APAS & CO.
CHARTERED ACCOUNTANTS

8/14, BASEMENT,
KALKAJI EXTENSION
NEW DELHI – 110019

Independent Auditor's Report

To the Members of Devyani Food Street Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Devyani Food Street Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the statement of Cash Flows for the year ended 31 March, 2019 and a summary of the significant accounting policies and other explanatory information (here after referred to as "Standalone Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2019, and statement of its profit and loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Director's report and Management Discussion and Analysis of Annual report, but does not include the Standalone Financial Statements and our report thereon. The Directors report and Management Discussion and Analysis of Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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.

The board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

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

2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls

3. Evaluate the appropriateness of accounting policies used and the reasonable ness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and event s in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (I) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of matter

Attention is drawn to Note 38 to the financial statements which describe in detail for going concern assumption adopted for preparation of financial statements in view of accumulated losses of the company as at 31 March 2019.

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', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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2. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

(d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-2". Our report expresses as unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The company has disclosed in notes no 31, the impact of pending litigations on its financial position it its standalone financial statements;

ii. according to the information and explanations provided to us, 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

For APAS & Co.
Chartered Accountants
Firm Regn No. 000340C

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

(Sumit Kathuria)
Partner
M No. 520078
UDIN: 19520078AAAADAS295

Place : Gurugram
Date : 06/08/19

Annexure- 1 to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Devyani Food Street Private Limited of even date)

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

i) In respect of its fixed assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us no material discrepancies were noticed on such physical verification.

c) As informed to us the company does not any immovable properties and hence the provision of clause 3(i)(c) is not applicable.

ii) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of inventories of finished goods, stores and other materials. We were explained that no material discrepancies were noticed on physical verification.

iii) As informed to us the company has not granted any loan, secured or unsecured to companies covered in the register maintained under section189 of the Companies Act 2013. Accordingly, the provisions of clauses 3(iii)(a) ,(b) and (c) of the order are not applicable.

iv) According to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186, wherever applicable for loans, investments and guarantees.

v) According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.

vi) In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 read with rules framed thereunder of the Companies Act 2013.

vii) a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except for delay in some cases. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

a) The dues outstanding in respect of value added tax and service tax that have not been deposited on account of dispute are as under:.

Nature of statute	Nature of dues	Amount (in Rs.)	Amount paid under protest (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Delhi VAT Act	VAT notice u/s 32 & 33	840,445/-	-	F.Y. 2012-13	Delhi VAT
Delhi VAT Act	VAT notice u/s 32 & 33	178,101/-	-	F.Y. 2013-14	Delhi VAT
Delhi VAT Act	VAT notice u/s 32 & 33	389,918/-	-	F.Y. 2014-15	Delhi VAT
CGST Act, 2017	Service Tax	4,094,432/-	-	FY 2012-13 and FY 2013-14	Asstt Commissioner (Central Goods & Service tax)

viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, the company has not defaulted in repayment to a financial institution or a bank or debenture holders during the year.

ix) As explained to us term loans obtained during the year were applied for the purpose for which the loans were obtained by the company. The company has not raised any money during the year by way initial or further public offer.

x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31.03.2019.

xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V of the Companies Act 2013.

xii) The provisions of clause 3(xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.

xiii) According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of Companies Act 2013. Necessary disclosures have been made in the financial statements as required by the applicable indian accounting Standards.

xiv) During the year, the company has not made any preferential allotment or private placement of shares or debentures and hence reporting under clause 3(xiv) of the order is not applicable to the company.

xv) According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.

xvi) In our opinion, in view of its business activities, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934.

For APAS & Co.
Chartered Accountants
Firm Regn No. 000340C

(Sumit Kathuria)
Partner
M No. 520078

Place : Gurugram
Date : 01\08\19

Annexure 2 to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Devyani Food Street Private Limited** of even date)

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

In conjunction with our audit of the standalone financial statements of **Devyani Food Street Private Limited** (hereinafter referred to as "Company") as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI

(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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For APAS & Co.
Chartered Accountants
Firm Regn No. 000340C

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

(Sumit Kathuria)
Partner
M No. 520078

Place : Gurugram
Date : 06/08/19

Devyani Food Street Private Limited
Balance Sheet as at 31 March 2019
(Figures in Rupees)

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	137,044,522	138,571,451
Intangible assets	4	49,984	248,292
Financial assets			
(i) Loans	5	57,223,220	46,383,471
(ii) Other financial assets	6	14,912,370	22,160,913
Deferred tax assets (net)	26	28,580,936	30,681,958
Income tax assets (net)	26	27,328,260	15,781,165
Other non-current assets	7	19,951,541	35,629,195
Total non-current assets		**285,090,833**	**289,456,445**
Current assets			
Inventories	8	23,329,003	16,780,119
Financial assets			
(i) Trade receivables	9	36,506,497	23,138,303
(ii) Cash and cash equivalents	10	14,636,418	31,919,943
(iii) Bank balances other than cash and cash equivalents, above	11	298,430	-
(iv) Loans	5	1,880,000	1,895,000
(v) Other financial assets	6	-	-
Other current assets	7	19,962,917	15,922,904
Total current assets		**96,613,264**	**89,656,269**
Total assets		**381,704,098**	**379,112,714**
Equity and liabilities			
Equity			
Equity share capital	12	89,090,000	89,090,000
Other equity	13	(101,289,530)	(87,454,536)
Total equity		**(12,199,530)**	**1,635,464**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	100,000,000	135,000,000
(ii) Other financial liabilities	15	4,392,301	1,933,541
Provisions	16	8,009,063	7,575,088
Total non-current liabilities		**112,401,364**	**144,508,629**
Current liabilities			
Financial liabilities			
(i) Trade payables	18		
(a) total outstanding dues of micro and small enterprises		324,147	-
(b) total outstanding dues other than (ii) (a) above		216,708,648	148,090,108
(ii) Other financial liabilities	15	36,487,364	44,338,661
Other current liabilities	17	25,048,010	40,342,716
Provisions	16	2,934,095	197,136
Total current liabilities		**281,502,264**	**232,968,621**
Total equity and liabilities		**381,704,098**	**379,112,714**

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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 Food Street Private Limited**

Virag Joshi
Director
DIN: 01821240

Sanjeev Arora
Director
DIN: 00009288

Pradeep Jain
Chief Financial Officer

Place: Gurugram
Date: 06/08/19

Devyani Food Street Private Limited
Statement of Profit and Loss for the year ended 31 March 2019
(Figures in Rupees)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	19	1,010,149,533	1,002,418,086
Other income	20	20,753,611	12,526,198
Total income		**1,030,903,144**	**1,014,944,284**
Expenses			
Cost of materials consumed	21	293,509,846	277,646,400
Employee benefits expense	22	144,167,693	134,937,106
Finance costs	23	15,437,307	18,312,507
Depreciation and amortisation expense	24	32,633,874	37,458,224
Other expenses	25	553,445,900	521,858,824
Total expenses		**1,039,194,620**	**990,213,062**
Profit /(loss) before tax		(8,291,476)	24,731,222
Tax expense			
Current tax	26	2,868,753	19,077,047
Deferred tax (credit) / charge		2,260,637	(6,869,649)
Total tax expense		5,129,390	12,207,398
Profit / (loss) for the year		(13,420,866)	12,523,824
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit liability /(assets)		(573,743)	596,628
Income tax relating to above mentioned item		159,615	(197,245)
Net other comprehensive income not to be reclassified subsequently to profit or loss		(414,128)	399,383
Total comprehensive income for the year (net of tax)		(13,834,994)	12,923,207
Earnings per equity share of face value of Rs. 10 each	27		
Basic (Rs.)		(1.51)	1.41
Diluted (Rs.)		(1.51)	1.41

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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 Food Street Private Limited

Virag Joshi
Director
DIN: 01821240

Sanjeev Arora
Director
DIN: 00009288

Pradeep Jain
Chief Financial Officer

Place: Gurugram
Date: 26/08/19

Devyani Food Street Private Limited
Cash Flow Statement for the year ended 31 March 2019
(Figures in Rupees)

		For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**Cash flows from operating activities**		
	Profit / (loss) before tax	(8,291,476)	24,731,222
	Adjustments for:		
	Depreciation and amortisation expense	32,633,874	37,458,224
	Liabilities no longer required written back	(12,675,609)	(5,231,000)
	Loss/(gain) on disposal of property plant and equipment (net)	(29,296)	2,491,555
	Deferred rent amortisation (included in rent expenses)	5,732,764	4,752,188
	Deferred income amortisation (included in other income)	(323,440)	(208,532)
	Interest on borrowings measured at amortised cost	15,101,098	16,753,778
	Interest accretion on financial liabilities measured at amortised cost	336,210	1,558,728
	Employee stock option scheme expenses	2,521,580	550,256
	Interest income from Bank deposits and others	(1,861,268)	(1,660,622)
	Allowance for doubtful debts	2,086,685	
	Loss on extinguishment of financial instrument	-	3,324,861
	Interest income from financial assets at amortized cost	(5,332,064)	(4,079,996)
	Operating profit before working capital changes	**29,899,058**	**80,440,662**
	Adjustments for:		
	(Increase)/decrease in trade receivables	(15,454,879)	7,483,018
	(Increase)/decrease in inventories	(6,548,884)	3,260,624
	(Increase)/decrease in loans, other financial assets, and other assets	3,980,368	(42,520,233)
	Increase/(decrease) in trade payables, other financial liabilities ,other liabilities and provisions	71,072,302	28,265,664
	Cash generated from operating activities	**82,947,965**	**76,929,735**
	Income tax (paid)/refund (net)	(14,415,849)	(27,432,360)
	Net cash generated from operating activities	**68,532,117**	**49,497,375**
B.	**Cash flows from investing activities**		
	Purchase of Property, plant and equipment and intangible assets (including capital advances)	(34,192,811)	(52,170,724)
	Proceeds from sale of Property, plant and equipment and intangible assets	29,296	-
	Deposits made with banks due to mature within 12 months from the reporting date (net)	(298,430)	(4,080,809)
	Deposits received from banks due to mature after 12 months from the reporting date (net)	7,500,455	-
	Interest received	1,609,356	1,364,767
	Net cash generated used in investing activities	**(25,352,134)**	**(54,886,766)**
C.	**Cash flows from financing activities**		
	Proceeds from loans	-	170,000,000
	Repayment of loans	(44,870,269)	(124,379,635)
	Interest paid	(15,593,238)	(15,730,050)
	Repayment of preference shares capital	-	(20,000,000)
	Dividend paid	-	(20,000)
	Dividend distribution tax paid	-	(3,461)
	Net cash generated from financing activities	**(60,463,507)**	**9,866,854**
	Net decrease in cash and cash equivalents during the year (A+B+C)	**(17,283,524)**	**4,477,463**
	Effect of exchange rate changes on cash and cash equivalent held in foreign currency	-	

		For the year ended 31 March 2019	For the year ended 31 March 2017
D.	**Cash and cash equivalents at the beginning of the year**		
	Cash on hand	259,202	1,997,946
	Cash in transit	1,682,711	-
	Balance with banks:		
	-on current accounts	29,978,030	25,444,534
		31,919,943	**27,442,480**
E.	**Cash and cash equivalents as at the end of the year**		
	Cash on hand	223,435	259,202
	Cash in transit	4,134,292	1,682,711
	Balance with banks:		
	-on current accounts	10,278,692	29,978,030
		14,636,418	**31,919,943**

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.

Devyani Food Street Private Limited
Cash Flow Statement for the year ended 31 March 2019
(Figures in Rupees)

2. Changes in liabilities arising from financing activities

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance of loans:		
Indian rupee term loan		
-Term Loan (secured)	154,870,269	24,249,905
-Term Loan (unsecured)	20,000,000	105,000,000
- Preference shares (unsecured)	-	15,321,955
Cash flows		
Repayment of secured loans	(29,870,269)	(19,379,636)
Proceeds from secured loans	-	150,000,000
Repayment of Unsecured loans	(15,000,000)	(105,000,000)
Proceeds from Unsecured loans	-	20,000,000
Repayment of preference share	-	(20,000,000)
Non-cash changes		
Changes in loans received at amortisation cost	-	4,678,045
Closing balance of loans		
Indian rupee term loan		
-Term Loan (secured)	125,000,000	154,870,269
-Term Loan (unsecured)	5,000,000	20,000,000

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

Sumit Kathuria
Partner
Membership No.: 520078

Place: Gurugram
Date: 06|08|19

For and on behalf of the **Board of Directors of**
Devyani Food Street Private Limited

Virag Joshi
Director
DIN: 01821240

Sanjeev Arora
Director
DIN: 00009288

Pradeep Jain
Chief Financial Officer

Devyani Food Street Private Limited
Statement of Changes in Equity for the year ended 31 March 2019
(Figures in Rupees)

A. Equity share capital

		As at 31 March 2019		As at 31 March 2018	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	12	**8,909,000**	**89,090,000**	**8,909,000**	**89,090,000**
Balance at the end of the year		**8,909,000**	**89,090,000**	**8,909,000**	**89,090,000**

B. Other equity

	Note	Reserves and surplus			Other comprehensive income*	Total
		Promoter contribution in equity	Capial reserve	Retained earnings		
Balance as at 1 April 2017	13	**12,519,889**	**17,142,899**	**(130,021,603)**		(100,358,815)
Profit/ (loss) for the year				12,523,824		12,523,824
Other comprehensive income for the year (net of tax)					399,383	399,383
Total comprehensive income for the year		**12,519,889**	**17,142,899**	**(117,497,779)**	**399,383**	**(87,435,608)**
Transferred to retained earnings				399,383.00	(399,383)	-
Effect of redemption of preference shares capital		(12,519,889)	12,519,889			-
Dividend paid				(15,726)		(15,726)
Dividend distribution tax				(3,202)		(3,202)
Balance as at 31 March 2018		**-**	**29,662,788**	**(117,117,324)**	**-**	**(87,454,536)**
Balance as at 1 April 2018		-	29,662,788	(117,117,324)		(87,454,536)
Profit/(loss) for the year				(13,420,866)		(13,420,866)
Other comprehensive income for the year (net of tax)					(414,128)	(414,128)
Total comprehensive income for the year		**-**	**-**	**(13,420,866)**	**(414,128)**	**(13,834,994)**
Transferred to retained earnings				(414,128)	414,128	-
Balance as at 31 March 2019			**29,662,788**	**(130,952,317)**	**-**	**(101,289,530)**

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

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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 Food Street Private Limited**

Virag Joshi
Director
DIN: 01821240

Sanjeev Arora
Director
DIN: 00009288

Pradeep Jain
Chief Financial Officer

Place: Gurugram
Date: 06/05/19

Devyani Food Street Private Limited
Notes forming part of the financial statements for the year ended 31 March 2019
(Figures in Rupees)

1. Company Information / Overview
Devyani Food Street Private Limited (the 'Company') is a private limited company domiciled in India. The Company was incorporated on 07 September 2009 as a private limited company in India.The Company is a wholly owned subsidiary of Devyani International Limited with effect from 10 February 2015. The Company is in the business of 'restaurant service' and food catering at Indira Gandhi International Airport, Terminal-1 and Terminal-3.

2.1 Basis of preparation

(a) Statement of compliance
The financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The financial statements are prepared on accrual and going concern basis.

(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 28).

(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 (g) and 32 - measurement of defined benefit obligations : key actuarial assumptions.
Note 2.2 (a) - measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.
Note 2.2 (i) - judgement required to determine probability of recognition of deferred tax assets.
Note 2.2 (l) and 28 - fair value measurement of financial instruments
Note 2.2 (e) impairment assessment of non-financial assets : key assumptions underlying recoverable amount.
Note 2.2 (l) impairment assessment of financial assets.
Note 2.2 (o) and 28 - fair value measurement of financial guarantee contracts.
Note 2.2 (c) - judgement required to ascertain lease classification.
Note 2.2 (f) and 31 - 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.

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 the periods presented in these financial statements.

(a) Property, plant and equipment

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

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

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

The cost of improvements to leasehold premises, if recognition criteria are met, 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.

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)
Plant and equipment	9.68
Furniture and fixtures	5.00
Office equipments	5.00
Computers	3.00
Utensil and kitchen equipments*	5.00

* Included under the head Utensil and kitchen equipments.

Leasehold improvements and electrical fittings 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.

(ii) Other intangible assets

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

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

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 intangible assets is recognised in profit or loss, as incurred.

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)**
Computer software	2

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.

(b) 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.

(c) 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 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.

(d) 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.

(e) 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.

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.

NEW DELHI

(f) Provisions and contingent liabilities

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

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

(g) 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.

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.

(h) 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.

(i) 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.

Deferred tax

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

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

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

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

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

(j) 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.

(k) Revenue recognition

With effect from 01 April 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers' using cumulative effect method which does not require comparative information to be restated in the financial statements. The standard is applied retrospectively only to contracts that were not completed as at the date of initial application (i.e. 01 April 2018). There is no impact on retained earnings as at 01 April 2018. Moreover, the application of Ind AS 115 did not have any impact on recognition and measurement of revenue from operations and other related items in the financial statements of the Company.

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

Sale of products

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

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

Service income and management fee

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

Interest income

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

Rental income

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

(l) 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)

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.

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.

Compound financial instruments

Compound financial instruments comprise Redeemable Preference Shares (RPS) allotted to the holding company.

The financial liability component of RPS is initially recognised at fair value.The difference between the fair value of the compound financial instrument as a whole and the fair value of the financial liability component is initially recognised as capital reserve.

(m) 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 options granted to employees.

(n) Current–non-current classification

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

• 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.

(o) 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.

(p) Cash and cash equivalents

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

(q) Segment reporting

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.

(r) Expenditure

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

(s) 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 up to two decimal places, unless otherwise stated.

(t) Recent accounting pronouncements

Devyani Food Street Private Limited
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Standards issued but not yet effective

(u) Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, *Leases*. Ind AS 116 will replace the existing leases standard, Ind AS 17, *Leases*. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use (ROU) asset representing its right to use the underlying asset on lease and a lease liability representing its obligation to make lease payments. The new leases standard is applicable from 01 April 2019.

The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (i.e. 01 April 2019). Accordingly, the Company will not restate comparative information; instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on 01 April 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 01 April 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company has elected certain available practical expedients on transition to Ind AS 116.

The nature of expenses presently presented under "Rent" under the head "Other expenses" as per Ind AS 17, will now be presented as per Ind AS 116 in the form of:

• Amortization charge for the ROU asset

• Finance cost from interest accrued on lease liability

Further, there will be consequent reclassification in the cash flow categories in the Cash Flow Statement.

Primarily, certain stores and office premises, which are taken on operating lease will now be capitalised under Ind AS 116.
The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment of the quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 12, Income taxes
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 109, Financial Instruments

Devyani Food Street Private Limited
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3 Property, plant and equipment

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fitting	Office equipment	Computers	Utensil and kitchen equipment	Total (A)
Gross Value								
Balance as at 31 March 2017	84,368,629	50,988,375	13,881,738	9,289,872	12,262,494	1,140,264	-	171,931,373
Additions during the year	15,003,408	19,111,776	3,507,374	1,790,870	8,602	1,142,135	-	40,564,164
Disposals during the year	(3,950,072)	-	-	-	-	-	-	(3,950,072)
Balance as at 31 March 2018	95,421,965	70,100,151	17,389,112	11,080,743	12,271,096	2,282,399	-	208,545,465
Additions during the year	18,948,724	3,554,600	2,385,598	599,853	3,032,632	1,566,541	820,689	30,908,637
Disposals during the year	-	-	-	-	(288,675)	-	-	(288,675)
Balance as at 31 March 2019	114,370,689	73,654,750	19,774,710	11,680,596	15,015,053	3,848,941	820,689	239,165,428
Accumulated depreciation and impairment								
Balance as at 31 March 2017	18,148,805	8,757,506	3,119,293	1,646,170	2,092,503	360,363	-	34,124,640
Depreciation for the year	19,650,238	9,363,297	3,298,657	1,892,483	2,515,309	587,908	-	37,307,892
Disposals during the year	(1,458,517)	-	-	-	-	-	-	(1,458,517)
Balance as at 31 March 2018	36,340,526	18,120,803	6,417,950	3,538,653	4,607,812	948,271	-	69,974,015
Depreciation for the year	16,886,981	7,004,159	3,599,265	1,455,910	2,607,287	718,706	163,258	32,435,566
Disposals during the year	-	-	-	-	(288,675)	-	-	(288,675)
Balance as at 31 March 2019	53,227,508	25,124,962	10,017,215	4,994,563	6,926,423	1,666,977	163,258	102,120,905
Carrying amount (net)								
Net carrying value as at 31 March 2018	**59,081,439**	**51,979,347**	**10,971,162**	**7,542,090**	**7,663,284**	**1,334,128**	-	**138,571,451**
Net carrying value as at 31 March 2019	**61,143,182**	**48,529,788**	**9,757,495**	**6,686,033**	**8,088,629**	**2,181,963**	**657,431**	**137,044,522**

Note : For details regarding charge on property, plant and equipment (Refer to Note 14)

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Devyani Food Street Private Limited
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4. Intangible assets

Particulars	Computer software	Total
Balance as at 31 March 2017	7,675,526	7,675,526
Other additions during the year	396,616	396,616
Disposals during the year		-
Balance as at 31 March 2018	8,072,142	8,072,142
Other additions during the year		-
Disposals during the year		-
Balance as at 31 March 2019	8,072,142	8,072,142
Accumulated amortisation and impairment losses		
Balance as at 31 March 2017	7,673,517	7,673,517
Amortisation for the year	150,332	150,332
Disposals during the year		-
Balance as at 31 March 2018	7,823,850	7,823,850
Amortisation for the year	198,308	198,308
Disposals during the year		-
Balance as at 31 March 2019	8,022,158	8,022,158
Carrying amount (net)		
Balance as at 31 March 2018	248,292	248,292
Balance as at 31 March 2019	49,984	49,984

5. Loans
(Unsecured, considered good, unless otherwise stated)

	Non-current portion		Current portion	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Security deposits	57,223,220	46,383,471	1,880,000	1,895,000
	57,223,220	46,383,471	1,880,000	1,895,000

6. Other financial assets
(Unsecured considered good, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Bank deposits (due for maturity after 12 months from the reporting date)^	12,957,050	20,457,505	-	-
Interest accrued but not due on bank deposits	1,955,320	1,703,408	-	-
	14,912,370	22,160,913	-	-

^Pledged as security with banks for obtaining bank guarantee.

7. Other assets
(Unsecured considered good, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Capital advances	645,968	4,214,144	-	-
Prepaid expenses	-	2,259,013	10,754,770	8,402,595
Deferred rent	19,305,573	29,156,038	5,402,136	
Balance with statutory/government authorities	-	-	306,122	1,322,739
Advances to employees	-	-	347,572	266,623
Advance to suppliers	-	-	3,152,317	5,930,946
	19,951,541	35,629,195	19,962,917	15,922,904

8. Inventories
(Valued at lower of cost and net realisable value)

	As at 31 March 2019	**As at 31 March 2018**
Raw materials including packaging materials	23,329,003	16,780,119
	23,329,003	16,780,119

9. Trade receivables
(Unsecured considered good, unless otherwise stated)

	As at 31 March 2019	**As at 31 March 2018**
Trade receivables		
- Considered good	36,506,497	23,138,303
- Considered doubtful	2,086,685	96,611
	38,593,181	23,234,914
Less: Impairment allowances for credit losses	(2,086,685)	(96,611)
	36,506,497	23,138,303

10. Cash and cash equivalents

	As at 31 March 2019	**As at 31 March 2018**
Balance with banks :		
- On current accounts	10,278,692	29,978,030
Cash on hand	223,435	259,202
Cash in transit	4,134,292	1,682,711
	14,636,418	31,919,943

11. Bank balances other than cash and cash equivalents

	As at 31 March 2019	**As at 31 March 2018**
Other bank balances*		
- On deposit account	298,430	-
	298,430	-

*Pledged as security with banks for the issuance of bank guarantee.

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12. Share capital

	As at 31 March 2019	As at 31 March 2018
Authorised		
10,500,000 (previous year : 10,500,000) equity shares of Rs. 10 each	105,000,000	105,000,000
3,000,000 (previous year : 3,000,000) preference shares of Rs. 10 each	30,000,000	30,000,000
	135,000,000	**135,000,000**
Issued, subscribed and paid -up		
8,909,000 (previous year: 8,909,000) equity shares of Rs. 10 each	89,090,000	89,090,000
	89,090,000	**89,090,000**

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

	As at 31 March 2019	As at 31 March 2018
Equity shares issued, subscribed and paid up		
At the beginning of the year	89,090,000	89,090,000
At the end of the year	**89,090,000**	**89,090,000**

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.

	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
c) Shares held by holding/ultimate holding company and/or their subsidiaries/associates				
Equity shares of Rs. 10 each fully paid-up held by:				
Devyani International Limited	8,908,900	99.99%	8,908,900	99.99%
	8,908,900		**8,908,900**	
d) Particulars of shareholders holding more than 5% shares in the Company				
Equity shares of Rs. 10 each fully paid-up held by:				
Devyani International Limited	8,908,900	99.99%	8,908,900	99.99%
	8,908,900		**8,908,900**	

e) The company has not issued any shares for consideration other than cash or bonus shares during the last preceding five years.

13. Other equity

a Reserve and Surplus

	As at 31 March 2019	As at 31 March 2018
Capital reserve	29,662,788	29,662,788
Retained Earnings	(130,952,317)	(117,117,324)
Total	**(101,289,530)**	**(87,454,536)**

(i) Capital Reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	29,662,788	17,142,899
Effect of redemption of preference shares capital	-	12,519,889
Balance at the end of the year	**29,662,788**	**29,662,788**

(ii) Retained Earnings

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	(117,117,324)	(130,021,603)
Add: Profit /(Loss) for the year	(13,420,866)	12,523,824
Add: Transferred from other comprehensive income - Remeasurement of defined benefit plans (net of tax)	(414,128)	399,383
Less: Dividend paid and tax there on	-	(18,928)
Balance at the end of the year	**(130,952,317)**	**(117,117,324)**

Devyani Food Street Private Limited
Notes forming part of the financial statements for the year ended 31 March 2019
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b Other comprehensive income - Remeasurement of defined benefit plan (net of tax)

	As at 31 March 2019	As at 31 March 2018
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 32)	(414,128)	399,383
Transferred to retained earnings	414,128	(399,383)
Balance at the end of the year	-	-

14. Borrowings	Non-current portion		Current portion*	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Term loans (secured) from Bank				
Indian rupee term loan	100,000,000	125,000,000	25,000,000	29,870,269
Term loans (Unsecured) from holding company				
Indian rupee term loan	-	10,000,000	5,000,000	10,000,000
	100,000,000	135,000,000	30,000,000	39,870,269

*Current portion has been included in 'Other current financial liabilities' Refer to Note 15.

Terms of Loan	Remaining contractual liability as at respective reporting date	As at 31 March 2019	As at 31 March 2018
The term loan amounting to Rs. 150,000,000 was taken from Yes Bank Limited during the year ended 31 March 2018. The interest rate applicable is 10% p.a (previous year 9.5%p.a). payable monthly. The tenure of the loan is 84 months. The term loan is secured by : First pari passu charge over entire movable fixed assets and current assets of the company. Unconditional and irrevocable corporate gaurantee of Devyani International Limited. Non Disposable Undertaking (NDU) from Devyani International Limited for its shareholding in the Company.	The term loan is repayable in 20 equal quarterly installments as mentioned below. - 4 installments during 2019-20- Rs. 6,250,000 each - 4 installment during 2020-21- Rs. 6,250,000 each - 4 installment during 2021-22- Rs. 6,250,000 each each - 4 installment during 2022-23- Rs.6,250,000 each each - 4 installment during 2023-24- Rs. 6,250,000 each each Period of maturity from the balance sheet date is 60 months (previous year 72 months).	125,000,000	150,000,000
The term loan amounting to Rs. 130,000,000 was taken from Yes Bank Limited during the year ended 31 March 2012. The interest rate applicable is Yes Bank base rate + 1.75% payable monthly. The tenure of the loan is 84 months. (i) Rs. 90,000,000 taken in first tranche (a)Exclusive charge on receivables of the Company through an escrow account maintained with the Bank. (b)The Company has to maintain a Debt Service Reserve Account (DSRA) of one quarter interest and principal repayment amount. (ii) Rs. 40,000,000 taken in second tranche (a)Exclusive charge on receivables of the Company through an escrow account maintained with the Bank. (b)Non Disposable Undertaking (NDU) from Devyani International Limited for 60% shareholding in the Company. (c)Escrow receivables of the Company. (d)Corporate guarantee of Devyani International Limited amounting to Rs. 140,000,000. (e)The Company has to maintain a Debt Service Reserve Account (DSRA) of one quarter interest and principal repayment amount. Note : The outstanding balance of borrowings is net of unamortised transaction cost of Rs. Nil (previous year : Rs. 10,684/-)	The term loan is repayable in 1 quarterly installments as mentioned below. - 1 installments during 2018-19- Rs. 4,880,953. The loan was fully repaid during the year.	-	4,870,269

Unsecured loan from Holding Company (Devyani International Limited) amounting to Rs. 20,000,000/-
(i) Interset rate of loan is 10%(previous year:10%) per annum
(ii)The unsecured loan is repayable in 4 equal quarterly installments of Rs. 5,000,000 each. The repayment commenced from 15 July 2018 and upto 15 April 2019. Period of maturity from the balance sheet date is 1 month.

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15. Other financial liabilities

	Non-current portion		Current portion	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Current portion of long-term borrowings	-	-	30,000,000	39,870,269
Security deposits payable	4,392,301	1,933,541	2,338,119	447,219
Interest accrued but not due on borrowings	-	-	1,113,015	1,268,946
Capital creditors	-	-	3,036,230	2,752,227
	4,392,301	**1,933,541**	**36,487,364**	**44,338,661**

16. Provisions

	Non-current portion		Current portion	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits				
Gratuity (Refer to Note 32)	4,770,194	5,052,315	1,709,387	86,608
Compensated absences	3,238,869	2,522,773	1,224,708	110,528
	8,009,063	7,575,088	2,934,095	197,136

17. Other liabilities

	As at 31 March 2019	As at 31 March 2018
Advances from customers	2,100,922	2,582,832
Deferred income	555,026	401,015
Statutory dues		
GST payable	3,602,455	4,187,038
VAT payable	1,602,563	3,002,693
TDS payable	6,100,834	3,971,702
Other statutory dues	1,536,409	1,290,471
Employee related payables	9,549,801	24,906,965
	25,048,010	40,342,716

18. Trade payables

	As at 31 March 2019	As at 31 March 2018
- Related parties (Refer to Note 30)	148,770,135	77,057,900
- Micro and small enterprises (Refer to Note below)	324,147	-
- Other trade payables	67,938,513	71,032,208
	217,032,795	148,090,108

The company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 28.

Dues to micro and small enterprises

Particulars	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	324,147	-
- Interest	3,411	-
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.	515,211	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed	3,159	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	3,411	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	3,411	-

19. Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
Finished goods	1,005,579,503	991,824,090
Other operating revenues		
Marketing and other support services	4,570,030	10,593,996
	1,010,149,533	1,002,418,086

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20. Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income under effective interest method from:		
-bank deposits	1,096,514	1,660,622
-others	764,754	-
Interest income from financial assets at amortized cost	5,332,064	4,079,996
Other non-operating income :		
-Liabilities no longer required written back	12,675,609	5,231,000
-Rental income	323,440	438,760
-Gain on disposal of property plant and equipment (net)	29,296	-
-Gain on foreign currency transactions (net)	531,935	-
-Commission Income	-	1,115,819
	20,753,611	12,526,198

21. Cost of materials consumed

	For the year ended 31 March 2019	For the year ended 31 March 2018
Raw material and packing material consumed		
Inventories at the beginning of the year	16,780,119	20,040,743
Add: Purchases during the year (net)	300,058,730	274,385,776
Less: Inventories at the end of the year	23,329,003	16,780,119
	293,509,846	277,646,400

22. Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	130,335,151	122,269,790
Contribution to provident and other funds	9,036,472	9,195,232
Expenses related to post- employment defined benefit plan	1,530,144	1,788,111
Employee stock option scheme expenses (Refer to Note 36)	2,521,580	550,256
Staff welfare expenses	744,346	1,133,717
	144,167,693	134,937,106

23. Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expenses		
Interest on borrowings measured at amortised cost	13,735,670	15,370,765
Interest accretion on financial liabilities measured at amortised cost	336,210	1,558,728
Others	1,365,428	1,383,013
	15,437,307	18,312,507

24. Depreciation and amortisation expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment (Refer to Note 3)	32,435,566	37,307,892
Amortisation of intangible assets (Refer to Note 4)	198,308	150,332
	32,633,874	37,458,224

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Notes forming part of the financial statements for the year ended 31 March 2019
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25. Other expenses	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	41,971,432	38,594,785
Rent (Refer to Note 29)	285,738,700	264,245,085
Repairs and maintenance		
-Plant and equipment	6,016,486	3,761,199
- Buildings	32,436,321	33,463,856
-Others	7,728,027	6,966,642
Rates and taxes	11,343,816	8,768,436
Travelling and conveyance	3,572,793	2,701,965
Legal and professional	9,711,883	10,306,629
Auditor's remuneration (Refer to Note below)	295,000	295,000
Water charges	6,744,525	3,731,128
Management fee	58,724,355	55,381,190
Insurance	1,598,796	1,414,137
Printing and stationery	412,020	987,072
Communication	207,683	1,890,408
Directors' sitting fee	-	436,800
Security and service charges	11,028,752	13,729,048
Bank charges	2,047,599	1,250,085
Advertisement and sales promotion	13,399,698	14,649,976
Commission and brokerage	9,036,545	8,599,294
Credit card commission and cash pickup charges	4,760,152	4,949,397
Royalty and continuing fee	41,859,605	38,876,232
Delivery vehicle running and maintenance	153,780	164,555
Loading and unloading charges	636,561	81,440
Allowance for doubtful debts	2,086,685	-
Loss on disposal of property plant and equipment (net)	-	2,491,555
Loss on extinguishment of financial instrument	-	3,324,861
General office and other miscellaneous expenses	1,934,685	798,049
	553,445,900	521,858,824

Note - Auditor's remuneration	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
Statutory audit	295,000	295,000
Tax matters	-	-
Others matters	-	-
	295,000	295,000

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Notes forming part of the financial statements for the year ended 31 March 2019
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26. Income Tax

(a) Amounts recognised in the Statement of Profit and Loss comprises:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax:		
Current tax	2,868,753	19,077,047
Deferred tax expense:		
Attributable to origination and reversal of temporary differences	2,260,637	(6,869,649)
	5,129,390	12,207,398

(b) Income tax recognised in other comprehensive income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Income tax relating to remeasurement of defined benefit plans	(159,615)	197,245
	(159,615)	197,245

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(Loss) before tax	(8,291,476)	24,731,222
Statutory income tax rate	27.82%	33.06%
Tax using the Company's domestic tax rate -27.82% (previous year: 33.06%)	(2,306,689)	8,176,884
Rate change impact on deferred tax *	4,557,127	(197,246)
Adjustment in respect of income tax pertaining to previous years	2,868,753	4,077,047
Others	10,199	150,713
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	5,129,390	12,207,398

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

(d) Income tax assets and Income tax liabilities:

	As at 31 March 2019	As at 31 March 2018
Advance tax [net of provision of tax Rs. Nil and (previous year: Rs. 15,000,000)]	27,328,260	15,781,165
	27,328,260	15,781,165

(e) Deferred tax assets/liabilities

Deferred tax assets

	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets / (liabilities)	
	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19
Property, plant and equipment and intangible assets (net)	22,784,553	20,647,918	-	-	22,784,553	20,647,918
Employee related provisions and liabilities	6,483,410	4,831,701	-	-	6,483,410	4,831,701
Financial assets at amortised cost	1,407,222	1,295,545	-	-	1,407,222	1,295,545
Financial liabilties at amortised cost	-	-	(25,169)	(14,654)	(25,169)	(14,654)
Share based payment	-	1,060,686	-	-	-	1,060,686
Others	31,942	580,516	-	-	31,942	580,516
Unabsorbed depreciation	-	179,224	-	-	-	179,224
	30,707,127	28,595,590	(25,169)	(14,654)	30,681,958	28,580,936

Deferred tax liabilities	(25,169)	(14,654)
Deferred tax assets	30,707,127	28,595,590
Deferred tax assets recognised	30,681,958	28,580,936

(f) Movement of deferred tax assets/liabilities

	As at 31-Mar-17	Movement	As at 31-Mar-18	Movement	As at 31-Mar-19
Property, plant and equipment and intangible assets (net)	18,578,908	4,205,645	22,784,553	(2,136,635)	20,647,918
Employee related provisions and liabilities	5,700,956	782,454	6,483,410	(1,651,709)	4,831,701
Financial assets at amortised cost	5,982,365	(4,575,143)	1,407,222	(111,677)	1,295,545
Financial liabilties at amortised cost	(6,284,616)	6,259,447	(25,169)	10,515	(14,654)
Others	31,942	-	31,942	548,574	580,516
	24,009,555	6,672,403	30,681,958	(2,101,022)	28,580,936

27. Earnings / (loss) per share (EPS)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit / (Loss) attributable to equity	(13,420,866)	12,523,824
Weighted average number of equity shares for the calculation of basic EPS	8,909,000	8,909,000
Basic earnings / (loss) per share (Rs.)	(1.51)	1.41
Diluted earnings / (loss) per share (Rs.)	(1.51)	1.41
Nominal value per shares (Rs.)	10	10

28. 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 2019

		Carrying value				Fair value measurement using		
Particulars	**Note**	**Fair value through profit and loss ('FVTPL')**	**Fair value through other comprehensive income ('FVOCI')**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets								
Non current								
(i) Loans	5	-	-	57,223,220	57,223,220	-	-	57,223,220
(ii) Other financial assets	6	-	-	14,912,370	14,912,370	-	-	-
Current								
(i) Trade receivables*	9	-	-	36,506,497	36,506,497	-	-	-
(ii) Cash and cash equivalents*	10	-	-	14,636,418	14,636,418	-	-	-
(iii) Bank balances other than cash and cash equivalents, above *	11	-	-	298,430	298,430			
(iv) Loans	5	-	-	1,880,000	1,880,000	-	-	1,880,000
Total		-		**125,456,936**	**125,456,936**	-	-	
Financial liabilities								
Non current								
(i) Borrowings#	14	-	-	100,000,000	100,000,000	-	-	100,000,000
(ii) Other financial liabilities	15	-	-	4,392,301	4,392,301	-	-	4,392,301
Current								
(i) Trade payables*	18	-	-	217,032,795	217,032,795			
(ii) Other financial liabilities	15	-	-					
Current portion of long-term borrowings#		-	-	30,000,000	30,000,000	-	-	30,000,000
Security deposits payable		-	-	2,338,119	2,338,119	-	-	2,338,119
Interest accrued but not due on borrowings#		-	-	1,113,015	1,113,015	-	-	-
Capital creditors*		-	-	3,036,230	3,036,230			
Total		-	-	**357,912,460**	**357,912,460**	-	-	

(ii) As on 31 March 2018

		Carrying value				Fair value measurement using		
Particulars	**Note**	**Fair value through profit and loss ('FVTPL')**	**Fair value through other comprehensive income ('FVOCI')**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets								
Non current								
(i) Loans	5	-	-	46,383,471	46,383,471	-	-	46,383,471
(ii) Other financial assets*	6	-	-	22,160,913	22,160,913			
Current								
(i) Trade receivables*	9	-	-	23,138,303	23,138,303			
(ii) Cash and cash equivalents*	10	-	-	31,919,943	31,919,943			
(iii) Bank balances other than cash and cash equivalents, above *	11	-	-	-	-			
(iv) Loans	5	-	-	1,895,000	1,895,000	-	-	1,895,000
Total		-	-	**125,497,630**	**125,497,630**			
Financial liabilities								
Non current								
(i) Borrowings#	14	-	-	135,000,000	135,000,000	-	-	135,000,000
(ii) Other financial liabilities	15	-	-	1,933,541	1,933,541	-	-	1,933,541
Current								
(i) Trade payables*	18	-	-	148,090,108	148,090,108			
(ii) Other financial liabilities	15							
Current portion of long-term borrowings#		-	-	39,870,269	39,870,269	-	-	39,870,269
Security deposits payable		-	-	447,219	447,219	-	-	447,219
Interest accrued but not due on borrowings#		-	-	1,268,946	1,268,946	-	-	-
Capital creditors*		-	-	2,752,227	2,752,227			
Total		-	-	**329,362,310**	**329,362,310**			

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 paybles. capital creditors and 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 2019 and 31 March 2018.

b. Financial risk management

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

- Credit risk ;
- Liquidity risk ,
- 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 2019	As at 31 March 2018
(i) Loans	59,103,220	48,278,471
(ii) Trade receivables	36,506,497	23,138,303
(iii) Cash and cash equivalents	14,636,418	31,919,943
(iv) Bank balances other than above	298,430	-
(v)Other financial assets (current and non-current)	14,912,370	22,160,913

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. Such deposits will be returned to the Company on vacation of the premises or termination of the agreement whichever is earlier.

The exposure to the credit risk at the reporting date is primarily from security deposit receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers. Trade receivables also includes receivables from credit card companies which are realisable within fortnightly. The Company does monitor the economic enviionment 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.

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 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 2019	As at 31 March 2018
Not due	-	-
1-90 days past due	25,865,465	14,649,006
91 to 180 days past due	691,974	800,634
More than 180 days past due *	12,035,743	7,785,274
	38,593,181	23,234,914

* The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior.

Movement in the allowance for impairment in respect of trade receivables	For the year 31 March 2019	For the year 31 March 2018
Balance at the beginning of the year	(96,611)	(96,611)
Provision written back during the year	96,611	-
Impairment allowances for doubtful receivables	2,086,685	-
Balance at the end of the year	2,086,685	(96,611)
The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2019 and 31 March 2018 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. 14,934,848/- (31 March 2018: Rs. 31,919,943/-), anticipated future internally generated funds from operations and its fully available, and other current assets (financial and non financial) of Rs. 81,678,416/- (31 March 2018: Rs. 57,736,326) will enable it to meet its future known obligations in the ordinary course of business.

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.

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 2019

Particulars	Carrying amount	Contractual cash flows				
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Borrowings including current portion	130,000,000	17,500,000	12,500,000	100,000,000	-	130,000,000
Trade payables	217,032,795	67,938,513	149,094,282	-	-	217,032,795
Security deposits payable	7,338,119	800,000	1,538,119	5,000,000	-	7,338,119
Interest accrued but not due on borrowings	1,113,015	1,113,015	-	-	-	1,113,015
Capital Creditors	3,036,230	3,036,230	-	-	-	3,036,230
	358,520,159	90,387,758	163,132,401	105,000,000	-	358,520,159

As at 31 March 2018

Particulars	Carrying amount	Contractual cash flows				
		Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Borrowings including current portion	174,870,269	29,870,269	100,000,000	25,000,000	-	154,870,269
Trade payables	148,090,108	149,440,108	-	-	-	149,440,108
Security deposits payable	2,847,219	-	447,219	2,400,000	-	2,847,219
Interest accrued but not due on borrowings	1,268,946	1,268,946	-	-	-	1,268,946
Capital Creditors	2,752,227	2,752,227	-	-	-	2,752,227
	329,828,769	183,331,550	100,447,219	27,400,000	-	311,178,769

(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 2019**	**As at 31 March 2018**
Indian rupee term loan	5,000,000	20,000,000

Variable - rate instruments	**As at 31 March 2019**	**As at 31 March 2018**
Indian rupee term loan	125,000,000	154,870,269

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%**	**Decrease by 1%**
Increasse / (decrease) in profit or loss and other euity for the year ended 31 March 2019	(1,250,000)	1,250,000
Increasse / (decrease) in profit or loss and other euity for the year ended 31 March 2018	(1,548,703)	1,548,703

29. Operating leases

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

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Payable within one year	256,997,940	228,564,150
Payable between one and five years	617,584,350	734,132,705
Payable after five years	46,816,528	187,266,113
Total	**921,398,818**	**1,149,962,968**

Devyani Food Street Private Limited
Notes forming part of the financial statements for the year ended 31 March 2019
(Figures in Rupees)

30. Related party disclosures

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

Parent and Ultimate Controlling Party:
RJ Corp Limited (Ultimate Controlling Party)
Devyani Internatioal Limited (Parent Company)

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

(a) Parent Company:
Devyani International Limited

(b) Key management personnel:
Mr. Raj. P. Gandhi- Director
Mr. Virag Joshi- Director
Mr. Sanjeev Arora - Director (wef 18 Jan 2019)
Mr. Som Nath Chopra - Director (from 06 April 2018 till 16 December 2018)
Mr. Arjun Dass Verma - Chief Financial Officer and Director (till 06 April 2018)
Mr. Sunil Khanna- Director (upto 15 March 2018)
Mr. Lalit Yadav - Company Secretary (till 18 March 2019)
Mr. Pradeep Jain - Chief Financial Officer (from 22 November 2018)

(c) 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

(III) Transactions with related parties during the year ended 31 March 2019 and 31 March 2018

Description	Key managerial personnel		Parent Company		Entities controlled by Parent or ultimate controlling party	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Compensation to key managerial personnel						
Remuneration	7,310,524	11,871,024	-	-	-	-
Shares based payments	2,521,580	504,822	-	-	-	-
Devyani International Limited						
Management Fees	-	-	49,961,075	49,591,458	-	-
Purchases	-	-	82,302,519	65,324,761	-	-
Royalty	-	-	15,836,269	14,860,655	-	-
Freight	-	-	-	646,800	-	-
Purchase of property, plant and equipment	-	-	457,069	4,578,869	-	-
Finance cost (Interest paid)	-	-	1,328,768	1,383,013	-	-
Guarantee commission	-	-	3,891,385	3,600,000	-	-
Rent	-	-	2,400,000	2,400,000	-	-
Dividend paid on preference share capital	-	-	-	35,726	-	-
Reimbursement of expenses paid on our behalf	-	-	-	888,660	-	-
Expenses incurred by us on behalf of Other Party	-	-	-	35,350	-	-
SVS India Private Limited						
Rent Expenses	-	-	-	-	12,000	12,000
Devyani International Limited						
Loan taken	-	-	-	20,000,000	-	-
Loan repaid	-	-	15,000,000	105,000,000	-	-
Redemption of preference share capital	-	-	-	20,000,000	-	-
Balance outstanding as at the year end:						
Devyani International Limited						
Borrowings	-	-	5,000,000	20,000,000	-	-
Payables	-	-	144,957,462	74,416,807	-	-
Employee stock option expense payable			3,812,673	1,291,093		

31. Contingent liabilities and commitments
(to the extent not provided for)

	As at 31 March 2019	As at 31 March 2018
Contingent liabilities:		
(a) Claims against the Company not acknowledged as debts-:		
-Claims made by Sales tax authorities	1,408,464	3,641,308
-Claims made by Income tax authorities	149,990	1,221,522
- Claims made by Service tax authorities	4,094,432	-
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	911,684

Devyani Food Street Private Limited
Notes forming part of the financial statements for the year ended 31 March 2019
(Figures in Rupees)

32. Employee benefits

Defined contribution plans

An amount of Rs. 9,036,472/- (previous year: Rs. 9,195,232/-) 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.

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

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation as at beginning of the year	5,138,923	5,624,673
Interest cost	400,836	413,413
Current service cost	1,129,308	1,374,698
Benefits paid	(763,229)	(1,677,233)
Actuarial (Gain)/Loss recognised in other comprehensive income	573,743	(596,628)
Present value of obligation as at end of year	**6,479,581**	**5,138,923**

ii. Acturial 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 2019	31 March 2018
Discounting rate	6.52%	7.80%
Future salary increase	8.00%	6.00%

B. Demographic assumptions

Particulars	31 March 2019	31 March 2018
i) Retirement age (years)	58	58
ii) Mortality table	IALM (2006 - 08)	IALM (2006 - 08)
iii) Ages	**Withdrawal rate per annum(%)**	**Withdrawal rate per annum(%)**
Up to 30 years	51	3
From 31 to 44 years	26	2
Above 44 years	38	1

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

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employee benefit expenses:		
(a) Current service cost	1,129,308	1,374,698
(b) Interest cost	400,836	413,413
	1,530,144	**1,788,111**

(b) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial gain/(loss) on defined benefit obligation	(573,743)	596,628
	(573,743)	596,628
Expense recognised in the Statement of Profit and Loss	2,103,887	1,191,483

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of obligation as at the end of the year	6,479,581	5,138,923
Present value of obligation as at the beginning of the year	(5,138,923)	(5,624,673)
Benefits paid	763,229	1,677,233
Expenses recognised in the statement of Profit or Loss	2,103,887	1,191,483

v. 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-19	1,709,387	74,201	245,365	4,450,628
31-Mar-18	86,608	73,229	256,764	4,722,322

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

Particulars	As at 31 March 2019	As at 31 March 2018
Current liability (amount due within one year)	1,709,387	86,608
Non-current liability (amount due over one year)	4,770,194	5,052,315
	6,479,581	5,138,923

vii. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions as at 31 March 2019 is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018
a) Impact due to increase of 1%	(187,492)	(639,153)
b) Impact due to decrease of 1%	191,434	804,502

Impact of the change in salary increase on defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018
a) Impact due to increase of 1%	186,111	811,160
b) Impact due to decrease of 1%	(184,100)	(675,042)

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 is discount yield will increase plan liabilities
Mortality table: The gratuity plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in a increase in plan liabilities.

33. 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 2019 and 31 March 2018 are as follows:

Information about geographical area - Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Food and Beverage Segment		
- (i) Domestic	1,010,149,533	1,002,418,086
'(ii) International	-	-
b. Other Income	20,753,611	12,526,198
Total	**1,030,903,144**	**1,014,944,284**

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

34. Employee stock option Plan (ESOP) issued by holding company :

A. Description of share-based payment arrangements in Holding Company:

i. Share option plans (equity settled)

The ESOP 2011 plan was approved by the Board of Directors on 20 September 2011 and by the shareholders on 20 December 2011. The plan was amended subsequently and amendment was approved by shareholders on 18 May 2012. The plan entitles key management personnel and senior employees of the Company and subsidiaries to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs. 111.17, which is 19.27% above the market price at the date of grant, i.e. 19 May 2012.
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 ESOP 2011 plan. Holders of such vested options are entitled to purchase one equity share for every option at an exercise price of Rs 111.17, which is lower than the market price as on the date of the grant.
A resolution was passed in the Board of Directors meeting held on 21 September 2018 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 306.12. The options were granted on the dates as mentioned in the table below:

In the event of a grantee disassociating from the Company due to superannuation or retirement at the instance of or with the consent of the Company, the grantee will continue to hold all vested options and can exercise at any time within the exercise period. Unvested options shall vest in such grantee as on the date of superannuation or retirement at the instance of or with the consent of the company, as the case may be provided, the holding of vested options and vesting of unvested options will be permissible only if the grantee does not enter into competition/or is employed by a competitor. In the event that the Company finds that such grantee has entered into competition/or is employed by Competitor, the Company may its sole discretion cancel all options vested or unvested not exercised and held by the grantee.

Share-based payment expense of employees related to the Company.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Expense recognised in 'employee benefits'		
Shares based payment	2,521,580	550,256
	2,521,580	550,256

35. 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 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.

Debt Equity Ratio:

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings	100,000,000	135,000,000
Current portion of long-term borrowings	30,000,000	39,870,269
Total Debt (A)	**130,000,000**	**174,870,269**
Equity share capital	89,090,000	89,090,000
Other equity	(101,289,530)	(87,454,536)
Total Equity (B)	**(12,199,530)**	**1,635,464**
Debt equity ratio (C= A/B)	**-1065.61%**	**10692.40%**

36. In the opinion of the Board of Directors, current assets, loans and advances have a value on realisation in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.

37. Balances of certain debtors, creditors, loans and advances are subject to confirmation.

38. Going Concern: The accounts of the company are prepared on a going concern basis irrespective to the fact that as at 31 March 2019, the company has accumulated losses amounting to Rs. 130,952,317 and the company's current liabilities exceeded its current assets by Rs. 184,889,000. Based on the future projections and profitability of the company provided by the management it is evident that the company will be able to finance operations and that the realization of assets and settlement of liabilities will occur in the ordinary course of business. Further the parent company have given the undertaking to continue to fund the company whenever required.

As per our report of even date attached

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 Food Street Private Limited

Virag Joshi
Director
DIN: 01821240

Sanjeev Arora
Director
DIN: 00009288

Pradeep Jain
Chief Financial Officer

Place: Gurugram
Date: 06/08/19