tax expense:			
Current tax	31	22.57	13.91
Deferred tax	31	(30.97)	-
Total tax expense		(8.40)	13.91
Profit/(loss) for the year		311.24	(1,798.66)
Other comprehensive income			
Items that will not to be reclassified subsequently to profit or loss:			
Remeasurements of the defined benefit liability/(assets)		(13.36)	(4.03)
Income tax relating to above mentioned item		(0.16)	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		(13.52)	(4.03)
Items that will be reclassified to profit or loss			
Exchange difference in translating financial statements of foreign operations		81.85	644.60
Income tax relating to above mentioned item		-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		81.85	644.60
Other comprehensive income for the year (net of tax)		68.33	640.57
Total comprehensive income for the year (net of tax)		379.57	(1,158.09)
Profit attributable to:			
Owners of the Company		459.71	(1,200.77)
Non-controlling interests	46	(148.47)	(597.89)
Profit/(loss) for the year		311.24	(1,798.66)

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Other comprehensive income attributable to:			
Owners of the Company		57.32	249.86
Non-controlling interests	46	11.01	390.71
Other comprehensive for the year		68.33	640.57
Total comprehensive income for the year attributable to:			
Owners of the Company		517.03	(950.91)
Non-controlling interests	46	(137.46)	(207.18)
Total comprehensive income for the year		379.57	(1,158.09)
Earnings per equity share of face value of Rs 10 each			
	32		
Basic (Rs)		4.33	(11.31)
Diluted (Rs)		4.25	(11.31)

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration
No.: 000340C

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

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 21st September 2018

Som Chopra
Chief Financial Officer

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flows from operating activities		
Profit / (Loss) before tax	302.84	(1,784.75)
Adjustments for:		
Share of loss of equity accounted investees (net of income tax)	17.50	11.00
Depreciation and amortisation expenses	669.81	850.27
Impairment (reversal)/ loss	(119.19)	522.29
Provision for impairment loss in the value of investment	25.00	-
Excess provisions written back	(89.96)	(10.83)
Loss / gain on disposal of Property plant and equipment	3.79	(2.18)
Deferred rent amortisation (included in rent expenses)	36.55	34.40
Lease equalisation rent (included in rent expenses)	101.54	179.43
Deferred income amortisation (included in other income)	(1.60)	(0.50)
Bad debts and advances written off	-	11.50
Allowance for doubtful debts	-	25.59
Unrealised foreign exchange (gain) / loss (net)	10.88	535.77
Interest on borrowings measured at amortised cost	306.73	341.84
Interest accretion on financial liabilities measured at amortised cost	16.51	5.25
Employee stock option scheme expenses	2.73	23.41
Interest income from Bank deposits and others	(12.50)	(21.39)
Interest income from financial assets at amortized cost	(35.53)	(30.73)
Operating profit before working capital changes	1,235.11	690.36
Adjustments for:		
(Increase)/decrease in trade receivables	(5.27)	(53.14)
(Increase)/decrease in inventories	(111.98)	(16.71)
(Increase)/decrease in loans, other financial assets, and other assets	(271.85)	(6.37)
Increase/(decrease) in trade payables, other financial liabilities and other liabilities	97.57	292.83
Cash generated from operating activities	943.58	906.97
Income tax paid (net of refund)	(33.88)	(3.95)
Net cash generated from operating activities	909.71	903.02
B Cash flows from investing activities		
Purchase of Property plant and equipment and intangible assets (including capital advances)	(1,418.80)	(705.75)
Proceeds from sale of Property plant and equipment and intangible assets	20.56	15.27
Deposits made with banks due to mature within 12 months from the reporting date (net)	(1.19)	1.08
Refer Note 13 [deposits under lien Rs. 4.70 at 31 March 2018 (31 March 2017: Rs. 3.52)]		
Deposits made with banks due to mature after 12 months from the reporting date	(22.99)	(0.92)

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Refer Note 8 [deposits under lien Rs.41.17 at 31 March 2018 (31 March 2017: Rs.18.18)]		
Interest received	13.17	56.04
Purchase of Non current investments	-	(27.99)
Net cash used in investing activities	(1,409.31)	(662.27)
C Cash flows from financing activities		
Proceeds from issue of Preference shares	22.01	22.88
Proceeds from borrowings	1,327.57	501.99
Repayment of borrowings	(515.99)	(601.50)
Dividend paid		
Interest paid	(269.51)	(243.16)
Net cash generated from financing activities	564.08	(319.83)
D Effect of exchange rate change	7.23	(9.25)
Net increase in cash and cash equivalents during the year (A+B+C+D)	71.71	(88.32)
Effect of exchange rate changes on cash and cash equivalent held in foreign currency	(0.01)	0.02
E Cash and cash equivalents at the beginning of the year		
Cash in hand	26.35	19.70
Cash in transit	6.93	34.00
Cheques on hand	3.94	12.18
Balance with banks:	-	-
-on current accounts	334.11	393.75
-on deposit accounts (with original maturity of three months or less)	-	-
	371.33	459.63
F Cash and cash equivalents as at the end of the year		
Cash in hand	40.43	26.35
Cash in transit	22.19	6.93
Cheques on hand	-	3.94
Balance with banks:	-	-
-on current accounts	380.41	334.11
-on deposit accounts (with original maturity of three months or less)	-	-
	443.03	371.33

Notes:

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

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
2. Changes in liabilities arising from financing activities		
Opening balance of loans:		
-Term Loan	3,062.88	3,512.69
Cash flows		
Repayment of borrowings	(515.99)	(601.16)
Proceeds from borrowings	1,327.57	501.99
Proceeds from issue of Preference shares	22.01	22.88
Non-cash changes		
Foreign currency exchange fluctuations due to reinstatement	13.05	(511.33)
Exchange difference of translation of foreign operations	(235.04)	112.59
Changes in loans received at amortisation cost	33.63	25.22
Closing balance of loans		
-Term Loan	3,708.11	3,062.88

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration
No.: 000340C

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

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 21st September 2018

Som Chopra
Chief Financial Officer

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

A Equity share capital

	Note	For the year ended 31 March 2018		For the year ended 31 March 2017	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	14	106,166,666	1,061.67	106,166,666	1,061.67
Balance at the end of the year		106,166,666	1,061.67	106,166,666	1,061.67

B Other equity

	Note	Attributable to owners of the Company							Total	
		Reserves and Surplus			Items of Other comprehensive income		Total attributable to owners of the Company	Attributable to Non controlling interest (NCI)		
		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 2016		4,632.61	84.75	5.47	(4,189.11)	203.71	-	737.43	-	737.43
Profit/(Loss) for the year		-	-	-	(1,200.77)	-	-	(1,200.77)	(597.89)	(1,798.66)
Other comprehensive income for the year (net of tax)	15	-	-	-	-	254.20	(4.34)	(4.34)	390.71	640.57
Total comprehensive income for the year		-	-	-	(1,200.77)	254.20	(4.34)	(4.34)	(207.18)	(1,158.09)
Transferred to retained earnings		-	-	-	(4.34)	-	4.34	-	-	-
Employee stock options scheme expenses	38	-	23.41	-	-	-	-	-	-	23.41
Transaction with NCI		-	-	-	-	-	-	-	4.43	4.43
Balance as at 31 March 2017		4,632.61	108.16	5.47	(5,394.22)	457.91	-	(190.07)	(202.75)	(392.82)
Balance as at 1 April 2017		4,632.61	108.16	5.47	(5,394.22)	457.91	-	(190.07)	(202.75)	(392.82)

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018 (₹ in millions, except for share data and if otherwise stated)

Note	Attributable to owners of the Company							Total	
	Reserves and Surplus			Items of Other comprehensive income		Total attributable to owners of the Company	Attributable to Non controlling interest (NCI)		
	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	Exchange difference of translation of foreign operations				Other item of other comprehensive income *
Profit/(Loss) for the year	-	-	-	459.71	-	-	459.71	(148.47)	311.24
Other comprehensive income for the year (net of tax)	-	-	-	-	70.41	(13.09)	57.32	11.01	68.33
Total comprehensive income for the year	-	-	-	459.71	70.41	(13.09)	517.03	(137.46)	379.57
Transferred to retained earnings	-	-	-	(13.09)	-	13.09	-	-	-
Employee stock options scheme expenses	-	2.73	-	-	-	-	2.73	-	2.73
Transaction with NCI	-	-	-	-	-	-	-	4.02	4.02
Balance as at 31 March 2018	4,632.61	110.89	5.47	(4,947.60)	528.32	-	329.69	(336.19)	(6.50)

* 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 **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/W-100022

Kunal Kapur
Partner
Membership No.: 509209
Place: Gurugram
Date: 21st September 2018

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration No.: 000340C

Sumit Kathuria
Partner
Membership No.: 520078

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

Virag Joshi
Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Som Chopra
Chief Financial Officer

Lalit Yadav
Company Secretary
Membership No.: A31102

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

1. Company Information / Overview

Devyani International Limited (the 'Company') is a public limited company domiciled in India. The Company was incorporated on 13 December 1991 as a private limited company in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000.

These consolidated financial statements comprise the results of subsidiaries (referred to collectively as the 'Group') and the Group's interest in joint ventures.

The Group is primarily engaged in the business of developing, managing and operating quick service restaurants for brands such as Pizza Hut, KFC, Costa, Vaango etc. and retail stores for TWG Tea.

2.1 Basis of preparation

(a) Statement of compliance

The Group has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2017, with transition date of 1 April 2016, pursuant to notification issued by the Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the consolidated financial statements comply with 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 upto and for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), as notified under section 133 of the Act ("Previous Indian GAAP") and other relevant provisions of the Act.

The consolidated financial statements for the year ended 31 March 2018 are the first financial statements of the Group prepared in accordance with Ind AS. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is included in Note 33.

The consolidated financial statements were authorised for issue by the Board of Directors of the Company on 21 September 2018.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities that are measured at fair value or amortised cost. (Refer to Note 34)

(c) Critical accounting estimates and judgments

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

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

Note 2.2 (h) and 43 - measurement of defined benefit obligations : key actuarial assumptions.

Note 2.2 (a) and (b) - measurement of useful life and residual values of property, plant and equipment

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

and useful life of other intangible assets.

Note 2.2 (j) - judgement required to determine probability of recognition of deferred tax assets.

Note 2.2 (m) and 34 - fair value measurement of financial instruments

Note 2.2 (f) impairment assessment of non-financial assets : key assumptions underlying recoverable amount.

Note 2.2 (m) impairment assessment of financial assets.

Note 38 - judgment required to determine grant date fair value technique for employee stock option scheme expenses.

Note 2.2 (d) - judgement required to ascertain lease classification.

Note 2.2 (g) and 37 - judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

Note 2.2 (b) and 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.

(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 categorised within the fair value hierarchy, described as follows, based on the lowest level 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 recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (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 or loss and amortised cost are

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

disclosed in Note 34.

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 separate 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, income and expenses, after eliminating intra-group balances, intra-group transactions and any unrealised income 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 which represents part of net profit or loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded and presented in the Consolidated Balance Sheet separately within Equity.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated profit or loss.

Equity accounted investees

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 investees is impaired. If there is such evidence, the

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

Group calculates the amount of impairment as the difference between the recoverable amount of the equity accounted investees and its carrying value, and then recognises the loss in the consolidated profit or loss.

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 2018	% voting power held as at 31 March 2017	% voting power held as at 1 April 2016
Devyani International (Nepal) Private Limited	Nepal	100%	100%	100%
Devyani Food Street Private Limited	India	100%	100%	100%
Devyani International (UK) Private Limited	United Kingdom	100%	-	-
RV Enterprizes Pte. Limited	Singapore	74%	74%	74%
Devyani International (Nigeria) Limited (subsidiary of RV Enterprizes Pte. Limited)	Nigeria	57.5%	57.5%	57.5%
Devyani Airport Services (Mumbai) Private Limited	India	51%	51%	51%

ii) Equity accounted investee

Name of the company	Country of incorporation	% voting power held as at 31 March 2018	% voting power held as at 31 March 2017	% voting power held as at 1 April 2016
The Minor Food Group (India) Private Limited	India	30%	30%	30%

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

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening Ind AS Consolidated Balance Sheet as at 1 April 2016 for the purposes of the transition to Ind AS.

(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.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

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

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

Subsequent costs

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. (Refer to Note 33)

Depreciation

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

Depreciation has been charged based on the following useful lives:

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

* Included under the head Utensil and kitchen equipments.

Freehold land is not depreciated.

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

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

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

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

Capital work-in-progress

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

(b) Business combinations and intangible assets

(i) Business combinations

Ind AS provides for the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. Accordingly, the Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

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.

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 acquiree. Such amounts are generally recognised in the consolidated profit or loss.

(ii) Other intangible assets

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

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

Subsequent costs

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

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all other intangible assets recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of such other intangible assets (Refer to Note 33).

Amortisation

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

Amortisation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
Computer software	6
License fees	Period of license

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

Intangible assets under development

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

(c) Inventories

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

(d) Leases

Leased assets

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

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

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

accounted prospectively over the remaining term of the lease.

Lease payments

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

(e) Borrowing costs

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

(f) Impairment - non-financial assets

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

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

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

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

(g) Provisions and contingent liabilities

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.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

Contingent liabilities

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

(h) Employee benefits

i. 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 employees' 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 Group pays provident fund contributions to the appropriate government authorities. The Group 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

Defined benefit plans of the Group comprise gratuity.

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. Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

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

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income and transferred to retained earnings.

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

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

Other long-term employee benefits

Compensated absences

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

(i) Share based payment arrangements

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

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

(j) Income Tax

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

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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 reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Consolidated Balance Sheet. Significant management judgment is required to determine the probability of recognition of MAT credit entitlement.

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

(k) Foreign currency transactions and translations

Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Group operates i.e., functional currency, to be Indian Rupees (Rs.). 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 upto two decimal places, unless otherwise stated.

Foreign currency transactions and translations

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

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

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the consolidated profit or loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the consolidated profit or loss, within finance costs.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupees (INR), the functional currency of the Group at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (Rs.) 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.

(I) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recorded provided the recovery of consideration is probable and determinable.

Sales of products

Revenue from the sale of products is recognised upon passage of title to the customers which coincides with their delivery and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. The Group collects applicable taxes (i.e. Goods and Services Tax (GST), Value Added Taxes (VAT) etc.) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

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 fee

Revenue from marketing support services and business support services are in terms of agreements with the customers and are recognised pro-rata over the period of the contract from the date the contracts are effective or signed provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection. The amount recognised as revenue is net of applicable taxes.

Interest income

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

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interest rate method.

Rental income

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

(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 profit or loss, transaction costs that are attributable to its acquisition or use.

Classification and subsequent measurement:

Classification

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

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measured at fair value through profit or loss (FVTPL)

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

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

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

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

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

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

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measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

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

Financial assets at FVTPL

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

Derecognition

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

Impairment of financial assets (other than at fair value)

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

Write-off

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

Financial liabilities

Recognition and initial measurement

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

Classification and subsequent measurement

'Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is

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designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated profit or loss.

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

Compound financial instruments

Compound financial instruments are bifurcated into liability and equity components based on the terms of the contract.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of the compound financial instrument is not measured subsequently.

Interest on liability component is recognised in consolidated profit or loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

Offsetting of financial instruments

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

(n) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to owners of the Company 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.

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

(o) Current–non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

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

Operating cycle

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

(p) Cash and cash equivalents

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

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

(q) Segment reporting

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

(r) Expenditure

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

(s) Recent accounting pronouncements

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Group has evaluated the effect of this on the consolidated financial statements and is of the view that no change in accounting policy is required and the impact is not material.

Ind AS 115- Revenue from Contracts with Customers: On 28 March 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method as defined under standard and accordingly, comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted.

The Group is in the process of evaluating the effect of this on the consolidated financial statements and expect that there will not be any significant change in accounting policy and the impact will not be material.

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

3 Property, plant and equipment

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

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments*	Vehicles	Total
Gross Value (Cost/ Deemed Cost)											
Cost/ Deemed Cost as at 1 April 2016	103.91	-	1,622.48	1,983.38	310.75	81.86	51.19	115.14	66.02	56.37	4,391.10
Additions during the year	-	431.93	109.84	180.11	37.31	0.15	17.83	40.44	17.51	5.22	840.34
Disposals during the year	-	-	87.71	19.26	1.73	3.90	0.26	0.23	0.13	1.26	114.48
Exchange differences on translation of foreign operations	-	-	(195.59)	(138.49)	(76.02)	(0.04)	(4.09)	(0.01)	(0.02)	(0.31)	(414.57)
Balance as at 31 March 2017	103.91	431.93	1,449.02	2,005.74	270.31	78.07	64.67	155.34	83.38	60.02	4,702.39
Acquisitions through business combination (Refer to Note 48)	-	-	33.08	38.98	2.43	2.90	1.00	0.37	0.40	-	79.16
Other additions during the year	-	-	323.22	335.67	46.89	30.41	31.19	45.85	84.37	1.89	899.49
Disposals during the year	-	-	51.28	49.30	6.10	3.64	1.35	3.73	0.83	1.39	117.62
Exchange differences on translation of foreign operations	-	-	(46.40)	(30.75)	(17.22)	0.14	(0.91)	0.05	(0.01)	(0.06)	(95.16)
Balance as at 31 March 2018	103.91	431.93	1,707.64	2,300.34	296.31	107.89	94.60	197.88	167.31	60.46	5,468.26
Accumulated depreciation and impairment losses											
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	3.31	365.60	246.88	57.60	18.70	10.19	38.51	17.63	18.69	777.11

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipments	Computers	Utensil and kitchen equipments*	Vehicles	Total
Impairment loss/(reversal)	-	68.04	124.32	234.47	9.83	6.36	6.28	16.84	2.17	10.28	478.59
Disposals during the year	-	-	82.99	14.21	0.22	3.10	0.25	0.23	0.12	0.22	101.34
Exchange differences on translation of foreign operations	-	-	(17.70)	(5.40)	(3.62)	(0.03)	(0.36)	(0.01)	(0.01)	(0.03)	(27.16)
Balance as at 31 March 2017	-	71.35	389.23	461.74	63.59	21.93	15.86	55.11	19.67	28.71	1,127.19
Depreciation for the year	-	12.03	194.12	256.97	49.58	14.20	10.83	37.27	25.05	12.19	612.25
Impairment loss/(reversal) (Refer to Note 40)	-	(26.08)	6.52	(85.10)	1.78	(1.28)	(2.00)	(5.78)	0.64	(4.79)	(116.09)
Disposals during the year	-	-	44.62	37.74	4.12	3.37	1.15	2.14	0.76	1.12	95.02
Exchange differences on translation of foreign operations	-	-	(15.87)	(5.17)	(3.34)	0.10	(0.36)	0.04	-	(0.03)	(24.63)
Balance as at 31 March 2018	-	57.30	529.38	590.70	107.49	31.58	23.19	84.51	44.60	34.96	1,503.70
Carrying amount (net)											
Net carrying value as at 1 April 2016	103.91	-	1,622.48	1,983.38	310.75	81.86	51.19	115.14	66.02	56.37	4,391.10
Net carrying value as at 31 March 2017	103.91	360.58	1,059.79	1,543.99	206.73	56.14	48.82	100.23	63.71	31.31	3,575.20
Net carrying value as at 31 March 2018	103.91	374.63	1,178.26	1,709.64	188.82	76.31	71.42	113.37	122.71	25.50	3,964.56

* The Group in accordance with Ind AS 16, Property plant and equipment, has identified certain smallwares and reclassified/capitalised them as utensil and kitchen equipments under Property plant and equipment. The same were classified as inventories under Previous Indian GAAP. These smallwares have been depreciated over the remaining useful life of the asset.

Note : For details regarding charge on property, plant and equipment (Refer to Note 16 and 17)

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

4. Goodwill and Other intangible assets

(a) Goodwill on consolidation

Particulars	Goodwill on consolidation	Total
Gross Value		
Cost as at 1 April 2016	206.17	206.17
Balance as at 31 March 2017	206.17	206.17
Balance as at 31 March 2018	206.17	206.17
Accumulated impairment losses		
Balance as at 1 April 2016	-	-
Balance as at 31 March 2017	-	-
Balance as at 31 March 2018	-	-
Carrying amount (net)		
Balance as at 1 April 2016	206.17	206.17
Balance as at 31 March 2017	206.17	206.17
Balance as at 31 March 2018	206.17	206.17

(b) Other intangible assets

Particulars	License fee	Computer software	Total
Gross Value (Cost/ Deemed Cost)			
Deemed Cost as at 1 April 2016	255.66	66.41	322.07
Additions during the year	32.25	17.89	50.14
Disposals during the year	7.57	0.20	7.77
Exchange differences on translation of foreign operations	(15.98)	-	(15.98)
Balance as at 31 March 2017	264.36	84.10	348.46
Acquisitions through business combination (Refer to Note 48)	13.32	-	13.32
Other additions during the year	78.25	6.36	84.61
Disposals during the year	13.44	0.62	14.06
Exchange differences on translation of foreign operations	(3.58)	-	(3.58)
Balance as at 31 March 2018	338.91	89.84	428.75
Accumulated amortisation and impairment losses			
Balance as at 1 April 2016	-	-	-
Amortisation for the year	51.28	21.82	73.10
Impairment loss/(reversal)	33.07	10.63	43.70
Disposals during the year	7.57	0.20	7.77
Exchange differences on translation of foreign operations	(1.42)	-	(1.42)
Balance as at 31 March 2017	75.36	32.25	107.61
Amortisation for the year	38.64	18.92	57.56
Impairment loss/(reversal) (Refer to Note 40)	0.03	(3.12)	(3.09)
Disposals during the year	13.44	0.63	14.07

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	License fee	Computer software	Total
Exchange differences on translation of foreign operations	(1.25)	-	(1.25)
Balance as at 31 March 2018	99.34	47.42	146.76
Carrying amount (net)			
Balance as at 1 April 2016	255.66	66.41	322.07
Balance as at 31 March 2017	189.00	51.85	240.85
Balance as at 31 March 2018	239.57	42.42	281.99

5. Capital work-in-progress and Intangible assets under development

(a) Capital work-in-progress

Particulars	Total
Balance as at 1 April 2016	362.86
Additions during the year	63.49
Assets capitalised during the year	(226.62)
Exchange differences on translation of foreign operations	(48.58)
Balance as at 31 March 2017	151.15
Additions during the year	517.22
Assets capitalised during the year	(92.14)
Exchange differences on translation of foreign operations	(12.33)
Balance as at 31 March 2018	563.90

(b) Intangible assets under development

Particulars	Computer software	Total
Balance as at 1 April 2016	16.38	16.38
Additions during the year	-	-
Assets capitalised during the year	16.38	16.38
Balance as at 31 March 2017	-	-
Balance as at 31 March 2018	-	-

6. Equity accounted investees

Interest in joint venture (At carrying amount determined using the equity method of accounting)

Unquoted equity shares

At Cost/ Deemed cost as at 1 April 2016

7,223,144 (31 March 2017: 7,223,144, 1 April 2016: 4,424,572) equity shares of The Minor Food Group (India) Private Limited of Rs 10 each, fully paid up. Refer to Note 45

Provision for impairment loss on equity accounted investees
Aggregate value of unquoted non-current investment

	As At 31 March 2018	As At 31 March 2017	As At 1 April 2016
	25.00	42.50	25.52
	(25.00)	-	-
	-	42.50	25.52

There are no quoted investments during the current and previous years.

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 34.

7. Loans

(Unsecured, considered good, unless otherwise stated)

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	399.43	284.39	289.63	59.45	78.72	79.42
	399.43	284.39	289.63	59.45	78.72	79.42

8. Other financial assets

(Unsecured, considered good, unless otherwise stated)

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits (due for maturity after 12 months from the reporting date)^	41.17	18.18	17.25	-	-	-
Interest accrued but not due on bank deposits	1.92	1.52	1.31	0.34	0.13	0.24
Other receivable	-	-	-	1.03	1.76	2.00
	43.09	19.70	18.56	1.37	1.89	2.24

^Bank deposits Rs.41.17 (31 March 2017: Rs. 18.18 , 1 April 2016: Rs. 17.25) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

9. Other assets

(Unsecured, considered good, unless otherwise stated)

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances	36.78	35.44	16.69	-	-	-
Prepaid expenses	5.18	4.86	8.09	72.18	56.51	88.61
Deferred rent	192.92	183.06	197.11	28.92	26.43	26.07
Security deposits	0.75	0.37	0.29	0.93	-	-
Balance with statutory/ government authorities	12.96	9.86	10.00	127.48	8.52	7.59
Advances to employees	-	-	-	0.72	1.53	7.60
Advance to suppliers	0.06	-	-	70.04	51.85	25.12
Other receivables	-	-	-	0.11	0.24	0.37
	248.65	233.59	232.18	300.38	145.08	155.36

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

	As At 31 March 2018	As At 31 March 2017	As At 1 April 2016
10. Inventories			
(Valued at the lower of cost and net realisable value)			
Raw materials including packaging materials [including goods-in-transit of Rs. 22.54 (31 March 2017: Rs.18.50, 1 April 2016: Rs. 33.01)]	314.92	339.31	347.77
Stock-in-trade	131.40	-	-
	446.32	339.31	347.77
11. Trade receivables			
(Unsecured, considered good, unless otherwise stated)			
- Considered good	184.05	178.01	151.35
- Considered doubtful	25.63	25.63	0.46
	209.68	203.64	151.81
Less: Impairment allowances for doubtful receivables	(25.63)	(25.63)	(0.46)
	184.05	178.01	151.35
Trade receivables includes receivables from related parties amounting Rs. 24.28 (31 March 2017: Rs. 15.07; 1 April 2016: Rs. 8.64). (Refer to Note 36)			
The carrying amount of trade receivables approximates their fair value, is included in Note 34.			
The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 34.			
12. Cash and cash equivalents			
Balance with banks :			
- On current accounts	380.41	334.11	393.75
Cheques on hand	-	3.94	12.18
Cash in hand	40.43	26.35	19.70
Cash in transit	22.19	6.93	34.00
	443.03	371.33	459.63
13. Bank balances other than cash and cash equivalents			
Other bank balances			
- On deposit accounts*	4.70	3.52	4.60
	4.70	3.52	4.60

*Bank deposits Rs.4.70 (31 March 2017: Rs. 3.52 and 1 April 2016: Rs. 4.60) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

	As At 31 March 2018	As At 31 March 2017	As At 1 April 2016
14 Equity share capital			
Authorised capital			
125,000,000 (31 March 2017: 125,000,000, 1 April 2016 125,000,000) equity shares of Rs. 10 each	1,250.00	1,250.00	1,250.00
	1,250.00	1,250.00	1,250.00
Issued, subscribed and paid -up			
106,166,666 (31 March 2017: 106,166,666, 1 April 2016: 106,166,666) equity shares of Rs. 10 each	1,061.67	1,061.67	1,061.67
	1,061.67	1,061.67	1,061.67

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

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and paid up				
At the beginning of the year	106,166,666	1,061.67	106,166,666	1,061.67
At the end of the year	106,166,666	1,061.67	106,166,666	1,061.67

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10 per share. Each holder of the equity share is entitled to one vote per share and is entitled to dividend, declared if any. The paid up equity shares of the Company rank pari-passu in all respects, including dividend. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares reserved for issue under options and contracts:

For terms and other details of shares reserved for issue under Employee Stock Option Scheme ("ESOS") of the Company. (Refer to Note 38)

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid-up held by:						
-RJ Corp Limited, holding and ultimate holding company*	81,108,607	76.40	74,575,274	70.24	74,575,274	70.24
	81,108,607	76.40	74,575,274	70.24	74,575,274	70.24

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

*Pursuant to the Scheme of Amalgamation passed by National Company Law Tribunal, New Delhi vide its judgment dated 1 September 2017, Devyani Overseas Private Limited (“DOPL”), Devyani Enterprises Private Limited (“DEPL”), Universal Dairy Products Private Limited (“UDPPL”) (collectively “Transferor companies”) were amalgamated with RJ Corp Limited with effect from 1 April 2016. Consequently, 42,217,774 equity shares of the Company held by Transferor companies i.e. (DOPL - 13,562,200, DEPL- 26,752,050 and UDPPL- 1,903,524), were transferred to RJ Corp Limited.

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid-up held by:						
-RJ Corp Limited#	81,108,607	76.40	74,575,274	70.24	74,575,274	70.24
-Dunearn Investments (Mauritius) Pte Ltd.	16,333,333	15.38	16,333,333	15.38	16,333,333	15.38
-Varun Jaipuria	7,004,726	6.60	7,004,726	6.60	7,004,726	6.60
-IDBI Trusteeship Services Limited	-	-	6,533,333	6.15	6,533,333	6.15

#Refer to Note 14 (d) above.

f) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

During the year ended 31 March 2012, the Company issued bonus shares, representing equity shares of Rs. 10 each. Equity shares were allotted as fully paid bonus shares by capitalisation of securities premium and capital reserve.

Details of bonus shares issued during the period of last 5 years is as under:

Particulars	No. of shares
- Bonus shares on opening shares 1:3.3	33,000,000
- Bonus share after private placement and its bonus issue 1:1	46,550,000
	<u>79,550,000</u>

15 Other equity

a Reserve and Surplus

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium	4,632.61	4,632.61	4,632.61
General reserve	5.47	5.47	5.47
Retained earnings	(4,947.60)	(5,394.22)	(4,189.11)
Employee stock options outstanding account (Refer to Note 38)	110.89	108.16	84.75
Exchange differences on translation of foreign operations	528.32	457.91	203.71
Total	329.69	(190.07)	737.43

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Securities premium		
Balance at the beginning of the year	4,632.61	4,632.61
Balance at the end of the year	4,632.61	4,632.61
Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.		
(ii) General reserve		
Balance at the beginning of the year	5.47	5.47
Balance at the end of the year	5.47	5.47
General reserve are free reserves of the Group which are kept aside out of the Group's profit to meet the future requirements as and when they arise. The Group had transferred a portion of profit after tax to general reserve pursuant to the earlier provisions of the Companies Act, 1956.		
(iii) Retained earnings		
Balance at the beginning of the year	(5,394.22)	(4,189.11)
Add: Profit /(Loss) for the year	459.71	(1,200.77)
Add: Transferred from other comprehensive income - Remeasurement of defined benefit plans (net of tax)	(13.09)	(4.34)
Balance at the end of the year	(4,947.60)	(5,394.22)
(iv) Employee stock option outstanding account		
Balance at the beginning of the year	108.16	84.75
Transfer to Employee Stock Options Outstanding account	2.73	23.41
Balance at the end of the year	110.89	108.16
Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer to Note 38 for further details of these plans.		
b Other comprehensive income - Remeasurement of defined benefit plan (net of tax)		
Other comprehensive income for the year		
Balance at the beginning of the year	-	-
Actuarial losses on defined benefit plan for the year (net of tax) (Refer to Note- 43)	(13.09)	(4.34)
Transferred to retained earnings	13.09	4.34
Balance at the end of the year	-	-
c Other comprehensive income - Exchange differences of translation of foreign operations		
Balance at the beginning of the year	457.91	203.71
For the year	70.41	254.20
Balance at the end of the year	528.32	457.91

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

16. Borrowings

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans (secured) from Bank / Financial institutions						
Indian rupee term loans	1,697.90	1,376.13	1,421.08	574.20	549.09	378.77
Foreign currency term loans	400.38	57.43	315.89	7.33	308.73	393.62
Redeemable, non-cumulative, non-convertible preference shares (unsecured)	100.29	66.66	41.44	-	-	-
Unsecured term loans from others						
- From Chellarams Plc	520.38	604.17	595.69	-	-	-
- From High Street Food Services Private Limited	-	3.20	22.41	0.39	19.21	19.21
	2,718.95	2,107.59	2,396.51	581.92	877.03	791.60
Less. Current portion of long-term borrowings disclosed under other financial liabilities				581.92	877.03	791.60
	2,718.95	2,107.59	2,396.51	-	-	-

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1	<p>The term loan amounting to Rs. 600 was taken from IndusInd Bank Limited during the year ended 31 March 2013. The tenure of the loan is 72 months with moratorium of 12 months.</p> <p>The rate of Interest is Indusind base rate minus 0.7%, presently 9.9% per annum payable monthly (31 March 2017 : 9.9% per annum payable monthly. Prior to 9 March 2017: 11.20% p.a uptill 8 March 2017 and 11.25% p.a uptill 16 January 2017 and 1 April 2016 : 11.25% p.a. payable monthly).</p> <p>The term loan is secured by :</p> <p>Primary security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.01 (31 March 2017 : Rs. 0.03 and 1 April 2016 : Rs. 0.11).</p>	<p>The term loan is repayable in remaining 1 instalment during 2018-19- Rs. 14.06</p> <p>Period of maturity from the balance sheet date is 2 months.</p>	14.05	-	-
		<p>The term loan is repayable in 5 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2017-18 - Rs. 14.06 each</p> <p>- 1 instalment during 2018-19- Rs. 14.06</p> <p>Period of maturity from the balance sheet date is 14 months.</p>	-	70.27	-
		<p>The term loan is repayable in 9 quarterly instalments as below mentioned :</p> <p>- 1 instalment during 2016-17- Rs. 11.25 each</p> <p>- 3 instalments during 2016-17- Rs. 14.06 each</p> <p>- 4 instalment during 2017-18- Rs. 14.06 each</p> <p>- 1 instalment during 2018-19- Rs. 14.06 each</p> <p>Period of maturity from the balance sheet date is 26 months.</p>	-	-	123.62

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
2	<p>The term loan amounting to Rs. 1,000 was taken from Axis Bank Limited, loan draw down amounting to Rs. 500 during the year ended 31 March 2017 and Rs 500 during the year ended 31 March 2016 . The tenure of the loan is 48 months.</p> <p>The interest rate applicable is Axis Bank base rate +1.30 % presently 9.50 % p.a. payable monthly.(31 March 2017 : 10.80% p.a. payable monthly and 1 April 2016: Axis bank base rate +1.30% (10.80% p.a.) payable monthly). Interest rate to be reset on an annual basis.</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 3.56 (31 March 2017 : Rs. 5.18 and 1 April 2016 : Rs. 5.83).</p>	<p>The term loan is repayable in 15 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2018-19 - Rs. 50 each - 4 instalments during 2019-20 - Rs. 60 each - 4 instalments during 2020-21 - Rs. 60 each - 3 instalments during 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 45 months.</p>	856.44	-	-
		<p>The term loan is repayable in 19 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2017-18 - Rs. 20 each - 4 instalments during 2018-19 - Rs. 50 each - 4 instalments during 2019-20 - Rs. 60 each - 4 instalments during 2020-21 - Rs. 60 each - 3 instalments during 2021-22 - Rs. 60 each <p>Period of maturity from the balance sheet date is 57 months.</p>	-	934.82	-
		<p>The term loan is repayable in 14 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during 2016-17 - Rs. 20 each - 4 instalments during 2017-18 - Rs. 20 each - 4 instalments during 2018-19 - Rs. 50 each - 2 instalments during 2019-20 - Rs. 60 each - 1 instalments during 2019-20 - Rs. 40 each <p>Period of maturity from the balance sheet date is 48 months.</p>	-	-	494.17

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
3	<p>The term loan amounting to Rs. 300 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 73 months.</p> <p>The interest rate applicable is 9.25% p.a payable monthly (31 March 2017: 9.25% p.a payable monthly. Prior to 24 January 2017: 10.75% p.a. and 1 April 2016: 10.90% p.a. payable monthly).</p> <p>The term loan was secured by :</p> <ul style="list-style-type: none"> -First pari passu charge on all movable property, plant and equipment of the Company both present and future. -Second pari passu charge over all current assets of the Company both present and future. -First pari passu charge on immovable property situated at Plot No 18, Sector-35, Industrial Estate, Gurugram. 	<p>The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during 2018-19- Rs. 60 - 1 instalment during 2019-20- Rs. 60 - 1 instalment during 2020-21- Rs. 60 - 1 instalment during 2021-22- Rs. 60 - 1 instalment during 2022-23- Rs. 60 <p>Period of maturity from the balance sheet date is 49 months.</p>	300.00	-	-
		<p>The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during 2018 -19- Rs. 60 - 1 instalment during 2019 -20- Rs. 60 - 1 instalment during 2020 -21- Rs. 60 - 1 instalment during 2021 -22- Rs. 60 - 1 instalment during 2022 -23- Rs. 60 <p>Period of maturity from the balance sheet date is 61 months.</p>	-	300.00	-
		<p>The term loan is repayable in 5 annual instalments as below mentioned :</p> <ul style="list-style-type: none"> - 1 instalment during 2018 -19- Rs. 60 - 1 instalment during 2019 -20- Rs. 60 - 1 instalment during 2020 -21- Rs. 60 - 1 instalment during 2021 -22- Rs. 60 - 1 instalment during 2022 -23- Rs. 60 <p>Period of maturity from the balance sheet date is 73 months.</p>	-	-	300.00

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
4	<p>The term loan amounting to Rs. 400 was taken from IDBI Bank during the year ended 31 March 2014. The tenure of the loan is 69 months including moratorium period of 10 months.</p> <p>The interest rate applicable is IDBI base rate + 150 basis points presently 10 % per annum.(31 March 2017: 11.25 % p.a., and 1 April 2016: 11.25 % p.a.)</p> <p>The term loan is secured by:</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first equitable mortgage by way of charge on the Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram along with other lenders.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.02 (31 March 2017 : Rs. 0.07 and 1 April 2016 : Rs. 0.16).</p>	<p>The term loan repayable in 3 quarterly instalments as below mentioned :</p> <p>- 3 instalments during 2018-19 - Rs. 20 each</p> <p>Period of maturity from the balance sheet date is 9 months.</p>	59.98	-	-
		<p>The term loan repayable in 7 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2017-18 - Rs. 20 each</p> <p>- 3 instalments during 2018-19 - Rs. 20 each</p> <p>Period of maturity from the balance sheet date is 21 months.</p>	-	139.93	-
		<p>The term loan repayable in 11 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2016-17- Rs. 20 each</p> <p>- 4 instalments during 2017-18- Rs. 20 each</p> <p>- 3 instalments during 2018-19- Rs. 20 each</p> <p>Period of maturity from the balance sheet date is 33 months.</p>	-	-	219.84

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
5	<p>“The term loan amounting to Rs. 800 was taken from Ratnakar Bank during the year ended 31 March 2014. The tenure of loan is 66 months including moratorium period of 6 months.</p> <p>The interest rate applicable is 0.60% above RBL base rate presently 9.85 % p.a . (31 March 2017: 9.75 % p.a . Prior to 16 February 2017 :11.25% p.a., and 1 April 2016: 11.25% p.a.).</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company’s entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first equitable mortgage by way of charge on the Company’s unit setup at Plot No. 18, Sector-35, Industrial estate, Gurugram.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.11(31 March 2017 : Rs. 0.33 and 1 April 2016 : Rs. 0.59).</p>	<p>The term loan repayable in 5 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2018-19 - Rs. 18.05 each - 1 instalment during 2019-20 - Rs. 19.69 <p>Period of maturity from the balance sheet date is 15 months.</p>	91.78	-	-
		<p>The term loan repayable in 9 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 2 instalments during 2017-18 - Rs. 9.03 each - 2 instalments during 2017-18 - Rs. 18.05 each - 4 instalments during 2018-19 - Rs. 18.05 each - 1 instalment during 2019-20 - Rs. 19.69 <p>Period of maturity from the balance sheet date is 27 months.</p>	-	145.72	-
		<p>The term loan repayable in 13 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 2 instalments during 2016-17- Rs. 6.36 each - 2 instalments during 2016-17- Rs. 9.03 each - 2 instalments during 2017-18- Rs. 9.03 each - 2 instalments during 2017-18- Rs. 18.05 each - 4 instalments during 2018-19- Rs. 18.05 each - 1 instalment during 2019-20- Rs. 19.69 <p>Period of maturity from the balance sheet date is 39 months.</p>	-	-	176.24

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
6.	<p>“The term loan amounting to Rs. 150 was taken from Yes Bank Limited during the year ended 31 March 2016. The tenure of the loan is 60 months from the date of first disbursement including the 12 month moratorium period.</p> <p>The interest rate applicable is 9.25% p.a payable monthly. (31 March 2017: 9.25% p.a. payable monthly prior to 20 January 2017: 10.75%p.a., and 1 April 2016: The interest rate applicable is 10.75% p.a. payable monthly).</p> <p>The term loan was secured by : Unconditional and irrevocable personnel guarantee of Mr. Ravi Kant Jaipuria and Ravi Kant Jaipuria & Sons (HUF).</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.49 (31 March 2017 : Rs. 1.40 and 1 April 2016 : Rs. 2.69).</p>	<p>The term loan repayable in 5 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2018-19- Rs. 9.38 each - 1 instalment during 2019-20- Rs. 9.38 <p>Period of maturity from the balance sheet date is 15 months.</p>	46.41	-	-
		<p>The term loan repayable in 9 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2017-18 - Rs. 9.38 each - 4 instalments during 2018-19 - Rs. 9.38 each - 1 instalment during 2019-20 - Rs. 9.38 <p>Period of maturity from the balance sheet date is 27 months.</p>	-	83.02	-
		<p>The term loan repayable in 13 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 4 instalments during 2016-17- Rs. 9.38 each - 4 instalments during 2017-18- Rs. 9.38 each - 4 instalments during 2018-19- Rs. 9.38 each - 1 instalment during 2019-20- Rs. 9.38 <p>Period of maturity from the balance sheet date is 39 months.</p>	-	-	119.25

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
7	<p>The term loan amounting to Rs. 750 was taken from Ratnakar Bank Limited during the year ended 31 March 2018. The tenure of the loan is 72 months.</p> <p>The interest rate applicable is 8.5% p.a. for the first year and from second year onwards at 9 % p.a payable monthly. (31 March 2017: Nil, 1 April 2016: Nil).</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments, both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the immovable fixed assets of the Company's industrial land situated at Sector 35 Gurugram.</p> <p>Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 4.22 (31 March 2017 : Rs. Nil and 1 April 2016 : Rs. Nil).</p>	<p>The term loan is repayable in 22 quarterly instalments as below mentioned :</p> <ul style="list-style-type: none"> - 3 instalments during 2018-19 - Rs. 34.09 each - 4 instalments during 2019-20 - Rs. 34.09 each - 4 instalments during 2020-21 - Rs. 34.09 each - 4 instalments during 2021-22 - Rs. 34.09 each - 4 instalments during 2022-23 - Rs. 34.09 each - 3 instalments during 2023-24 - Rs. 34.09 each <p>Period of maturity from the balance sheet date is 67 months.</p>	745.76	-	-

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8	<p>The term loan amounting to \$ 3.09 was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 month moratorium period.</p> <p>The interest rate applicable is LIBOR + 2.5% p.a payable monthly. (31 March 2017: Nil, 1 April 2016: Nil)</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the immovable fixed assets of the Company's industrial land situated at Sector 35 Gurugram.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.18 (31 March 2017 : Rs. Nil and 1 April 2016 : Rs. Nil).</p>	<p>" The term loan repayable in 16 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2019-20- \$. 0.19 each</p> <p>- 4 instalments during 2020-21- \$. 0.19 each</p> <p>-4 instalments during 2021-22- \$. 0.19 each</p> <p>- 4 instalments during 2022-23- \$. 0.19 each</p> <p>Period of maturity from the balance sheet date is 60 months."</p>	198.30	-	-

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9	<p>The term loan amounting to \$. 3.08 was taken from Yes Bank Limited during the year ended 31 March 2018. The tenure of the loan is 60 months from the date of first disbursement including the 15 month moratorium period.</p> <p>The interest rate applicable is LIBOR +2.5% p.a payable monthly. (31 March 2017: Nil and 1 April 2016: Nil)</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipments, both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on the immovable fixed assets of the Company's industrial land situated at Sector 35 Gurugram.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 2.18 (31 March 2017 : Rs. Nil and 1 April 2016 : Rs. Nil).</p>	<p>"The term loan repayable in 16 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2019-20- \$. 0.19 each</p> <p>- 4 instalments during 2020-21- \$. 0.19 each</p> <p>-4 instalments during 2021-22- \$. 0.19 each</p> <p>- 4 instalments during 2022-23- \$. 0.19 each</p> <p>Period of maturity from the balance sheet date is 60 months."</p>	198.06	-	-

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
10	<p>The term loan amounting to Rs. 800 was taken from Axis Bank Limited during the year ended 31 March 2013.</p> <p>The interest rate applicable is Nil (31 March 2017: The interest rate applicable is 10.90 % p.a payable monthly and 1 April 2016: The interest rate applicable is 10.90% p.a. payable monthly).</p> <p>The term loan is secured by :</p> <p>Primary Security: First pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future.</p> <p>Collateral Security: Pari passu first charge by way of equitable mortgage on Company's unit setup at Plot No. 18, Sector-35, Industrial estate, Gurgaon.</p> <p>Second pari passu charge by way of hypothecation on the entire current assets of the Company.</p>	<p>The term loan is repayable in 4 quarterly instalments as below mentioned :</p> <p>- 4 instalments during 2017-18- Rs. 55.70 each</p> <p>Period of maturity from the balance sheet date is 12 months.</p>	-	222.80	-
		<p>The term loan is repayable in 6 quarterly instalments as below mentioned :</p> <p>- 1 instalment during 2016-17- Rs. 32.80</p> <p>- 1 instalment during 2016-17- Rs. 44.40</p> <p>- 4 instalments during 2017-18- Rs. 55.70 each</p> <p>Period of maturity from the balance sheet date is 24 months.</p>	-	-	300.00
11	<p>Vehicle loans from Tata Motors Finance Limited represent four vehicle loans taken by the Company during the year ended 31 March 2017. The tenure of the loans is 36 months. Loans from Tata Motors Finance Limited is repayable in 35 monthly instalments. The loans are secured against the respective vehicles.</p> <p>The interest rate applicable to the loans is 9.25% p.a. (31 March 2017: The interest rate applicable to the loans is 9.25% p.a., and 1 April 2016: Nil)</p> <p>The amount of instalment ranging from Rs. 0.35 to Rs. 0.40 per month</p> <p>Period to maturity from the balance sheet date is 20 months.(31 March 2017: 32 months and 1 April 2016 : Rs. Nil)</p>		2.80	4.28	-
12	<p>Vehicle loan from ICICI bank represent vehicle loan taken by the Company during the year ended 31 March 2015. The tenure of the loan is 36 months. Loan from ICICI Bank is repayable in 36 monthly instalments ranging from Rs. 0.050 to 0.062. The loan is secured against the respective vehicle.</p> <p>The interest rate applicable in the loan approximates to Nil (31 March 2017: The interest rate applicable in the loan approximates to 10.24% p.a., and 1 April 2016: The interest rate applicable in the loan approximates to 10.24% p.a.).</p> <p>Period to maturity from the balance sheet date is Nil (31 March 2017: 2 months and 1 April 2016: 14 months)</p>		-	0.12	0.82

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
13	<p>The term loan amounting to Rs. 57.63 was taken by Devyani Airport Services (Mumbai) Private Limited ('DASMPL') from High Street Food Services Private Limited during the year ended 31 March 2014.</p> <p>The interest rate applicable is 12% p.a. payable quarterly.</p> <p>The tenure of the loan is 60 months including moratorium period of 24 months.</p>	<p>The term loan is repayable in 1 quarterly installments as below mentioned :</p> <p>- 1 installment during 2018-19- Rs. 0.39</p> <p>Period of maturity from the balance sheet date is 3 months.</p>	0.39	-	-
		<p>The term loan is repayable in 5 quarterly installments as below mentioned :</p> <p>- 4 installments during 2017-18- Rs. 4.80 each</p> <p>- 1 installment during 2018-19- Rs. 3.20</p> <p>Period of maturity from the balance sheet date is 15 months.</p>	-	22.41	-
		<p>The term loan is repayable in 9 quarterly installments as below mentioned :</p> <p>- 4 installments during 2016-17- Rs. 4.80 each</p> <p>- 4 installments during 2017-18- Rs. 4.80 each</p> <p>- 1 installment during 2018-19- Rs. 3.20</p> <p>Period of maturity from the balance sheet date is 27 months.</p>	-	-	41.62

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
14	<p>The term loan amounting to Rs. 130 was taken by Devyani Food Street Private Limited ('DFSPL') from Yes Bank Limited during the year ended 31 March 2012. The interest rate applicable is Yes bank Base rate + 1.75% (presently 9.50% p.a.) payable monthly. The tenure of the loan is 7 years.</p> <p>The term loan is secured by :</p> <p>(i) Rs. 90 taken in first tranche - Exclusive charge on receivables of the company through an escrow account maintained with the bank. - The Company has to maintain Debt Service Reserve Account (DSRA) for one quarter interest and principal repayment amount.</p> <p>(ii) Rs. 40 taken in second tranche - Exclusive charge on receivables of the company through an escrow account maintained with the bank. - Non disposable undertaking from Devyani International Limited for 60% shareholding in the company. - Corporate guarantee of Devyani International Limited amounting to Rs.140. - The Company has to maintain Debt Service Reserve Account (DSRA) for one quarter interest and principal repayment amount.</p> <p>Note: The outstanding balance of borrowings is net of unamortised transaction cost of Rs. 0.01 (31 March 2017 : Rs. 0.15 and 1 April 2016 : Rs. 0.05)</p>	<p>The term loan is repayable in 1 quarterly installments as mentioned below.</p> <p>- 1 installment during 2018-19- Rs. 4.88</p> <p>Period of maturity from the balance sheet date is 3 months.</p>	4.88	-	-
		<p>The term loan is repayable in 5 quarterly installments as mentioned below.</p> <p>- 4 installments during 2017-18- Rs. 4.88 each - 1 installment during 2018-19- Rs. 4.88</p> <p>Period of maturity from the balance sheet date is 15 months.</p>	-	24.24	-
		<p>The term loan is repayable in 9 quarterly installments as mentioned below.</p> <p>- 4 installments during 2016-17- Rs. 4.88 each - 4 installments during 2017-18- Rs. 4.88 each - 1 installment during 2018-19- Rs. 4.88</p> <p>Period of maturity from the balance sheet date is 27 months.</p>	-	-	43.42

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
15	<p>The term loan amounting to Rs. 150 was taken by Devyani Food Street Private Limited ('DFSPL') from Yes Bank Limited during the year ended 31 March 2018.</p> <p>The interest rate applicable is 9.50% p.a. payable monthly. The tenure of the loan is 84 months.</p> <p>The term loan is secured by :</p> <p>First pari passu charge over entire movable fixed assets and current assets of the company.</p> <p>Unconditional and irrevocable corporate guarantee of Devyani International Limited.</p> <p>Non Disposable Undertaking (NDU) from Devyani International Limited for its shareholding in the Company.</p>	<p>The term loan is repayable in 24 equal quarterly installments as mentioned below.</p> <ul style="list-style-type: none"> - 4 installments during 2018-19- Rs. 6.25 each - 4 installments during 2019-20- Rs. 6.25 each - 4 installment during 2020-21- Rs. 6.25 each - 4 installment during 2021-22- Rs. 6.25 each - 4 installment during 2022-23- Rs. 6.25 each - 4 installment during 2023-24- Rs. 6.25 each <p>Period of maturity from the balance sheet date is 72 months.</p>	150.00	-	-

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
16	<p>The term loan amounting to Nigerian Naira ('NGN') 42.13 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2010.</p> <p>The interest rate applicable is 5% p.a.</p>	<p>The term loan rescheduled in financial year 2017-18 and repayable in 5 semi-annual installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2018-19- Rs. 1.25 each - 2 installments during 2019-20- Rs.1.25 each - 1 installment during 2020-21- Rs. 1.25 <p>Period of maturity from the balance sheet date is 30 months.</p>	6.25	-	-
		<p>The term loan is repayable in 5 semi-annual installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2017-18- Rs. 1.45 each - 2 installments during 2018-19- Rs.1.45 each - 1 installment during 2019-20- Rs. 1.45 <p>Period of maturity from the balance sheet date is 30 months.</p>	-	7.23	-
		<p>The term loan is repayable in 5 semi-annual installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2017-18- Rs. 2.32 each - 2 installments during 2018-19- Rs. 2.32 each - 1 installment during 2019-20- Rs. 2.32 <p>Period of maturity from the balance sheet date is 42 months.</p>	-	-	11.58

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
17	The term loan amounting to NGN 126.17 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2010. The interest rate applicable is 5% p.a.	The term loan rescheduled in financial year 2017-18 and repayable in 5 semi-annual installments as below mentioned : - 2 installments during 2018-19- Rs. 3.74 each - 2 installments during 2019-20- Rs. 3.74 each - 1 installment during 2020-21- Rs. 3.74 Period of maturity from the balance sheet date is 27 months.	18.68	-	
		The term loans is repayable in 5 semi-annual installments as below mentioned : - 2 installments during 2017-18- Rs. 4.33 each - 2 installments during 2018-19- Rs. 4.33 each - 1 installment during 2019-20- Rs. 4.33 Period of maturity from the balance sheet date is 27 months.	-	21.65	
		The term loans is repayable in 5 semi-annual installments as below mentioned : - 2 installments during 2017-18- Rs. 6.94 each - 2 installments during 2018-19- Rs. 6.94 each - 1 installment during 2019-20- Rs. 6.94 Period of maturity from the balance sheet date is 39 months.	-	-	34.70

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18	The term loan amounting to NGN 93.08 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2017. The interest rate applicable is 5% p.a.	The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 1.38 each - 4 installments during 2019-20- Rs. 1.38 each - 4 installments during 2020-21- Rs. 1.38 each Period of maturity from the balance sheet date is 36 months.	15.78	-	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 1.60 each - 4 installments during 2018-19- Rs. 1.60 each - 4 installments during 2019-20- Rs. 1.60 each Period of maturity from the balance sheet date is 36 months.	-	19.16	

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
19	The term loan amounting to NGN 325.85 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2012. The interest rate applicable is 5% p.a.	The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 9.62 each - 4 installments during 2019-20- Rs. 9.62 each - 4 installments during 2020-21- Rs. 9.62 each Period of maturity from the balance sheet date is 36 months.	114.70	-	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 11.17 each - 4 installments during 2018-19- Rs. 11.17 each - 4 installments during 2019-20- Rs. 11.17 each Period of maturity from the balance sheet date is 36 months.	-	134.03	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 11.54 each - 4 installments during 2018-19- Rs. 11.54 each - 4 installments during 2019-20- Rs. 11.54 each Period of maturity from the balance sheet date is 48 months.	-	-	138.52

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20	The term loan amounting to USD 1.81 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2013. The interest rate applicable is 5% p.a.	The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 8.17 each - 4 installments during 2019-20- Rs. 8.17 each - 4 installments during 2020-21- Rs. 8.17 each Period of maturity from the balance sheet date is 36 months.	98.09	-	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 9.49 each - 4 installments during 2018-19- Rs. 9.49 each - 4 installments during 2019-20- Rs. 9.49 each Period of maturity from the balance sheet date is 36 months.	-	113.91	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 9.81 each - 4 installments during 2018-19- Rs. 9.81 each - 4 installments during 2019-20- Rs. 9.81 each Period of maturity from the balance sheet date is 48 months.	-	-	117.72

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
21	The term loan amounting to USD 0.85 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2013. The interest rate applicable is 5% p.a.	The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 3.85 each - 4 installments during 2019-20- Rs. 3.85 each - 4 installments during 2020-21- Rs. 3.85 each Period of maturity from the balance sheet date is 36 months.	47.63	-	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 4.47 each - 4 installments during 2018-19- Rs. 4.47 each - 4 installments during 2019-20- Rs. 4.47 each Period of maturity from the balance sheet date is 36 months.	-	53.61	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 4.62 each - 4 installments during 2018-19- Rs. 4.62 each - 4 installments during 2019-20- Rs. 4.62 each Period of maturity from the balance sheet date is 48 months.	-	-	55.40

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
22	The term loan amounting to USD 0.85 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2015. The interest rate applicable is 5% p.a.	The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 3.85 each - 4 installments during 2019-20- Rs. 3.85 each - 4 installments during 2020-21- Rs. 3.85 each Period of maturity from the balance sheet date is 36 months.	46.16	-	
		Term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 4.47 each - 4 installments during 2018-19- Rs. 4.47 each - 4 installments during 2019-20- Rs. 4.47 each Period of maturity from the balance sheet date is 36 months.	-	53.60	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 4.62 each - 4 installments during 2018-19- Rs. 4.62 each - 4 installments during 2019-20- Rs. 4.62 each Period of maturity from the balance sheet date is 48 months.	-	-	55.40

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
23	The term loan amounting to USD 1.28 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2015. The interest rate applicable is 5% p.a.	The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 5.77 each - 4 installments during 2019-20- Rs. 5.77 each - 4 installments during 2020-21- Rs. 5.77 each Period of maturity from the balance sheet date is 36 months.	69.24	-	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 6.70 each - 4 installments during 2018-19- Rs. 6.70 each - 4 installments during 2019-20- Rs. 6.70 each Period of maturity from the balance sheet date is 36 months.	-	80.40	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 6.93 each - 4 installments during 2018-19- Rs. 6.93 each - 4 installments during 2019-20- Rs. 6.93 each Period of maturity from the balance sheet date is 48 months.	-	-	83.10

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
24	The term loan amounting to USD 1.52 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2016. The interest rate applicable is 5% p.a.	The term loans is repayable in 10 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 8.66 each - 4 installments during 2019-20- Rs.8.66 each - 1 installment during 2020-21- Rs. 8.66 - 1 installment during 2020-21- Rs. 4.49 Period of maturity from the balance sheet date is 28 months.	82.40	-	
		The term loans is repayable in 10 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 10.05 each - 4 installments during 2018-19- Rs.10.05 each - 1 installment during 2019-20- Rs. 10.05 - 1 installment during 2019-20- Rs. 5.21 Period of maturity from the balance sheet date is 28 months.	-	95.69	
		The term loans is repayable in 10 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 10.40 each - 4 installments during 2018-19- Rs. 10.40 each - 1 installment during 2019-20- Rs. 10.40 - 1 installment during 2019-20- Rs. 5.40 Period of maturity from the balance sheet date is 42 months.	-	-	98.93

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
25	The term loan amounting to USD 0.40 millions was taken by Devyani International (Nigeria) Limited ('DINL') from Chellarams Plc during the year ended 31 March 2017. The interest rate applicable is 5% p.a	The term loan rescheduled in financial year 2017-18 and repayable in 12 quarterly installments as below mentioned : - 4 installments during 2018-19- Rs. 1.79 each - 4 installments during 2019-20- Rs. 1.79 each - 4 installments during 2020-21- Rs. 1.79 each Period of maturity from the balance sheet date is 36 months.	21.46	-	
		The term loans is repayable in 12 quarterly installments as below mentioned : - 4 installments during 2017-18- Rs. 2.08 each - 4 installments during 2018-19- Rs. 2.08 each - 4 installments during 2019-20- Rs. 2.08 each Period of maturity from the balance sheet date is 36 months.	-	24.92	

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
26	The term loan was taken by Devyani International (Nigeria) Limited ('DINL') from Standard Chartered Bank during the year ended 31 March 2011. The interest rate applicable ranged between 18% to 19% p.a payable monthly. The tenure of the loan is 99 months including moratorium period of 23 months. The term loan is secured by : - All assets debenture on the assets of DINL	The term loans is converted into Overdraft loan facility.	-	-	
		The term loans is repayable in 28 monthly installments as below mentioned : - 12 installments during 2016-17- Rs. 11.52 each (during the year DINL has made default in payment of these instalments) - 12 installments during 2017-18- Rs. 11.52 each - 4 installments during 2018-19- Rs. 11.52 each Period of maturity from the balance sheet date is 16 months.	-	322.44	
		The term loans is repayable in 30 monthly installments as below mentioned : - 2 installments of 2015-16 - Rs. 18.46 each - 12 installments during 2016-17- Rs. 18.46 each - 12 installments during 2017-18- Rs. 18.46 each - 4 installments during 2018-19- Rs. 18.46 each Period of maturity from the balance sheet date is 28 months.	-	-	554.52

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
27	The term loan was taken by Devyani International (Nigeria) Limited ('DINL') from ECO Bank during the year ended 31 March 2011. The interest rate applicable ranged between 18% to 19% p.a. payable monthly. The tenure of the loan is 90 months including moratorium period of 6 months. The term loan is secured by : - All assets debenture on the assets of DINL	The term loans is repayable in 2 monthly installments as below mentioned : - 2 installments during 2018-19- of Rs. 0.40 each Period of maturity from the balance sheet date is 2 months.	0.79	-	
		The term loans is repayable in 14 monthly installments as below mentioned : - 12 installments during 2017-18- ranging between Rs. 0.46 to Rs. 3.63 - 2 installments during 2018-19- of Rs. 0.46 each Period of maturity from the balance sheet date is 14 months.	-	23.69	
		The term loans is repayable in 27 monthly installments as below mentioned : - 12 installments during 2016-17- ranging between Rs. 5.81 to Rs. 11.49 - 12 installments during 2017-18- ranging between Rs. 0.73 to Rs. 5.81 - 3 installments during 2018-19- ranging between Rs. 0.73 to Rs. 7.66 Period of maturity from the balance sheet date is 27 months.	-	-	125.39

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
28	<p>The term loan was taken by Devyani International Nepal Private Limited ('DINPL') from NMB Bank during the year ended 31 March 2011. The interest rate applicable is 9%. The tenure of the loan is 120 months including moratorium period of 12 months.</p> <p>The term loan is secured by :</p> <ul style="list-style-type: none"> - Hypothecation of all fixed assets of DINPL. - Hypothecation over entire current assets of DINPL. - Personal guarantee of Mr. Ravi Kant Jaipuria. - Corporate guarantee of M/s Varun Beverages (Nepal) Private Limited. 	<p>The term loan is repayable in 4 half yearly installments as below mentioned :</p> <ul style="list-style-type: none"> - 1 installment during 2018-19- Rs. 4.35 - 1 installment during 2018-19- Rs. 2.15 - 2 installments during 2019-20- Rs. 2.15 each <p>Period of maturity from the balance sheet date is 24 months.</p>	10.56	-	
		<p>The term loan is repayable in 6 half yearly installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2017-18- Rs. 4.62 each - 1 installment during 2018-19- Rs. 4.35 - 1 installment during 2018-19- Rs. 2.15 - 2 installments during 2019-20- Rs. 2.15 each <p>Period of maturity from the balance sheet date is 36 months.</p>	-	20.00	
		<p>The term loan is repayable in 8 half yearly installments as below mentioned :</p> <ul style="list-style-type: none"> - 2 installments during 2016-17- Rs. 4.78 each - 2 installments during 2017-18- Rs. 4.78 each - 1 installment during 2018-19- Rs. 4.35 - 1 installment during 2018-19- Rs. 2.15 - 2 installments during 2019-20- Rs. 2.15 each <p>Period of maturity from the balance sheet date is 48 months.</p>	-	-	29.92

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

S. No	Loan terms	Remaining contractual liability as at respective reporting date	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
29	The term loan amounting to Rs. 100 was taken by Devyani Food Street Private Limited ('DFSPL') from Indian Bank during the year ended 31 March 2010. The interest rate applicable is BPLR + 1.5% p.a payable monthly. The tenure of the loan is 84 month including moratorium period of 12 months. The term loan is secured by : - Hypothecation of all furniture and fixtures, equipments installed at the various outlets. - Charge over security deposits of around Rs. 8 given to Delhi International Airport Private Limited as security deposit for the duration of the concession granted to operate the outlets. - Personal guarantee of Ravi Jaipuria & Sons (HUF).	The term loan is repayable in 4 quarterly installments as below mentioned : - 4 installments during 2016-17- Rs.5.63 each Period of maturity from the balance sheet date is 12 months.	-	-	22.51
30	The 2.25 millions redeemable preference shares were issued during the year 2017-2018 as fully paid with a par value of Rs 10 . The redeemable preference shares are mandatorily redeemable at par in the year 2022-2023 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 .		100.29		
31	The 1.43 millions redeemable preference shares were issued during the year 2016-2017 as fully paid with a par value of Rs 10 . The redeemable preference shares are mandatorily redeemable at par in the year 2021-2022 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 .			66.66	
32	The 2 millions redeemable preference shares were issued during the year 2015-2016 as fully paid with a par value of Rs 10 . The redeemable preference shares are mandatorily redeemable at par in the year 2020-2021 and the Group is obliged to pay holders of these shares dividends at the rate of 1 % of the par amount per annum , subject to availability of distributable profits .				41.44
			3,300.87	2,984.62	3,188.11

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

17. Short term borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash credit and overdraft facility from banks (secured)	407.25	78.27	319.54
Loan from Varun Beverages (Nepal) Private Limited (unsecured)	-	-	5.04
	407.25	78.27	324.58

Loan terms	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The credit facility taken from Standard Chartered Bank carries interest rate of 19% p.a. The facility is secured by: - Charge on all the assets of Devyani International (Nigeria) Limited - Corporate Guarantee from Chellarams Plc - Corporate Guarantee from RV Enterprises Pte Ltd	407.25	-	112.06
The credit facility taken from ECO Bank carries interest rate ranging between 18% - 22% p.a. The facility is secured by: - Charge on all assets of Devyani International (Nigeria) Limited	-	57.78	163.59
The credit facility taken from Diamond Bank Plc carries interest rate of 19% p.a. The facility is secured by: - Charge on all assets of Devyani International (Nigeria) Limited - Domiciliation of sales proceeds for the locations funded.	-	16.52	29.23
The credit facility taken from First Monument Bank Plc carries interest rate of 18% p.a. The facility is secured by: - Charge on all fixed and floating assets of Devyani International (Nigeria) Limited	-	3.97	9.47
The Credit facility taken from NMB Bank carries interest rate of 10 % p.a. The facility is secured by : - Hypotheciation of all fixed assets and the entire current asset of Devyani International Nepal private Limited. - Personal guarantee of Mr Ravi Kant Jaipuria and corporate guarantee of M/s Varun Beverages (Nepal) Private Limited .	-	-	5.19
The Credit facility taken from Varun Beverages (Nepal) Private Limited carries interest rate of 7.5 % p.a.	-	-	5.04

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

18. Other financial liabilities

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current portion of long-term borrowings	-	-	-	581.92	877.03	791.60
Security deposits payable	16.59	7.06	8.36	9.54	8.59	8.89
Interest accrued but not due on borrowings	-	-	-	11.71	44.31	47.56
Interest due on borrowings	-	-	-	-	48.41	16.34
Capital creditors	11.47	-	-	200.13	126.09	103.15
Others	-	-	-	8.62	0.46	0.42
	28.06	7.06	8.36	811.92	1,104.89	967.96

19. Provisions

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits						
Gratuity (Refer to Note 43)	53.09	58.70	49.18	17.38	9.69	8.95
Compensated absences	45.97	42.97	35.32	20.01	9.18	7.39
	99.06	101.67	84.50	37.39	18.87	16.34

20. Other liabilities

	Non-current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred income	3.20	0.59	0.08	4.43	4.53	2.61
Advances from customers	-	-	-	20.13	54.55	35.34
Employee related payables	-	-	-	209.51	197.14	188.20
Lease equalisation reserve	416.97	315.43	136.00	-	-	-
Statutory dues payable	-	-	-	182.69	160.36	149.14
Other payable	-	-	-	-	-	0.16
	420.17	316.02	136.08	416.76	416.58	375.45

21. Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Related parties (Refer to Note 36)	19.21	19.38	17.64
- Other trade payables	1,260.49	1,120.00	1,035.52
- Micro and small enterprises	2.56	0.01	0.01
	1,282.26	1,139.39	1,053.17

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 34.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
22. Revenue from operations		
Sale of products		
Finished goods	10,968.03	10,263.57
Traded goods	36.68	7.62
Other operating revenues		
Marketing and other support services	98.15	203.66
Scrap sales	3.26	0.14
	11,106.12	10,474.99
23. Other income		
Interest income under effective interest method from :		
-bank deposits	11.09	12.86
-others	1.41	8.53
Interest income from financial assets at amortised cost	35.53	30.73
Other non-operating income:		
-Liabilities no longer required written back	89.96	10.83
-Rental income	106.89	11.47
-Gain on disposal of property plant and equipment (net)	-	2.18
-Commission Income	1.76	2.54
-Net gain on foreign currency transactions	0.25	3.33
-Miscellaneous income	3.69	4.43
	250.58	86.90
24. Cost of materials consumed		
Raw material and packing material consumed		
Inventories at the beginning of the year	339.31	347.77
Add: Purchases during the year (net)	3,261.55	3,143.13
Less: Inventories at the end of the year	314.92	339.31
	3,285.94	3,151.59
25. Purchase of stock-in-trade		
Purchase of stock-in-trade	219.52	62.65
	219.52	62.65
26. Changes in inventories of stock-in-trade		
Opening Stock	-	-
Closing Stock	131.40	-
Net (increase)/decrease in stock in trade	(131.40)	-

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
27. Employee benefits expense		
Salaries, wages and bonus	1,533.01	1,535.61
Contribution to provident and other funds	126.55	130.97
Expenses related to post - employment defined benefit plan (Refer to Note 43)	19.89	21.65
Employee stock option scheme expenses	2.73	23.41
Staff welfare expenses	39.91	33.35
	1,722.09	1,744.99
28. Finance costs		
Interest expenses		
Interest on borrowings measured at amortised cost	306.37	340.86
Interest accretion on financial liabilities measured at amortised cost	16.51	5.25
Others	0.37	0.98
Net loss on foreign currency transactions and translation to the extent recorded as borrowing cost	(13.78)	511.33
	309.47	858.42
29. Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer to Note 3)	612.25	777.11
Amortisation of other intangible assets (Refer to Note 4)	57.56	73.10
	669.81	850.21
30. Other expenses		
Power and fuel	725.23	717.46
Rent (Refer to Note 35)	1,950.17	2,025.14
Repairs and maintenance		
-Plant and equipment	151.00	185.29
- Buildings	242.72	217.28
-Others	48.27	51.51
Rates and taxes	46.44	42.30
Travelling and conveyance	82.33	57.81
Legal and professional	37.39	37.85
Management fee	5.46	1.94
Auditor's remuneration (Refer to Note below)	10.67	9.95
Water charges	25.66	26.27
Insurance	13.41	17.81
Printing and stationery	12.41	9.50
Communication	108.25	112.45
Directors' sitting fee	1.76	2.47
Security and service charges	86.16	69.62
Bank charges	26.92	23.72
Advertisement and sales promotion	427.62	393.57
Commission and brokerage	10.70	14.28
Credit card commission and cash pickup charges	87.01	62.73
Royalty and continuing fee	570.25	575.88

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Freight, octroi and insurance paid	228.24	300.83
Delivery vehicle running and maintenance	13.38	2.54
Loading and unloading charges	10.15	13.68
Loss on sale of Property plant and equipment	3.79	-
Bad debts and advances written off	-	69.48
Allowance for doubtful debts	-	25.59
Net loss on foreign currency transactions and translations	31.92	25.75
Provision for impairment loss on equity accounted investees	25.00	-
General office and other miscellaneous expenses	97.81	52.79
	5,080.12	5,145.49

Note: Auditor's remuneration

As auditor		
Statutory audit*	10.50	8.52
Tax matters	-	0.52
Others matters	-	0.62
Outlays	0.17	0.29
	10.67	9.95

*Inclusive of applicable taxes

	For the year ended 31 March 2018	For the year ended 31 March 2017
31. Income Tax		
(a) Amounts recognised in the Statement of Profit and Loss comprises:		
Current tax:	22.57	13.91
Current tax	(30.97)	-
	(8.40)	13.91

Deferred tax expense:

Attributable to origination and reversal of temporary differences

(b) Income tax recognised in other comprehensive income

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before Tax	Tax (expenses)/ Benefit	Net of Tax	Before Tax	Tax (expenses)/ Benefit	Net of Tax
Remeasurements of defined benefit liability	(13.36)	(0.16)	(13.52)	(4.03)	-	(4.03)
Exchange difference in translating financial statements of foreign operations	81.85	-	81.85	644.60	-	644.60
	68.49	(0.16)	68.33	640.57	-	640.57

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(c) Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:		
Profit/(Loss) before tax	302.84	(1,784.75)
Tax using the Company's domestic tax rate - 34.608% (31 March 2017: 30.90%)	104.81	(551.49)
Effect of :		
Difference in tax rate of various entities	24.81	17.08
Share of loss of equity accounted investees	6.06	3.40
Change in unrecognised temporary differences	(7.23)	218.34
Recognition of previously unrecognised tax losses	(39.07)	-
Income tax pertaining to previous years	4.08	(1.32)
Unrecognised tax losses and unabsorbed depreciation	18.00	318.26
Rate change impact on deferred tax *	(143.12)	-
Others	23.26	9.64
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	(8.40)	13.91

* Represents the change in enacted tax rate as on the reporting date.

(d) Income tax assets

	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax (net of provision of tax)	102.06	87.78	97.21	-	-	-
	102.06	87.78	97.21	-	-	-

(e) Income tax liabilities:

	Non Current			Current		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax liability (net of provision of advance tax)	-	-	-	2.97	-	-
	-	-	-	2.97	-	-

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

(f) Deferred tax assets/liabilities

	Deferred tax assets			(Deferred tax liabilities)			Net deferred tax assets / (liabilities)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Property, plant and equipment and intangible assets (net)	406.06	442.53	302.78	(1.77)	(8.80)	(11.53)	404.29	433.73	291.25
Employee related provisions and liabilities	66.47	53.25	49.27	-	-	-	66.47	53.25	49.27
Financial Instruments measured at amortised cost	83.04	64.06	58.01	(6.08)	(2.73)	(4.80)	76.96	61.33	53.21
Share based payment	38.75	33.42	27.20	-	-	-	38.75	33.42	27.20
Others	8.95	7.92	1.95	-	-	-	8.95	7.92	1.95
Unabsorbed depreciation and tax losses	611.95	636.04	551.33	-	-	-	611.95	636.04	551.33
	1,215.22	1,237.22	990.54	(7.85)	(11.53)	(16.33)	1,207.37	1,225.69	974.21
Deferred tax liabilities							(7.85)	(11.53)	(16.33)
Deferred tax assets							1,215.22	1,237.22	990.54
Deferred tax assets recognised (net of recognised deferred tax liabilities)*							30.81	-	-

* The Group recognised deferred tax assets Rs. 30.81 (31 March 2017 :Rs. Nil and 1 April 2016 : Rs. Nil) which belongs to Devyani International (Nepal) Private Limited and Devyani Food Street Private Limited (wholly owned subsidiaries) having convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. As at 31 March 2018, 31 March 2017 and 1 April 2016, the Group has significant unabsorbed depreciation and unused tax losses. The Group has not recognised deferred tax assets in respect of deductible temporary difference, unused tax losses and unabsorbed depreciation of Rs. 1,176.56, Rs.1,225.69 and Rs.974.21 as at 31 March 2018, 31 March 2017 and 1 April 2016 respectively, as there no convincing evidence that sufficient taxable profit will be available against which these deferred tax asset can be realised.

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

(g) Movement of temporary differences

	As at 1 April 2016	Recognised in Profit or Loss during 2016-17	Recognised in OCI during 2016-17	As at 31 March 2017	Recognised in Profit or Loss during 2017- 18	Recognised in OCI during 2017-18	As at 31 March 2018
Property, plant and equipment and intangible assets (net)	-	-	-	-	21.01	-	21.01
Employee related provisions and liabilities	-	-	-	-	7.34	(0.16)	7.18
Financial Instruments at amortised cost	-	-	-	-	2.58	-	2.58
Others	-	-	-	-	0.04	-	0.04
Unabsorbed depreciation	-	-	-	-	-	-	-
	-	-	-	-	30.97	(0.16)	30.81

(h) Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Gross Amount	Unrecognised Tax Effect	Gross Amount	Unrecognised Tax Effect	Gross Amount	Unrecognised Tax Effect
Unabsorbed Depreciation						
- Never expire	1,747.92	591.67	2,024.43	625.55	1,741.63	538.16
Business Loss						
Expire Year :						
2017-18	18.69	3.56	-	-	-	-
2021-22	-	-	7.47	1.87	41.96	10.49
2023-24	8.67	2.23	8.67	2.68	8.67	2.68
2024-25	19.23	4.95	19.23	5.94	-	-
2025-26	37.04	9.54	-	-	-	-
Total Unabsorbed Depreciation and Business Losses	1,831.55	611.95	2,059.80	636.04	1,792.26	551.33

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
32. Earnings / (loss) per share (EPS)		
Profit / (Loss) attributable to owners of the Company for calculation of basic and diluted EPS	459.71	(1,200.77)
Weighted average number of equity shares for the calculation of basic EPS	106,166,666	106,166,666
Effect of dilutive potential equity shares*		
– Employee stock options	1,892,015	1,972,828
Weighted average number of equity shares for calculation of diluted EPS	108,058,681	108,139,494
Basic earnings / (loss) per share (Rs.)	4.33	(11.31)
Diluted earnings / (loss) per share (Rs.)	4.25	(11.31)
Nominal value of equity shares	10.00	10.00

* As at 31 March 2017, the outstanding potential equity shares had an anti-dilutive effect on EPS hence there was no dilution of EPS for the year ended 31 March 2017.

33. Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The Group has adopted Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 with effect from 1 April 2017, with transition date of 1 April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015. Accordingly, the consolidated financial statements for the year ended 31 March 2018, the comparative information presented in these consolidated financial statements for the year ended 31 March 2017 and the opening Consolidated Balance Sheet as at 1 April 2016 have been prepared in accordance with Ind AS.

In preparing opening Ind AS Consolidated Balance Sheet, the Group have adjusted amounts reported previously in the consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), as notified under Section 133 of the Companies Act 2013 ('Previous Indian GAAP') and other relevant provisions for the Companies Act 2013. An explanation of how the transition from Previous Indian GAAP to Ind AS has affected the Group's financial performance, cash flows and financial position is set out in the following tables and the notes.

a. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in transition from Previous Indian GAAP to Ind AS

(i) Ind AS optional exemptions

1. Deemed cost for property, plant and equipment and other intangible assets

As per Ind AS 101, an entity may elect to use carrying values of all property, plant and equipment and other intangible assets as recognized in the consolidated financial statement as at the date of transition to Ind AS, measured as per the Previous Indian GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Group has elected to measure property, plant and equipment and other intangible assets at their Previous Indian GAAP carrying values. Refer to Note 3 and 4

2. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

C of Ind AS 17 for determining whether a contract or an arrangement existing at the date of transition contains a lease. Ind AS 101 provides the option to make the assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Group has elected to apply this exemption on the basis of facts and circumstances existing as at the transition date.

3. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

4. Joint Venture- transition from proportionate consolidation to the equity method.

As per Ind AS 101, when changing from proportionate consolidation method to equity method, an entity may measure its investment in a joint venture at date of transition as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition.

The resultant amount is regarded as the deemed cost of the investment in the joint venture at initial recognition.

The Group has opted to avail this exemption.

(ii) Ind AS mandatory exceptions

1. Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS' (i.e. 1 April 2016) or 'the end of the comparative period presented in the entity's first Ind AS financial statements' (i.e. 31 March 2017), as the case may be, should be consistent with estimates made for the same date in accordance with the Previous Indian GAAP.

The Group's estimates as at the transition date are consistent with the estimates made as at the same date made under Previous Indian GAAP. Key estimates considered in preparation of consolidated financial statements that were not required under the Previous Indian GAAP are listed below.

- Determination of the discounted value for financial instruments carried at amortised cost.
- Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

3. Non-controlling interests (NCI)

Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS.

b. Reconciliation between Previous Indian GAAP and Ind AS.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following tables and notes represent the reconciliation from Previous Indian GAAP to Ind AS.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

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

(i) Reconciliation of equity as at 1 April 2016 and 31 March 2017

	Note	As at 31 March 2017			As at 1 April 2016		
		Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS	Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Assets							
Non-current assets							
Property, plant and equipment	f	3,792.36	(217.16)	3,575.20	4,376.15	14.95	4,391.10
Capital work-in-progress	l	151.15	-	151.15	364.87	(2.01)	362.86
Goodwill	l	207.07	(0.90)	206.17	207.47	(1.30)	206.17
Other intangible assets	f	287.99	(47.14)	240.85	323.94	(1.87)	322.07
Intangible assets under development	l	-	-	-	16.39	(0.01)	16.38
Equity accounted investees	l	-	42.50	42.50	-	25.52	25.52
Financial assets							
(i) Loans	a	523.79	(239.40)	284.39	546.57	(256.94)	289.63
(ii) Other financial assets		19.70	-	19.70	18.56	-	18.56
Income tax assets (net)	l	87.88	(0.10)	87.78	97.28	(0.07)	97.21
Other non-current assets	a	49.61	183.98	233.59	31.92	200.26	232.18
Total non-current assets		5,119.55	(278.22)	4,841.33	5,983.15	(21.47)	5,961.68
Current assets							
Inventories	f	351.54	(12.23)	339.31	385.30	(37.53)	347.77
Financial assets							
(i) Trade receivables	l	178.01	-	178.01	151.35	-	151.35
(ii) Cash and cash equivalents	l	383.99	(12.66)	371.33	460.25	(0.62)	459.63
(iii) Bank balances other than (iii) above		3.52	-	3.52	4.60	-	4.60
(iv) Loans	a	91.55	(12.83)	78.72	82.66	(3.24)	79.42
(v) Other financial assets	l	2.06	(0.17)	1.89	2.28	(0.04)	2.24
Other current assets	a	120.00	25.07	145.08	132.51	22.85	155.36
Total current assets		1,130.67	(12.81)	1,117.86	1,218.94	(18.58)	1,200.37
Total assets		6,250.22	(291.03)	5,959.19	7,202.10	(40.05)	7,162.05

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Notes forming part of consolidated financial statements for the year ended 31 March 2018 (₹ in millions, except for share data and if otherwise stated)

	Note	As at 31 March 2017			As at 1 April 2016		
		Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS	Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Equity and liabilities							
Equity							
Equity share capital		1,061.67	-	1,061.67	1,061.67	-	1,061.67
Other equity	m	(9.51)	(180.56)	(190.07)	696.37	41.06	737.43
Equity attributable to owners of the Company		1,052.16	(180.56)	871.60	1,758.04	41.06	1,799.10
Non-controlling interests	i	278.21	(480.96)	(202.75)	253.16	(253.16)	-
Total equity		1,330.37	(661.52)	668.85	2,011.20	(212.10)	1,799.10
Liabilities							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	b & h	2,044.95	62.65	2,107.59	2,356.36	40.15	2,396.51
(ii) Other financial liabilities	l	9.55	(2.49)	7.06	10.42	(2.06)	8.36
Provisions	g	101.24	0.43	101.67	83.55	0.95	84.50
Other non-current liabilities	j	-	316.02	316.02	-	136.08	136.08
Total non-current liabilities		2,155.76	376.60	2,532.34	2,450.34	175.12	2,625.45
Current liabilities							
Financial liabilities							
(i) Borrowings	k	80.88	(2.61)	78.27	324.58	0.17	324.58
(ii) Trade payables	l	1,142.66	(3.27)	1,139.39	1,055.98	(2.81)	1,053.17
(iii) Other financial liabilities	e	1,109.19	(4.30)	1,104.89	970.51	(2.55)	967.96
Other current liabilities	e	412.05	4.53	416.58	372.84	2.61	375.45
Provisions	k	19.31	(0.43)	18.88	16.66	(0.32)	16.34
Total current liabilities		2,764.09	(6.07)	2,758.00	2,740.56	(3.06)	2,737.50
Total equity and Liabilities		6,250.22	(291.03)	5,959.19	7,202.10	(40.05)	7,162.05

*Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2017

	Note	For the year ended 31 March 2017		
		Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Revenue from operations	l	10,495.30	(20.31)	10,474.99
Other income	a & e	50.61	36.29	86.90
Total income		10,545.91	15.98	10,561.89
Expenses				
Cost of materials consumed	f	3,158.05	(6.46)	3,151.58
Purchase of stock-in-trade		62.65	-	62.65
Employee benefits expense	c , g & j	1,735.34	9.66	1,744.99
Finance costs	e	850.86	7.56	858.42
Depreciation and amortization expense	f	775.17	75.04	850.21
Impairment loss/ (reversal)	f	303.20	219.09	522.28
Other expenses	k	5,000.64	144.86	5,145.49
Total expenses		11,885.91	449.73	12,335.64
Profit/(loss) before share of profit of equity accounted investees		(1,340.00)	(433.75)	(1,773.75)
Share of loss of equity accounted investees (Net of income tax)	l	-	(11.00)	(11.00)
Profit/(loss) before tax		(1,340.00)	(444.76)	(1,784.75)
Tax expense:				
Current tax		13.76	0.15	13.91
Deferred tax		-	-	-
Total tax expense		13.76	0.15	13.91
Profit / (loss) for the year		(1,353.76)	(444.91)	(1,798.67)
Other comprehensive income				
Items that will not to be reclassified subsequently to profit or loss:				
Remeasurement of the defined benefit plans		-	(4.03)	(4.03)
Income tax relating to above mentioned item		-	-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	(4.03)	(4.03)
Items that will be reclassified to profit or loss				
Net Losses due to foreign currency translation differences		-	644.60	644.60
Net other comprehensive income to be reclassified subsequently to profit or loss		-	644.60	644.60
Total comprehensive income for the year		(1,353.76)	195.66	(1,158.10)

*Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

(iv) Impact of Ind AS adoption on the Statement of cash flows for the year ended 31 March 2016

	Note	For the year ended 31st March, 2017		
		Previous Indian GAAP*	Effect of transition to Ind AS	As per Ind AS
Net cash flow from operating activities		889.06	13.96	903.02
Net cash flow from investing activities		(635.73)	(26.54)	(662.27)
Net cash flow from financing activities		(319.85)	0.02	(319.83)
Effect of exchange rate change		(9.25)	-	(9.25)
Net increase / (decrease) in cash and cash equivalents during the year		(75.77)	(12.55)	(88.32)

(iii) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

	As at 31 March 2017	As at 1 April 2016
Equity as per Previous Indian GAAP*	1,330.37	2,011.20
Gain/(loss) on discounting of financial assets / liabilities, net	(57.90)	(22.72)
Loss on unwinding of discounting financial assets and liabilities, net	20.58	(2.43)
Adjustment for impairment reversal provided under Previous Indian GAAP and impact of reclassification of inventory	(245.27)	-
Effect of reclassification of redeemable preference shares from Non controlling interest to borrowings	(59.40)	(39.01)
Adjustment for fair valuation of employee stock options	98.84	78.71
Transfer to Employee stock option outstanding account	(98.84)	(78.71)
Lease equalisation and actuarial valuation impact	(315.66)	(142.93)
Effect of change in accounting of Equity accounted investee	(1.37)	(1.37)
Others	(2.50)	(3.64)
Equity under Ind AS	668.85	1,799.10

*Previous Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

c. Notes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and consolidated profit or loss for the year 31 March 2017:

a. Financial Assets (Loan): Security deposits receivables

Under Previous Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost using effective interest rate method. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as at 31 March 2017 has decreased by Rs. 251.65 (1 April 2016 : Rs. 256.44) with a creation of deferred rent (included in other non-current and current assets) of Rs. 209.49 as at 31 March 2017 (1 April 2016 : Rs. 223.18). The other equity decreased by Rs. 44.36 as at 31 March 2017 and decreased by Rs. 33.26 as at 1 April 2016. The unwinding of security deposit happens

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

by recognition of a notional interest income in Consolidated profit or loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The loss for the year ended 31 March 2017 has increased by Rs 4.94 with corresponding decrease in other equity due to amortization of deferred rent by Rs 35.67 (included in rental expense) and increase in notional income of Rs 30.73 recognised on security deposit (included in other income).

b. Transaction cost of borrowings

Ind AS 109 requires transaction cost incurred towards origination of borrowing to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the consolidated profit or loss over the terms of the borrowings as part of the interest expense by applying the effective interest rate method. Under Previous Indian GAAP, these transactions cost were charged to consolidated profit or loss as and when incurred. Accordingly, borrowings (current and non current) are decreased by Rs. 6.97 as at 31 March 2017 and Rs. 9.33 as at 1 April 2016, with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended 31 March 2017 increased by Rs. 2.57 as a result of the additional interest expenses.

c. Share-based payments measurements

Under Previous Indian GAAP, the cost of equity settled-share base payments was recognised using intrinsic value method. Under Ind AS, the cost of equity settled share-based payments is recognised based on the fair value of options as at the grant date. The changes does not affect total equity, however there is an increase in loss for the year ended 31 March 2017 by Rs. 20.12.

d. Other comprehensive income

Under Previous Indian GAAP, there was no requirement to disclose any item of profit or loss in other comprehensive income. However, Ind AS requires certain items of profit and loss to be classified to other comprehensive income. Consequent to this, the Group has reclassified remeasurement of defined benefit plans from Consolidated Statement of Profit and Loss to other comprehensive income.

e. Financial liabilities: Security deposits payable

Under Previous Indian GAAP, interest free security deposits (that are payable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial liabilities are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred income. Consequent to this change the amount of security deposit as at 31 March 2017 has decreased by Rs. 2.49 (1 April 2016 : Rs.2.50) with a creation of deferred income (included in other non-current and current liabilities) of Rs. 5.12 as at 31 March 2017 (1 April 2016 : Rs. 2.69). The other equity decreased by Rs. 2.63 as at 31 March 2017 and decreased by Rs. 0.01 as at 1 April 2016. The unwinding of security deposit happens by recognition of a notional interest expense in Consolidated Statement of Profit and Loss at effective interest rate. The deferred income gets amortised on a straight line basis over the term of the security deposits. The loss for the year ended 31 March 2017 decreased due to amortisation of deferred income by Rs 0.50 (included in other income) and consequently increased due to increase in notional interest expense of Rs 0.43 recognised on security deposit (included in finance cost.)

f. Property, plant and equipment and other intangible assets

The Group has elected to use carrying values of all its property, plant and equipment and other intangible assets as recognized in the consolidated financial statements as at the date of transition to Ind AS, measured as per the Previous Indian GAAP and use that as its deemed cost as at the date of transition. Accordingly, the impairment

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

which was reversed under the Previous Indian GAAP during the year ended 31 March 2017, has been charged to consolidated profit or loss. As a result of this change, the depreciation and impairment for the year ended 31 March 17 has been increased by Rs. 288.09 (Rs.243.54 on property, plant and equipment and Rs. 44.55 on other intangible assets) and gain on disposal of property, plant and equipment is increased by Rs.13.12 (loss on disposal of property, plant and equipment was Rs. 8.49 in Previous Indian GAAP for the year ended 31 March 2017).

Under Ind AS 16 - Property, Plant and Equipment, assets that meet the criteria of property, plant and equipment are capitalised. The Group, in accordance with Ind AS 16, has identified certain smallwares that meet the definition of property, plant and equipment, which were earlier classified as inventories in the Previous Indian GAAP. On transition to Ind AS, the Group has capitalised such smallwares amounting to Rs. 14.49 as at 31 March 2017 and Rs. 35.85 as at 1 April 2016. As a result of this capitalisation, depreciation expense for the year ended 31 March 2017 has been increased by Rs. 10.77 and other expenses (consumption of smallware) have been decreased by Rs. 40.47.

g. Employee benefits expense : Remeasurement of post employment benefits plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in Other Comprehensive Income instead of Consolidated Statement of Profit and Loss. Under Previous Indian GAAP these were forming part of the Consolidated Statement of Profit and Loss for the year. As a result of this change, the employee benefits expense to the extent of actuarial loss amounting to Rs. 4.03 for the year ended 31 March 2017 has been reduced and the same has been reclassified to Other Comprehensive Income. There is no impact on the other equity as at 1 April 2016.

h. Non-controlling interests

Under Ind AS, profit or loss and each component of other comprehensive income is attributed to the owners of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires this adjustment to be applied prospectively from the date of transition to Ind AS. Under the Previous Indian GAAP, the excess of such losses attributable to non-controlling interests over its interest in the equity of subsidiary was attributed to the owners of the Company. However, in cases of redeemable preference shares, the excess of such losses amounting to Rs. 253.16 attributable to non-controlling interests over its interest in the preference share capital of the subsidiary was not attributed to the owners of the Company. This has now been adjusted with corresponding increase in other equity as at 1 April 2016. Further, the Group has attributed share in total comprehensive income of Rs. 207.18 for the year ended 31 March 2017 to the non-controlling interests.

i. Redeemable preference shares

Under Previous Indian GAAP, the redeemable preference shares (RPS) as issued by Devyani Airport Services (Mumbai) Private Limited were classified as equity and were recorded at their transaction value. Under Ind AS, such redeemable preference shares (compound financial instruments) are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Consequent to this change, the liability component has been reclassified as a separate item under the head borrowings, resulting in an increase in borrowings by Rs. 66.66 as at 31 March 2017 (1 April 2016 : Rs.41.44) and further, equity component has been shown separately as part of non-controlling interests amounting to Rs. 4.42 as at 31 March 2017.

The unwinding of liability component of redeemable preference shares happens by recognition of a notional interest expense in profit or loss at effective interest rate. Accordingly, the other equity as at 1 April 2016 has

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decreased by Rs. 2.43 and loss for the year ended 31 March 2017 increased by Rs 4.82 due to increase in notional interest expenses (included in finance costs).

j) Lease equalisation reserve

Under Previous Indian GAAP, the lease payments under operating leases were recognised as expense on a straight line basis over the lease term. As per Ind AS 17, lease payments are recognized on a straight line basis if payments to the lessor are not structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As the increase in rentals is not in line with increase in general inflation, under Previous Indian GAAP and Ind AS, the Group has to recognise rent expense on a straight line basis over the lease term and record lease equalisation reserve as at 31 March 2017 and 1 April 2016.

Accordingly, the Group has created a lease equalisation reserve amounting to Rs. 315.43 as at 31 March 2017 (1 April 2016: Rs. 136.00), with corresponding impact on other equity. Further, the loss for the year ended 31 March 2017 has increased by Rs 179.94 with corresponding decrease in other equity.

k) Actuarial valuation

Under Previous Indian GAAP, the gratuity liability for Devyani International (Nepal) Private Limited as at 31 March 2017 and 1 April 2016 was not recognised as per actuarial valuation. This has been identified and rectified. Accordingly, the Group has undertaken actuarial valuation of gratuity liability as at 31 March 2017 and 1 April 2016. Consequent to this, the provision for employee benefits (Gratuity) has increased by Rs. 0.23 as at 31 March 2017 and increased by Rs. 0.63 as at 1 April 2016 with a corresponding decrease in other equity. Further, the loss for the year ended 31 March 2017 has increased by Rs. 0.23 with corresponding decrease in other equity.

l) Joint venture accounting

Under Previous Indian GAAP, The Minor Food Group (India) Private limited, a joint venture was accounted for using the proportionate consolidation method. Under Ind AS, investment in joint ventures is accounted using the equity method. For the purposes of applying the equity method, the investment in The Minor Food Group (India) Private limited of Rs.25.52. at the date of transition has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated duly adjusted for Ind AS transition effects. No impairment has been identified on the investment at the date of transition.

The proportionately consolidated amounts of assets and liabilities (30%) of The Minor Food Group (India) Private limited under previous Indian GAAP were as below

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

Particulars	31 March 2017	1 April 2016
Non-current assets		
Property, plant and equipment	26.31	20.90
Capital-work-in progress	-	2.01
Goodwill	0.90	1.30
Other intangible assets	2.59	1.87
Financial assets		
(i) Loans	5.11	3.57
Income tax assets (net)	0.10	0.07
Other non-current assets	0.29	0.14
Total non-current assets	35.31	29.86
Current assets		
Inventories	2.36	0.68
Financial assets		
(i) Trade receivables	0.09	-
(ii) Cash and cash equivalents	12.66	0.62
(iv) Loans	0.14	0.17
(v) Other financial assets	0.17	0.04
Other current assets	1.41	0.38
Total current assets	16.83	1.89
Total assets	52.14	31.75
Non-current liabilities		
Provisions	0.24	-
Total non-current liabilities	0.24	-
Current liabilities		
Financial liabilities		
(ii) Trade payables	3.16	3.18
(iii) Other financial liabilities	4.45	2.11
Other current liabilities	0.70	0.81
Total current liabilities	8.30	6.10
Total liabilities	8.55	6.10

The proportionately consolidated amounts of income and expense under previous Indian GAAP were as below

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars	For the Year Ended 31 March 2017
Revenue	20.88
Cost of materials consumed	(6.36)
Purchase of stock-in-trade	(0.39)
Change in Inventories of finished goods	0.29
Employees benefits	(5.55)
Finance costs	(0.02)
Depreciation and amortisation	(3.71)
Impairment loss on fixed assets	(0.97)
Other expenses	(16.26)
Prior period item	0.55
Loss for the year	<u>(11.54)</u>

Analysis of changes in cash and cash equivalents for the purpose of consolidated statement of cash flow under Ind AS is as under

Particulars	31 March 2017	1 April 2016
Cash and cash equivalents as per previous Indian GAAP	383.99	460.26
Joint venture-equity accounting	12.67	0.89
Cash and cash equivalents for the purpose statement of cash flows under Ind AS	<u>371.32</u>	<u>459.37</u>

m. Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

34. 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.

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

(i) As on 31 March 2018

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

Particulars	Note	Carrying value			Total	Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost		Level 1	Level 2	Level 3
Financial assets								
Non current								
(i) Loans	7	-	-	399.43	-	-	-	399.43
(ii) Other financial assets*	8	-	-	43.09	-	-	-	-
Current								
(i) Trade receivables*	11	-	-	184.05	-	-	-	-
(ii) Cash and cash equivalents*	12	-	-	443.03	-	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	4.70	-	-	-	-
(iv) Loans	7	-	-	59.45	-	-	-	59.45
(v) Other financial assets*	8	-	-	1.37	-	-	-	-
Total		-	-	1,135.12	-	-	-	1,135.12
Financial liabilities								
Non current								
(i) Borrowings#	16	-	-	2,718.95	-	-	-	2,718.95
(ii) Other financial liabilities	18	-	-	-	-	-	-	-
Security deposits payable		-	-	16.59	-	-	-	16.59
Capital creditors*		-	-	11.47	-	-	-	-
Current								
(i) Borrowings*	17	-	-	407.25	-	-	-	407.25
(ii) Trade payables*	21	-	-	1,282.26	-	-	-	1,282.26
(iii) Other financial liabilities	18	-	-	-	-	-	-	-
Current portion of long-term borrowings#		-	-	581.92	-	-	-	581.92
Short term borrowings*		-	-	-	-	-	-	-
Security deposits payable		-	-	9.54	-	-	-	9.54
Interest accrued but not due on borrowings#		-	-	11.71	-	-	-	11.71
Capital creditors*		-	-	200.13	-	-	-	200.13
Others*		-	-	8.62	-	-	-	8.62
Total		-	-	5,248.44	-	-	-	5,248.44

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

(ii) As on 31 March 2017

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

Particulars	Note	Carrying value			Total	Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost		Level 1	Level 2	Level 3
Financial assets								
Non current								
(i) Loans	7	-	-	284.39	284.39	-	-	284.39
(ii) Other financial assets*	8	-	-	19.70	19.70	-	-	-
Current								
(i) Trade receivables*	11	-	-	178.01	178.01	-	-	-
(ii) Cash and cash equivalents*	12	-	-	371.33	371.33	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	3.52	3.52	-	-	-
(iv) Loans	7	-	-	78.72	78.72	-	-	78.72
(v) Other financial assets*	8	-	-	1.89	1.89	-	-	-
Total		-	-	937.56	937.56	-	-	-
Financial liabilities								
Non current								
(i) Borrowings#	16	-	-	2,107.59	2,107.59	-	-	2,107.59
(ii) Other financial liabilities	18	-	-	7.06	7.06	-	-	7.06
Current								
(i) Borrowings*	17	-	-	78.27	78.27	-	-	-
(ii) Trade payables*	21	-	-	1,139.39	1,139.39	-	-	-
(ii) Other financial liabilities	18	-	-	-	-	-	-	-
Current portion of long-term borrowings#		-	-	877.03	877.03	-	-	877.03
Security deposits payable		-	-	8.59	8.59	-	-	8.59
Interest accrued but not due on borrowings#		-	-	44.31	44.31	-	-	44.31
Interest due on borrowings#		-	-	48.41	48.41	-	-	48.41
Capital creditors*		-	-	126.09	126.09	-	-	-
Others*		-	-	0.46	0.46	-	-	-
Total		-	-	4,437.20	4,437.20	-	-	-

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

(i) As on 1 April 2016

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

Particulars	Note	Carrying value			Total	Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost		Level 1	Level 2	Level 3
Financial assets								
Non current								
(i) Loans	7	-	-	289.63	289.63	-	-	289.63
(ii) Other financial assets*	8	-	-	18.56	18.56	-	-	-
Current								
(i) Trade receivables*	11	-	-	151.35	151.35	-	-	-
(ii) Cash and cash equivalents*	12	-	-	459.63	459.63	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	4.60	4.60	-	-	-
(iv) Loans	7	-	-	79.42	79.42	-	-	79.42
(v) Other financial assets*	8	-	-	2.24	2.24	-	-	-
Total		-	-	1,005.43	1,005.43	-	-	-
Financial liabilities								
Non current								
(i) Borrowings#	16	-	-	2,396.51	2,396.51	-	-	2,396.51
(ii) Other financial liabilities	18	-	-	8.36	8.36	-	-	8.36
Current								
(i) Borrowings*	17	-	-	324.58	324.58	-	-	-
(ii) Trade payables*	21	-	-	1,053.17	1,053.17	-	-	-
(iii) Other financial liabilities	18	-	-	-	-	-	-	-
Current portion of long-term borrowings#		-	-	791.60	791.60	-	-	791.60
Security deposits payable		-	-	8.89	8.89	-	-	8.89
Interest accrued but not due on borrowings#		-	-	47.56	47.56	-	-	47.56
Interest due on borrowings#		-	-	16.34	16.34	-	-	16.34
Capital creditors*		-	-	103.15	103.15	-	-	-
Others*		-	-	0.42	0.42	-	-	-
Total		-	-	4,750.58	4,750.58	-	-	-

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

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

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

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

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2018 and 31 March 2017.

a. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

-Fair value of financial instruments using discounted cash flows.

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 performs 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 at least once every quarter in line with the respective quarterly reporting periods.

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 oversees how 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.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

(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 2018	As at 31 March 2017	As at 1 April 2016
(i) Loans	458.88	363.11	369.05
(ii) Trade receivables	184.05	178.01	151.35
(ii) Cash and cash equivalents	443.03	371.33	459.63
(iv) Bank balances other than above	4.70	3.52	4.60
(v) Other financial assets(current and non-current)	44.46	21.60	20.79

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 is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loans primarily represents security deposits given to lessors for premises taken on lease . Such deposits will be returned to the Group on vacation of the premises or termination of the agreement whichever is earlier.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, Nepal and Nigeria. Trade receivables also includes receivables from credit card companies which are realisable within fortnight. 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.

On adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers. Based on the business environment in which the Group operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due however the Group based upon past trends determine an impairment allowance for loss on receivables 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 Group's exposure to credit risk for trade receivables is as follows:

Particulars	Gross Carrying Amount		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not due	92.55	78.43	96.39
1-90 days past due *	49.34	91.13	35.91
91 to 180 days past due	17.13	4.00	6.03
More than 180 days past due #	50.66	30.08	13.48
	209.68	203.64	151.81

* The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Group based upon past trends determine an impairment allowances for doubtful receivables outstanding for more than 180 days past due.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Movement in the allowance for impairment in respect of trade receivables	For the year ended 31 March 2018	For the year ended 31 March 2017
Balance at the beginning of the year	25.63	0.46
Impairment allowances for doubtful receivables	-	25.17
Balance at the end of the year	25.63	25.63

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2018 and 31 March 2017 is insignificant and hence the same has not been recognised.

(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 another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet its 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 Rs. 447.73 (31 March 2017: Rs. 374.85, 1 April 2016: Rs. 464.23), anticipated future internally generated funds from operations and its fully available, revolving undrawn credit facility of Rs. 303.91 (31 March 2017: Rs. 92.68, 1 April 2016 Rs. 87.63) and other current assets (financial and non-financial) of Rs. 991.57 (31 March 2017: Rs. 743.01, 1 April 2016: Rs. 736.15) will enable it to meet its future known obligations in the ordinary course of business. While in the previous year the Group had incurred losses, however the Group had a cash inflow from operating activities. In the current year ended 31 March 2018, the Group has earned a cash inflow from operating activities of Rs.909.71. Based on the projections, the Group expects to earn cash inflow from operating activities, which can be used to settle liabilities. However, if a liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing options to maximize liquidity and supplement cash requirements as necessary.

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

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

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, and includes interest accrued but not due on borrowings.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

As at 31 March 2018

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

Particulars	Carrying amount	Contractual cash flows				Total
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	
Borrowings including current portion	3,708.12	711.05	281.46	2,500.82	227.56	3,720.89
Trade Payables	1,282.26	1,282.26	-	-	-	1,282.26
Security deposits payable	26.13	8.19	1.40	17.84	-	27.43
Interest accrued but not due on borrowings	11.71	11.71	-	-	-	11.71
Capital creditors	211.60	200.13	-	11.47	-	211.60
Others	8.62	8.62	-	-	-	8.62
	5,248.44	2,221.96	282.86	2,530.13	227.56	5,262.51

As at 31 March 2017

Particulars	Carrying amount	Contractual cash flows				Total
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	
Borrowings including current portion	3,062.89	335.43	622.45	1,985.32	126.66	3,069.86
Trade Payables	1,139.39	1,139.39	-	-	-	1,139.39
Security deposits payable	15.65	9.21	0.40	7.94	0.60	18.15
Interest accrued but not due on borrowings	44.31	44.31	-	-	-	44.31
Interest due on borrowings	48.41	48.41	-	-	-	48.41
Capital creditors	126.09	126.09	-	-	-	126.09
Others	0.46	0.46	-	-	-	0.46
	4,437.20	1,703.30	622.85	1,993.26	127.26	4,446.67

As at 1 April 2016

Particulars	Carrying amount	Contractual cash flows				Total
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	
Borrowings including current portion	3,512.69	416.19	667.31	2,332.05	101.44	3,516.99
Trade Payables	1,053.17	1,053.17	-	-	-	1,053.17
Security deposits payable	17.25	7.12	2.12	9.39	0.73	19.36
Interest accrued but not due on borrowings	47.56	47.56	-	-	-	47.56
Capital creditors	103.15	103.15	-	-	-	103.15
Interest due on borrowings	16.34	16.34	-	-	-	16.34
Others	0.42	0.42	-	-	-	0.42
	4,750.59	1,643.95	669.43	2,341.44	102.17	4,756.99

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

(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.

A. 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 rate relates primarily to the borrowings with floating interest rates.

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 2018	As at 31 March 2017	As at 01 April 2016
Indian rupee loans	1,095.36	409.83	464.32
Foreign currency loans	530.94	624.17	630.65

Variable - rate instruments	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Indian rupee loans	1,177.13	1,537.80	1,377.15
Foreign currency loans	804.40	424.43	994.08

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%	Increase by 1%
Increase / (decrease) in consolidated profit or loss and other equity for the year ended 31 March 2018	(20.42)	20.42
Increase / (decrease) in consolidated profit or loss and other equity for the year ended 31 March 2017	(19.05)	19.05

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 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.

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 2018, 31 March 2017 and 1 April 2016 are as below:

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Particulars		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
		Amount (in foreign currency)	Amount (in Rs.)	Amount (in foreign currency)	Amount (in Rs.)	Amount (in foreign currency)	Amount (in Rs.)
Financial Assets							
Trade receivables	USD	0.39	25.61	0.50	32.25	0.46	30.25
Total Financial Assets		0.39	25.61	0.50	32.25	0.46	30.25
Financial Liabilities							
Trade payables	GBP	0.13	11.87	0.13	10.65	0.13	12.26
		0.13	11.87	0.13	10.65	0.13	12.26
Trade payables	USD	0.16	11.02	0.12	8.29	0.07	4.64
Foreign currency loans from banks	USD	6.17	396.36	-	-	-	-
Borrowings	USD	8.82	572.42	8.82	590.51	8.42	557.09
Capital creditors	USD	-	-	-	-	0.01	1.24
Total Financial Liabilities		15.15	979.80	8.94	598.80	8.50	562.97

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at 31 March 2018 (previous year ending as on 31 March 2017) would have affected the measurement of financial instruments denominated in foreign currency and affected consolidated profit or loss and other equity by the amounts shown below. This analysis is performed on foreign currency denominated financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Consolidated profit or loss for the year ended 31 March 2018		Consolidated profit or loss for the year ended 31 March 2017	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	9.54	(9.54)	5.67	(5.67)
GBP	0.12	(0.12)	0.11	(0.11)

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

35. Operating leases

- The Group has taken various premises on operating lease for running its Restaurants and Restaurant Support Centre (RSC). The lease term is generally for 3-10 years and are extendable by mutual consent on expiry of the lease. The leases generally have a lock-in-period and are cancellable in nature at the option of the lessee thereafter. The lease agreements have an escalation clause, which is in line with General inflation rate and Small consumer price index.

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

- (b) During the year, lease payments under operating leases amounting to Rs. 1950.17 (previous year Rs. 2025.14) have been recognised as an expense in the Statement of Profit and Loss. Further, rent paid for new stores, during the construction period amounting Rs. 1.28 (previous year Rs. 0.43) has been capitalised as part of leasehold improvements. In certain operating lease agreements, the Group is required to pay a contingent rent, which is computed as a fixed percentage of the revenue earned from that particular store. During the year, the Group has paid Rs.390.18 (previous year Rs. 426.69) on account of such contingent rent as a fixed percentage of actual sales.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payable within one year	1,529.80	1,563.72	2,534.36
Payable between one and five years	5,780.49	5,861.90	10,442.43
Payable after five years	2,619.20	3,609.18	5,291.68
Total	9,929.49	11,034.80	18,268.47

36. Related party disclosures

- (I) List of related parties and nature of relationship where control exists:

- (a) Parent and Ultimate Controlling Party:

RJ Corp Limited (Refer to Note 14(d))

- (b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani International (UK) Private Limited

- (c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

Devyani International (Nigeria) Limited (Subsidiary of R V Enterprizes Pte. Limited)

- (d) Joint Venture

The Minor Food Group (India) Private Limited

- (II) List of related parties and nature of relationship with whom transactions have taken place during the current / previous year:

- (a) Parent and Ultimate Controlling Party:

RJ Corp Limited

- (b) Joint Venture

The Minor Food Group (India) Private Limited

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

(c) Key management personnel :

Mr. Raj. P. Gandhi- Director of the Company

Mr. Virag Joshi- Chief Executive Officer and Whole Time Director of the Company

Mr. Arjun Dass Verma - Chief Financial Officer and Whole Time Director of the Company
(till 8 December 2016)

Mr. Sanjay Kumar Sareen- Chief Financial Officer of the Company
(8 December 2016 till 3 August 2017)

Mr. Som Nath Chopra- Chief Financial Officer and Additional Director of the Company
(with effect from 9 August 2017)

Mr. Girish Ahuja- Independent Director of the Company (till 17 March 2018)

Mr. Ravindra Dhariwal- Independent Director of the Company (till 17 March 2018)

Mr. Lalit Yadav - Company Secretary of the Company (with effect from 4 December 2017)

Mr. Ravi Kant Jaipuria - Director of the Company

(III) Other related parties - Entities which are joint ventures or where control/significant influence exist of parties given above note (I) and (II) :

S V S India Private Limited

Devyani Food Industries Limited

Alisha Retail Private Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Diagno Labs Private Limited

High Street Food Services Private Limited

Varun Beverage Nepal Private Limited

Chellarams Plc

(III) Transactions with related parties during the year ended 31 March 2018 and 31 March 2017

	For the year ended March 2018	For the year ended March 2017
(i) Sale of products Finished goods		
Lineage Healthcare Limited	0.17	0.22
Modern Montessori International (India) Private Limited	2.30	1.73
Champa Devi Jaipuria Charitable Trust	41.84	26.18
RJ Corp Limited	0.44	-
Alisha Retail Private Limited	12.70	7.67
Devyani Food Industries Limited	39.27	7.69
Varun Beverages Limited	3.13	-

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

	For the year ended March 2018	For the year ended March 2017
Mala Jaipuria Foundation	1.17	1.55
Chellarams Plc	16.36	2.65
(ii) Sale of products Traded goods		
Champa Devi Jaipuria Charitable Trust	0.57	-
RJ Corp Limited	0.12	-
Alisha Retail Private Limited	0.05	-
Varun Beverages Limited	0.48	-
Lineage Healthcare Limited	0.03	-
(iii) Marketing and other support services (Other operating revenue)		
The Minor Food Group (India) Private Limited	-	0.50
Devyani Food Industries Limited	7.50	7.50
Lineage Healthcare Limited	0.07	0.08
Champa Devi Jaipuria Charitable Trust	0.87	4.28
(iv) Sale of property, plant and equipment		
Alisha Retail Private Limited	0.15	-
Diagno Labs Private Limited	1.28	-
Champa Devi Jaipuria Charitable Trust	-	1.58
(v) Purchase of raw materials		
Varun Beverages Limited	111.66	122.96
Devyani Food Industries Limited	3.74	7.82
Alisha Retail Private Limited	0.51	2.71
Varun Beverage Nepal Private Limited	5.70	3.86
(vi) Purchase of property, plant and equipment		
RJ Corp Limited	-	0.15
Devyani Food Industries Limited	-	1.49
Alisha Retail Private Limited	0.21	-
(vii) Payment to gratuity trust		
DIL Employee Gratuity Trust	25.00	10.06
(viii) Expenses incurred by other company on behalf of the company		
RJ Corp Limited	-	0.74
Varun Beverages Limited	0.62	0.99
(ix) Expenses incurred on behalf of other company		
Devyani Food Industries Limited	-	0.08
(x) Rent expense		
RJ Corp Limited	-	19.22
S V S India Private Limited	0.08	0.08
(xi) Rental income		
The Minor Food Group (India) Private Limited	1.28	1.04
Alisha Retail Private Limited	5.48	1.50
(xii) Repairs and maintenance		
Varun Beverages Limited	-	0.59

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

	For the year ended March 2018	For the year ended March 2017
(xiii) Issuance of preference shares		
High Street Food Services Private Limited	22.60	24.82
(xiv) Repayment of unsecured loans		
High Street Food Services Private Limited	22.02	19.21
Varun Beverage Nepal Private Limited	-	5.03
(xv) Finance Cost		
High Street Food Services Private Limited	1.12	4.27
Varun Beverage Nepal Private Limited	-	0.01
(xvi) Investment in equity shares		
The Minor Food Group (India) Private Limited	-	27.99
(xvii) Director's Sitting Fees		
Mr. Girish Ahuja	0.60	0.50
Shri Ravindra Dhariwal	0.60	0.70
(xviii) Compensation to key managerial personnel		
Short-term employment benefits	24.15	21.88
Postemployment benefits	1.17	0.93
Other long-term benefits	-	-
Share based payments	2.48	3.29

The above remuneration to Key managerial personnel does not include contribution to gratuity fund , as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.

(IV) Balances as at 31 March 2018, 31 March 2017 and 1 April 2016 :

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(i) Payables			
RJ Corp Limited	-	-	0.01
Varun Beverages Limited	-	19.15	-
Alisha Retail Private Limited	-	-	0.57
Devyani Food Industries Limited	-	-	0.67
Varun Beverage Nepal Private Limited	0.29	-	-
Chellarams Plc	18.92	0.23	16.39
Employee related payable	1.32	1.03	0.96
(ii) Trade receivables			
The Minor Food Group (India) Private Limited	0.14	0.63	0.31
Alisha Retail Private Limited	3.92	3.54	-
Devyani Food Industries Limited	6.42	0.30	-
Modern Montessori International (India) Private Limited	0.16	0.80	0.01
Champa Devi Jaipuria Charitable Trust	10.76	8.90	7.63
Lineage Healthcare Limited	0.08	-	0.06
Mala Jaipuria Foundation	0.65	0.84	0.62
Diagno Labs Private Limited	1.51	-	-
RJ Corp Limited	0.65	-	-
Varun Beverage Nepal Private Limited	-	0.05	-

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(iii) Other assets - Advance to supplier			
Varun Beverages Limited	6.81	-	0.58
RJ Corp Limited	-	-	0.11
(iv) Borrowings			
High Street Food Services Private Limited	0.39	22.41	41.62
Chellarams Plc	520.38	604.17	595.69
(v) Other financial liability - Interest accrued on loan			
High Street Food Services Private Limited	0.43	-	1.84
(vi) Guarantees/security given by the Company on behalf of other party			
RJ Corp Limited@	0.20	0.20	0.20
@ The Company has given guarantee to various sales tax authorities with a total limit of Rs. 0.20 (31 March 2017 0.20 and 1 April 2016 0.20) on behalf of RJ Corp Limited.			
(vii) Guarantees/security given by the other party on behalf of the company			
Ravi Kant Jaipuria^	46.41	83.02	119.25

^ Ravi Kant jaipuria has given personal guarantee to Yes Bank in respect of term loan of Rs. 150.00 (31 March 2017 - Rs. 150.00 and 1 April 2016 -Rs.150.00) taken by Company during the year 2015

Terms and Conditions

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at year end are unsecured and settlement occurs in cash.

37. Contingent liabilities and commitments

(to the extent not provided for)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Contingent liabilities:			
(a) Claims against the Group not acknowledged as debts #			
-Claims made by Sales tax authorities	16.34	47.12	32.02
-Claims made by Service tax authorities	6.36	6.36	6.36
- Claims made by Income tax authorities	7.78	15.84	17.07
- Others	57.02	34.63	26.86
and 1 April 2016: Rs. Nil]]			
(b) Contingent liabilities relating to interest in joint venture	0.87	0.48	-
(c) Others for which the Group is contingently liable #			
- Liability in respect of statutory bonus for the year ended 31 March 2015	7.45	7.45	7.45
Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 36.78 as at 31 March 2018 (Rs. 35.44 as at 31 March 2017 and Rs. 16.69 as at 1 April 2016))	52.24	20.23	150.21

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Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

Note:

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 statement and hence, no provision has been set up against these legal proceedings. 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 undiscounted amount.

38. Share based payments

a. Description of share based payment arrangements

i. Share Options Scheme (equity settled)

To align the interest of employees with those of stock holders, Devyani International Limited has formulated Employee Stock Options Scheme ('ESOS 2011') with the objective to enable the Company to Grant Options for equity shares of the Company to key management personnel and senior employees of the Group ('Grantee') to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions.

The ESOS 2011 was approved by the Board of Directors of the Company on 20 September 2011 and by the shareholders of the Company on 20 December 2011. The scheme was amended subsequently and amendment was approved by shareholders of the Company on 18 May 2012. The resolution provides that options so granted, shall not represent more than, 49,00,000 shares of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company. In accordance with the terms of the said scheme, Vesting will occur only after filling of Red Herring Prospectus (RHP) by the Company for the purpose of Initial Public Offer ("IPO"). The vesting will occur as per the following Vesting Schedule:

Period of Vesting of Options	% of Options that shall vest
First Vest: On the 1st day of January in the calendar year succeeding the calendar year of the Grant of the Option or IPO whichever is later.	25%
Second Vest: On the 1st day of January in the calendar year succeeding the calendar year of the First Vest or IPO whichever is later.	25%
Third Vest: On the 1st day of January in the calendar year succeeding the calendar year of the Second Vest or IPO whichever is later.	25%
Fourth Vest: On the 1st day of January in the calendar year succeeding the calendar year of the Third Vest or IPO whichever is later.	25%

After Vesting, each Grantee shall have a period of 5 years for the exercising the respective Options so vested. All exercised options shall be settled by physical delivery of shares. As per the scheme, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs. 111.70, which is 19.27% above the market price at the date of grant, i.e. 19 May 2012. The exercise price so calculated is based upon the last three years financial position of the Company and is not less than the issue price to the private equity investor(s) discounted by a percentage upto 20%. Under any circumstances, the exercise price shall not be lower than the break up value of the share. In the event, Grantee ceases to be an employee of the Group, then Unvested Options held by the Grantee shall forthwith lapse.

A resolution was passed in the Board of Directors meeting held on 6 May 2014 wherein, certain additional options were granted at the same terms and conditions as mentioned in the ESOS 2011. Holders of such vested options are entitled to purchase one equity share for every option at an exercise price of Rs 111.70, which is

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lower than the market price as on the date of the grant. The options were granted on the dates as mentioned in the table below:

S. No	Grant Date	Number of Options	Exercise Price (Rs.)	Vesting Condition	Vesting Period	Contractual Period
1	19 May 2012	20,88,200	111.70	Graded vesting over 4 years or after the filling of Red Herring Prospectus by the Company for the purpose of IPO, whichever is later.	31 March 2020 (Previous year 31 December 2017)*	2 years to 7 years
2	31 May 2014	3,00,000	111.70	Graded vesting over 4 years or after the filling of Red Herring Prospectus by the Company for the purpose of IPO, whichever is later.	31 March 2020 (Previous year 31 December 2017)*	2 years to 7 years

*During the year ended 31 March 2018, the expected date of RHP filing has changed from 31 December 2017 to 31 March 2020.

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton formula. 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 19 May 2012	Options granted on 31 May 2014
Fair value at grant date	Rs. 123.17 per option	Rs. 56.58 per option
Share price at grant date	Rs. 151.07	Rs. 93.21
Exercise price	Rs. 111.70	Rs. 111.70
Expected volatility (weighted average)	64.20%	43.03%
Expected life (weighted average)	3.59 years	3.43 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (based on government bonds)	9.00%	8.51%

The risk free interest rates are determined based on current yield to maturity of Government Bonds with similar residual maturity. Expected volatility calculation is based on historical daily closing stock prices of competitors/ Company using standard deviation of daily change in stock price. The maximum 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 the average sum of maximum life and minimum life and may not necessarily indicative of exercise patterns that may occur.

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c. Effect of employee stock options on the profit or loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee stock option scheme expense	2.73	23.41
	2.73	23.41

d. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under employee stock options scheme are as follows:-

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of options	Weighted average share price	Number of options	Weighted average share price
Balance at the beginning of the year	1,911,500	111.70	1,990,700	111.70
Less: Forfeited/ Lapsed during the year	76,000	111.70	79,200	111.70
Balance at the end of the year	1,835,500	111.70	1,911,500	111.70
Exercisable at the end of the year	-	-	-	-

Particulars	As At 31 March 2018	As At 31 March 2017
Weighted average remaining contractual life of options outstanding at the end of period (in years)	7.00	5.75

39. Capitalisation of pre-operative expenses

The Group has commenced operation of some quick service restaurants during the current year ended 31 March 2018. Incidental expenditure on commissioning of the projects up to the date of commercial operation has been apportioned to certain property, plant and equipment on reasonable basis. Details of pre-operative expenditure capitalised is as under :-

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee benefit expenses	23.48	20.35
Other Expenses (other expenses mainly includes Rent and Legal and professional expenses)	16.28	24.43
	39.76	44.78

40. Impairment of asset

In accordance with Ind AS 36 "Impairment of Assets", the Group has identified individual stores as a separate cash generating unit 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. Due to higher operating cost and decline in projected sales growth, certain stores have been impaired in the current year and in previous year. Based on the results of impairment testing for these stores in the current year, the assets value of these stores aggregating Rs. 245.53 (net of opening provision for impairment of Rs. 81.07) have been reduced to the recoverable amount of these stores aggregating Rs. 62.59 by way of impairment charge of Rs. 182.94. Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 5% - 20% and salary growth rate of 8%

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consistently, over balance useful life of plant and machinery being the principle asset, discounted at rate of 12.63 % p.a.

Moreover, the impairment reversal of Rs. 302.12 is primarily on account of stores where the recoverable value has exceeded the written down value (after considering impairment charge recorded in previous years) and in respect of stores which have been closed during the year.

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 change on change in these assumptions by 1%. All other factors remaining constant.

Increase/ (Decrease) in Impairment loss	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount Rate		
(Increase by 1%)	7.53	8.94
(Decrease by 1%)	(7.81)	(9.27)
Sales Growth Rate		
(Increase by 1%)	(32.79)	(57.18)
(Decrease by 1%)	46.06	55.27
Salary Growth Rate		
(Increase by 1%)	13.31	17.98
(Decrease by 1%)	(11.76)	(17.41)

41. Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents 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 interational transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

42. Capital management

The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Board of directors of the Company regularly review the capital structure in light of the economic conditions, business strategies and future commitments.

For the purpose of the Group's capital management, capital includes issued share capital, securities premium reserve and all other reserves. Debt includes, Indian rupee term loans and foreign currency term loans, cash credit and overdraft facility from banks and borrowings from other parties.

During the financial year ended 31 March 2018, no significant changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

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Debt Equity Ratio:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current borrowings	2,718.95	2,107.59	2,396.51
Current portion of long-term borrowings	581.92	877.03	791.60
Short term borrowings	407.25	78.27	324.58
Total Debt (A)	3,708.12	3,062.89	3,512.69
Equity share capital	1,061.67	1,061.67	1,061.67
Other equity attributable to the owners of the Company	329.69	(190.07)	737.43
Non-controlling interest	(336.19)	(202.75)	-
Total Equity (B)	1,055.18	668.85	1,799.10
Debt equity ratio (C= A/B)	351.42%	457.93%	195.25%

43. Employee benefits

Defined contribution plans

An amount of Rs. 89.02 (for the year ended 31 March 2017 Rs. 127.63) has been recognised as an expense in respect of the Group's contribution to Provident Fund and other fund deposited with the relevant authorities and has been charged to the Consolidated Statement of Profit and Loss.

Defined benefit plans

The Group operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 & other relevant laws.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - Employee Benefits of store employees

i. Changes in present value of defined benefit obligation:

Particulars	As At 31 March 2018	As At 31 March 2017
Present value of obligation as at beginning of year	64.96	57.99
Interest cost	5.02	5.11
Current service cost	11.30	16.37
Benefits paid	(11.49)	(8.37)
Actuarial (Gain)/Loss recognised in other comprehensive income	-	-
-changes in demographic assumption	0.02	(2.22)
-changes in financial assumption	15.26	3.32
-experience adjustment	(22.21)	(6.77)
Exchange differences on transition	(0.43)	(0.47)
Present value of obligation as at end of year	62.43	64.96

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ii. Reconciliation of the present value of plan assets :

Particulars	As At 31 March 2018	As At 31 March 2017
Balance at the beginning of the year	6.21	5.00
Return on plan assets recognised in other comprehensive income	0.56	0.47
Fund Charges	(0.04)	(0.03)
Contribution paid into the plan	12.50	5.00
Benefits paid	(5.96)	(4.22)
Balance at the end of the year	13.27	6.22
Net defined benefit liability/ (asset)	49.16	58.74

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 account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discounting rate	6.84% - 15%	7.35% - 15%	8% - 15%
Future salary increase	6% - 11%	6% - 11%	6% - 11%

B. Demographic assumption

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) Retirement age (years)	58-60	58-60	58-60
(ii) Mortality table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)
(iii) Ages	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)
Up to 30 years	50	40	30
From 31 to 44 years	37	5	6
Above 44 years	30	0.3	1

Assumption regarding future mortality have been based on published statistics and mortality tables

iv. (a) Expense recognised in Consolidated Profit or Loss:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee benefit expenses:		
(a) Current service cost	11.30	14.29
(b) Interest cost	5.02	5.11
(c) Interest income on plan assets	(0.46)	(0.40)
	15.86	19.00

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iv. (b) Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial loss on defined benefit obligation	(6.99)	(5.70)
	(6.99)	(5.70)
Expenses recognised in Consolidated Statement of profit and loss	8.87	13.30

v. Reconciliation statement of expense in Consolidated Statement of Profit and Loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of obligation as at the end of the year	62.43	64.96
Present value of obligation as at the beginning of the year	(64.96)	(57.99)
Benefits paid	11.49	6.29
Actual return on plan assets	(0.52)	(0.43)
Exchange differences on transition	0.43	0.47
Expenses recognised in the Consolidated Statement of Profit and Loss	8.87	13.31

vi. Change in fair value of plan assets:

Particulars	As At 31 March 2018	As At 31 March 2017
Opening fair value of plan assets	6.21	5.00
Actual return on plan assets	0.56	0.46
Fund Charges	(0.04)	(0.03)
Contribution by employer	12.50	5.00
Benefits paid	(5.96)	(4.22)
Fair value of plan assets as at year end	13.27	6.21

vii. 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 5 years
31-Mar-18	17.34	4.86	9.18	113.82
31-Mar-17	8.38	5.13	10.30	129.87

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

Particulars	As at 31 March 2018	As at 31 March 2018	As at 1 April 2016
Current liability (amount due within one year)	13.07	8.38	7.13
Non-current liability (amount due over one year)	36.09	50.37	44.44
	49.16	58.75	51.57

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ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Particulars	As At 31 March 2018	As At 31 March 2017
Impact of the change in discount rate on defined benefit obligation		
a) Impact due to increase of 1%	(1.93)	(5.70)
b) Impact due to decrease of 1%	2.28	6.59
Impact of the change in Salary on defined benefit obligation		
a) Impact due to increase of 1%	2.26	6.70
b) Impact due to decrease of 1%	(1.97)	(5.86)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Consolidated Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Risk exposure:

The defined benefit plan is expected to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in 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.

The following table sets out the status of the gratuity plan as required under Ind AS 19 - Employee Benefits for back office employees

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of obligation as at beginning of year	14.02	10.13
Interest cost	1.03	0.81
Current service cost	3.32	2.25
Benefits paid	(10.97)	(6.88)
Actuarial (Gain)/Loss recognised in other comprehensive income		
-changes in demographic assumption	0.51	0.62
-changes in financial assumption	5.34	1.06
-experience adjustment	14.71	8.10
Present value of obligation as at end of year	27.96	14.02

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Particulars	As at 31 March 2018	As at 31 March 2017
ii. Reconciliation of the present value of plan assets :		
Balance at the beginning of the year	4.39	5.00
Return on plan assets recognised in other comprehensive income	0.56	0.47
Fund Charges	(0.04)	(0.03)
Contribution paid into the plan	12.50	5.06
Benefits paid	(10.76)	(6.10)
Balance at the end of the year	6.65	4.39
Net defined benefit Liability/ (asset)	21.31	(9.63)
ii. Changes in net defined benefit obligation:		
Net defined benefit liability as at beginning of the year	9.64	5.15
Total service cost	3.32	0.18
Net interest cost/ Income	0.71	0.41
Re- measurement (gain)/loss	20.35	9.74
Contribution paid to the fund	(12.50)	(5.06)
Benefit paid directly by the enterprise	(0.21)	(0.78)
Net defined benefit liability at the end of the period	21.31	9.64

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 2018	31 March 2017	1 April 2016
Discounting rate	7.08%	7.35%	8.00%
Future salary increase	8.00%	6.00%	6.00%

B. Demographic assumptions

(i) Retirement age (years)	58	58	58
(ii) Mortality table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)
(iii) Ages	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)	Withdrawal rate per annum(%)
Up to 30 years	43	29	10
From 31 to 44 years	25	9	4
Above 44 years	21	2	0

Assumption regarding future mortality have been based on published statistics and mortality tables

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Particulars	For the Year Ended 31 March 2018	For the Year Ended 2017
iv. Expense recognised in Consolidated Profit or Loss:		
Employee benefit expenses:		
(a) Current service cost	3.32	2.25
(b) Interest cost	0.71	0.41
	4.03	2.66
Remeasurements recognised in other comprehensive income		
Actuarial (gain)/loss on defined benefit obligation	20.35	9.73
	20.35	9.73
Expense recognised in the Consolidated Statement of Profit and Loss	24.38	12.39
v. Reconciliation statement of expense in the Consolidated Statement of Profit and Loss		
Present value of obligation as at the end of the year	27.96	14.03
Present value of obligation as at the beginning of the year	(14.03)	(10.15)
Benefits paid	10.97	8.95
Actual return on plan assets	(0.52)	(0.43)
Expenses recognised in the Consolidated Statement of Profit and Loss	24.38	12.40
vi. Change in fair value of plan assets:		
Opening fair value of plan assets	4.39	5.00
Actual return on plan assets	0.56	0.47
Fund Charges	(0.04)	(0.03)
Contribution by employer	12.50	5.06
Benefits paid	(10.75)	(6.10)
	6.66	4.39

The Company expects to contribute Rs. 4.81 (previous year Rs. 3.42) to gratuity in the next year.

vii. 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 5 years
31-Mar-18	5.65	0.39	5.73	16.19
31-Mar-17	1.30	0.23	0.93	11.56

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

Particulars	As at 31 March 2018	As at 31 March 2018	As at 1 April 2016
Current liability (amount due within one year)	4.30	1.30	1.64
Non-current liability (amount due over one year)	17.00	8.33	3.50
	21.30	9.63	5.14

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ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 31 March 2018 is as shown below:

Particulars	As at 31 March 2018	As at 31 March 2017
Impact of the change in discount rate on defined benefit obligation		
a) Impact due to increase of 1%	(0.92)	(1.20)
b) Impact due to decrease of 1%	0.99	1.39
Impact of the change in Salary on defined benefit obligation		
a) Impact due to increase of 1%	0.97	1.40
b) Impact due to decrease of 1%	(0.92)	(1.22)

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 expected to a number of risks, the most significant of which are detailed below:

Change in discount rates: A decrease in 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.

44. 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 of the Company who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

As the Group’s business activity primarily falls within a single business and geographical segment i.e. providing food and beverages, 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 Group constitute single business segment.

Segment wise information for the year ended 31 March 2018 and 31 March 2017 are as follows:

Particulars	For the year ended 31 March 18		For the year ended 31 March 17	
	Domestic	International	Domestic	International
Food and beverages segment #	10,140.21	965.91	9,301.04	1,173.95
Other Income ##	172.32	78.26	42.41	44.49
Total	10,312.53	1,044.17	9,343.45	1,218.44

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	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Domestic	International	Domestic	International	Domestic	International
Non-current assets*	4,181.05	1,084.22	3,714.84	692.11	4,183.12	1,347.63

Revenue from food and beverages segment is directly attributed to domestic and international operations

Other income is attributed between domestic and international operations based on country of incorporation of respective companies of the group.

*Non current assets excludes financial instruments, equity accounted investees, deferred tax assets and income tax assets (net)

No single external customer amounts to 10% or more of the Group's revenue. Accordingly, information about major customer is not provided.

45. Interest in joint venture

Joint Venture

The Minor Food Group (India) Private Limited (Minor) is a joint arrangement in which the Group has joint control and a 30% ownership interest. Minor is principally engaged in the business of developing, managing and operating ice cream parlours for Swensen's brands in Bengaluru, India. Minor is not publicly listed and accordingly, no quoted market price is available for the investment.

Based on contractual arrangement between MFG International Holding (Singapore) Pte. Ltd and the Company, the Group has classified its interests in Minor as a joint venture.

The following table summarises the financial information of Minor and the carrying amount of the Group's interest in Minor.

a) At Balance Sheet level

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Percentage of ownership interest	30%	30%	30%
Non-current assets	90.09	113.57	94.93
Current assets (including cash and cash equivalents- 31 March 2018: Rs. 4.47, 31 March 2017: Rs. 42.22, 1 April 2016: Rs. 2.96)	19.01	55.78	10.44
Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions- 31 March 2018: Rs. Nil, 31 March 2017: Rs. Nil, 1 April 2016: Rs. Nil)	(25.76)	(27.68)	(20.31)
Net assets	83.34	141.67	85.06
Groups share in net assets (30%)	25.00	42.50	25.52
Provision for impairment loss in value of investment	(25.00)		
Carrying amount of interest in joint venture	-	42.50	25.52

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b) At Statement of Profit and Loss level

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	64.87	67.72
Interest income	2.20	2.21
Depreciation and amortisation	11.51	14.25
Interest expense	0.01	0.08
Loss for the year	(58.34)	(36.68)
Total comprehensive income for the year	(58.34)	(36.68)
Group's share of loss (30%)	(17.50)	(11.00)
Group's share of OCI (30%)	-	-
Group's share of total comprehensive income (30%)	(17.50)	(11.00)

In years ended 31 March 2018 and 31 March 2017, the Group did not receive dividends from the joint venture.

46. Non-controlling interests (NCI)

See accounting policies in Note 2.1 (e) (i)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

31 March 2018	RV Enterprizes Pte. Limited *	Devyani Airport Services (Mumbai) Private Limited	Total
NCI Percentage	26%	49%	
Non-current assets	468.01	308.47	776.48
Current assets	79.64	37.24	116.88
Non-current liabilities	(1,333.79)	(810.08)	(2,143.87)
Current liabilities	(731.56)	(111.98)	(843.54)
Net assets	(1,517.70)	(576.35)	(2,094.05)
Net assets attributable to NCI	(79.60)	(256.59)	(336.19)
Revenue from operations	749.52	496.26	1,245.78
Profit/(Loss) for the year	(24.28)	(278.30)	(302.58)
Other comprehensive income for the year	54.37	0.40	54.77
Total comprehensive income for the year	30.09	(277.90)	(247.81)
Profit/(Loss) allocated to NCI	(12.10)	(136.37)	(148.47)
Other comprehensive income allocated to NCI	10.81	0.20	11.01
Total comprehensive income allocated to NCI	(1.29)	(136.17)	(137.46)
Cash flows from operating activities	(7.25)	(32.25)	(39.50)
Cash flows from investing activities	3.10	(2.87)	0.24
Cash flows from financing activities	(9.97)	37.29	27.31
Net increase(decrease) in cash and cash equivalents	(14.12)	2.17	(11.95)

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

31 March 2017	RV Enterprizes Pte. Limited *	Devyani Airport Services (Mumbai) Private Limited	Total
NCI Percentage	26%	49%	
Non-current assets	636.06	395.40	1,031.46
Current assets	101.20	36.29	137.49
Non-current liabilities	(1,442.12)	(576.77)	(2,018.89)
Current liabilities	(842.92)	(176.73)	(1,019.65)
Net assets	(1,547.78)	(321.81)	(1,869.59)
Net assets attributable to NCI	(78.31)	(124.44)	(202.75)
Revenue from operations	998.47	467.98	1,466.45
Profit/(Loss) for the year	(861.85)	(263.14)	(1,124.99)
Other comprehensive income for the year	645.76	0.12	645.88
Total comprehensive income for the year	(216.09)	(263.02)	(479.11)
Profit/(Loss) allocated to NCI	(468.95)	(128.94)	(597.89)
Other comprehensive income allocated to NCI	390.65	0.06	390.71
Total comprehensive income allocated to NCI	(78.30)	(128.88)	(207.18)
Cash flows from operating activities	166.98	30.72	197.70
Cash flows from investing activities	35.38	(62.46)	(27.07)
Cash flows from financing activities	(186.50)	20.87	(165.63)
Net increase(decrease) in cash and cash equivalents	15.86	(10.87)	4.99

31 March 2016	RV Enterprizes Pte. Limited *	Devyani Airport Services (Mumbai) Private Limited	Total
NCI Percentage	26%	49%	
Non-current assets	1,307.36	391.56	1,698.92
Current assets	145.61	56.45	202.06
Non-current liabilities	(1,612.04)	(360.78)	(1,972.82)
Current liabilities	(1,172.63)	(162.13)	(1,334.76)
Net assets	(1,331.70)	(74.90)	(1,406.60)
Net assets attributable to NCI	-	-	-

In years ended 31 March 2018 and 31 March 2017, the Group did not receive dividends from the subsidiaries.

* Post consolidation of Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018
 47. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013

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

31 March 18	Net assets (Total assets - Total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Devyani International Limited (DIL)	300.00%	3,165.38	205.99%	591.67	-19.28%	(13.13)	162.81%	578.54
Subsidiaries (Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	0%	0.29	6%	15.85	0.59%	0.40	4.57%	16.25
Devyani Airport Services (Mumbai) Private Limited	-34%	(359.96)	-39%	(111.55)	0.30%	0.20	-31.33%	(111.35)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	3%	26.92	5%	14.59	0.69%	0.47	4.24%	15.06
Devyani International (JK) Private Limited	28%	294.67	-7%	(18.96)	37.89%	25.81	1.93%	6.85
RV Enterprizes Pte. Limited	-136%	(1,438.10)	-4%	(11.97)	59.07%	40.24	7.95%	28.27
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-24%	(256.59)	-47%	(136.37)	0.29%	0.20	-38.32%	(136.17)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	-8%	(79.60)	-4%	(12.10)	20.45%	13.93	0.51%	1.83
Joint Venture (Investment as per equity method)								
The Minor Food Group (India) Private Limited	0%	-	-6%	(17.50)	0.00%	-	-4.92%	(17.50)
Inter group eliminations	-28%	(297.88)	-9%	(26.43)	0.00%	-	-7.44%	(26.43)
At 31 March 2018	100%	1,055.13	100%	287.23	100%	68.12	100%	355.35

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

31 March 17	Net assets (Total assets - Total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Devyani International Limited (DIL)	380.25%	2,543.25	40.79%	(733.73)	-0.41%	(2.64)	63.58%	(736.37)
Subsidiaries (Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	-6%	(39.96)	-2%	38.93	0%	(1.95)	-3.19%	36.98
Devyani Airport Services (Mumbai) Private Limited	-37%	(248.61)	7%	(123.99)	0%	0.06	10.70%	(123.93)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	2%	11.60	-1%	19.28	0%	(0.73)	-1.60%	18.55
RV Enterprizes Pte. Limited	-220%	(1,469.47)	22%	(392.88)	40%	255.11	11.90%	(137.77)
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-19%	(124.44)	7%	(128.94)	0%	0.06	11.13%	(128.88)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	-12%	(78.31)	26%	(468.97)	61%	390.66	6.76%	(78.31)
Joint Venture (Investment as per equity method)								
The Minor Food Group (India) Private Limited	6%	42.50	1%	(11.00)	0%	-	0.95%	(11.00)
Inter group eliminations	5%	32.27	0%	2.63	0%	-	-0.23%	2.63
At 31 March 2017	100%	668.83	100.00%	(1,798.67)	100%	640.57	100%	(1,158.10)

DEVYANI INTERNATIONAL LIMITED (CONSOLIDATED)

Notes forming part of consolidated financial statements for the year ended 31 March 2018

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

48. Business Combination

Acquisition of business

On 01 April 2017, the Group acquired five KFC stores from Hyson Restaurants Private Limited (“Hyson”) on slump sale basis for an estimated purchase consideration of Rs. 107.50. Hyson is a prominent player in the restaurant business and the Group has acquired stores from Hyson in order to expand its operations in Kerala.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Assets	
Property, plant and equipment (Refer to Note 3)	79.16
Other intangible assets (Refer to Note 4(b))	13.32
Inventories	1.80
Other assets	13.22
	107.50
Liabilities	
	-
	-
Total identifiable net assets as fair value	107.50
Purchase consideration transferred in cash	107.50

Transaction cost of Rs. 0.14 have been expensed and are included in Other expenses in the Consolidated Statement of Profit and Loss and are part of the operating cash flows in the Consolidated Cash Flow Statement.

For the year ended 31 March 2018, acquired stores under business combination contributed revenue of Rs. 122.04 and loss of Rs. 13.06 to the Group’s profit or loss.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.:
101248W/W-100022

For **APAS & CO.**
Chartered Accountants
ICAI Firm registration
No.: 000340C

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

Kunal Kapur
Partner
Membership No.: 509209

Sumit Kathuria
Partner
Membership No.: 520078

Virag Joshi
Whole-time Director
DIN: 01821240

Raj P. Gandhi
Director
DIN: 00003649

Place: Gurugram
Date: 21st September 2018

Som Chopra
Chief Financial Officer

Lalit Yadav
Company Secretary
Membership No.: A31102